Annual financial statements 2018

STRENGTH BEYOND

SOUTH AFRICA DRC BOTSWANA ZIMBABWE RWANDA ETHIOPIA SOUTH AFRICA DRC BOTSWANA ZIMBABW

CONTENTS

Strength beyond

- It is the strength of our name and our promise to our customers, stakeholders, staff and communities
- It is the strength of our guarantee. The integrity placed behind every purchase, every interaction; the knowledge that, when you buy PPC, you too place your trust and name on our word
- It is the strength of purposeful partnerships. Partnerships with organisations that will help foster growth in our environment and help improve our societies

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This icon indicates additional information available on the group's website **www.ppc.co.za**

CORPORATE INFORMATION

PPC Ltd

(Incorporated in the Republic of South Africa)
(Company registration number 1892/000667/06)
JSE code: PPC
JSE ISIN: ZAE 000170049
ZSE code: PPC

Directors

PJ Moleketi (Chairman), JT Claassen (CEO), AC Ball, S Dakile-Hlongwane, N Gobodo, N Goldin, MF Gumbi, TJ Leaf-Wright, NL Mkhondo, T Moyo*, CH Naude, MMT Ramano, IS Sehoole
*Zimbabwean

Registered office

148 Katherine Street, Sandton, South Africa
(PO Box 787416, Sandton 2146, South Africa)

Transfer secretaries

Computershare Investor Services Pty Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank
(PO Box 61051, Marshalltown 2107, South Africa)

Transfer secretaries Zimbabwe

Corpserve Pvt Limited
4th Floor, Intermarket Centre, Corner 1st Street/Kwame Nkrumah Avenue, Harare, Zimbabwe
(PO Box 2208, Harare, Zimbabwe)

Company secretary

JHDLR Snyman
148 Katherine Street, Sandton, South Africa
(PO Box 787416, Sandton 2146, South Africa)

Sponsor

Merrill Lynch South Africa Pty Limited
The Place, 1 Sandton Drive, Sandton, South Africa
(PO Box 651987, Benmore 2010, South Africa)

APPROVAL OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

The directors of PPC Ltd (the company) and PPC Ltd and its subsidiaries (the group) are responsible for the preparation of the annual financial statements that fairly present the state of affairs of the company and group at the end of the financial year and of the profit or loss and cash flows for that year in accordance with International Financial Reporting Standards (IFRS) and per the requirements of the Companies Act 71 of 2008 (Companies Act). The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information.

The directors are responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and loss. The systems are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties.

The internal audit function is led by the group internal audit executive and comprises internal employees and external resources where required. It serves management and the board by performing an independent evaluation of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets and adherence to laws and regulations.

The group continues to address control weaknesses identified. However, the group's system of internal controls continues to provide a basis for the preparation of reliable annual financial statements in all material aspects.

The annual financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act and are based on appropriate accounting policies, supported by reasonable judgements. These accounting policies have been applied consistently compared to the prior year.

The annual financial statements have been compiled under the supervision of Tryphosa Ramano (chief financial officer) and have been audited in terms of section 29(1) of the Companies Act.

The directors are of the opinion that the company and the group have adequate resources to continue in operation for the foreseeable future based on forecasts and available cash resources and accordingly the annual financial statements have been prepared on a going concern basis.

It is the responsibility of the external auditors to express an opinion on the group and company annual financial statements. For their unmodified report to the shareholders of the company and group, refer to the independent auditor's report.

The annual financial statements of the company and the group for the year ended 31 March 2018 as set out on pages 10 to 72 were approved by the board of directors at its meeting held on 15 June 2018 and are signed on its behalf by:

PJ Moleketi
Chairman

JT Claassen
Chief executive officer

MMT Ramano
Chief financial officer

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that PPC Ltd has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of this Act and that such returns are true, correct and up to date.

JHDLR Snyman
Company secretary

15 June 2018

PREPARER OF THE FINANCIAL STATEMENTS

These financial statements have been prepared under the supervision of the chief financial officer, MMT Ramano CA(SA).

MMT Ramano
Chief financial officer

15 June 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PPC LTD

Report on the audit of the consolidated and separate financial statements

OPINION

We have audited the consolidated and separate financial statements of PPC Ltd (the group) set out on pages 10 to 72, which comprise the statements of financial position as at 31 March 2018, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 March 2018, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

<table>
<tr><th>KEY AUDIT MATTER</th><th>HOW THE MATTER WAS ADDRESSED IN THE AUDIT</th></tr>
<tr><td colspan="2">Impairment of the Democratic Republic of Congo (DRC) plant (applicable to group consolidated financial statements)</td></tr>
<tr><td>PPC Barnet DRC completed the construction of the US$280 million (R3,3 billion) integrated cement production plant in the DRC in 2017. The testing of the plant started in April 2017 when the first clinker was produced. The plant in the DRC was commissioned on 1 November 2017.

Given the lower than expected product demand since April 2017, an assessment for impairment was performed at year-end.

The calculation of the fair value less costs to sell involved significant judgement by the directors. The key valuation inputs that required significant judgement are:
– Growth rates
– Working capital
– Terminal value
– Discount rates

This matter is addressed at the following references in the audited financial statements:
– Directors' report – page 5
– Audit committee report – page 8
– Note 2 of the consolidated financial statements</td><td>We assessed the controls designed and implemented by the directors to provide assurance that the key assumptions used and inputs in performing the impairment calculation are appropriately considered and approved by the appropriate level of directors.

We focused our detailed testing of the review of impairment of the DRC plant on the key assumptions and inputs made by the directors.

Our audit procedures included the following:
1 Assessing the reasonability of the method used to calculate the recoverable amount
2 Understanding factors considered in analysing the environment and performance of the plant in the DRC
3 Analysing the actual sales volumes and prices with reference to the budgets and the probability of achieving targets in the future
4 Testing of forecasts with reference to historical performance
5 Engaging our internal specialists to assist with:
(a) Critically evaluating whether the model used by directors complies with the requirements of IAS 36 Impairment of Assets (IAS 36)
(b) Validating the assumptions used to calculate the growth and discount rates and recalculating these rates
(c) Assessing the reasonability and appropriateness of the working capital and terminal value
(d) Subjecting the key assumptions to sensitivity analyses
6 Reviewing the appropriateness of the disclosure in the financial statements

The directors used a fair value less cost to sell approach in determining the recoverable amount while our approach was based on value in use. We concluded that the value-in-use approach appropriately captures the cash flows that take the economic conditions present in the DRC into consideration as required in terms of IFRS 13.

In assessing value in use, we used the directors' seven-year budget for the DRC operations and assessed the reasonableness of the key assumptions used.

We critically evaluated the appropriateness of the key assumptions used by directors in their impairment testing (which include growth rates specifically relating to volume gains, pricing, and cost escalation, margin performance and the discount rate).

We concluded that the growth rates, working capital and terminal value were less conservative; however, these were within our acceptable range. We concluded that the discount rate was in line with our expectation.

The impairment charge recorded by the directors was found to be at the lower end of our acceptable range.

We concluded that the disclosure in the financial statements was in line with the requirements of IAS 36 and that the key sources of estimation uncertainty were appropriately disclosed. Refer to note 2 of the financial statements for the relevant information.</td></tr>
</table>

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Capitalisation of plant expansion costs and capitalisation dates (applicable to group consolidated financial statements)	
Capitalisation date As part of the group's expansion strategy, various capital projects exist which are complete or nearing completion. The plant in the DRC was commissioned on 1 November 2017 but started producing cement in May 2017. The performance acceptance certificate (PAC) was signed by PPC Ltd and the contractor between May and June 2017 even though the plant's operational capability had not been fully tested. The final acceptance certificate has not been signed due to finalisation of NO_x emissions tests not having been satisfactorily concluded. The directors are required to apply significant judgement in determining the date when the plant is considered as operating as intended by directors. The directors concluded that, on 1 November 2017, the plant was producing quality product and selling this in the market. The directors will complete outstanding emission level testing to ensure that it meets the required standards.	We assessed the controls designed and implemented by the directors to provide assurance that the key assumptions used in determining the capitalisation dates are appropriately considered and approved by appropriate level of directors. We focused our detailed testing on key assumptions made by the directors and conclusions reached. Our audit procedures also included the following: 1 Assessing and confirming the date of completion of construction of the plant 2 Determining the period reasonably expected to constitute the testing period 3 Analysing production levels compared to budgeted production for the period 4 Ensuring that the process was in line with the group's accounting policy for determining the capitalisation date of costs incurred in constructing cement plants Based on the procedures performed, we were satisfied that the directors appropriately determined the date for capitalisation of the DRC plant. We concluded that the disclosure in note 2 of the financial statement in this regard is appropriate.
Costs capitalised As part of the costs to be capitalised under the expansion programme, the directors apply significant judgement in assessing the nature of the costs incurred and whether these comply with the requirements of IAS 16 *Property, Plant and Equipment* and can be capitalised. This matter is addressed at the following references in the audited financial statements: – Directors' report – page 5 – Audit committee report – page 8 – Note 2 of the consolidated financial statements	We assessed the controls designed and implemented by the directors to provide assurance that the key assumptions used in determining the costs to be capitalised are appropriately considered and approved by the appropriate level of directors. We concluded that, though these controls were designed appropriately, weaknesses were identified in the implementation of these controls. As a result, additional substantive audit procedures were performed to address the risk and these included: 1 Obtaining the detailed general ledger expenditure account used during the construction of the plant and assessing the nature of each cost to determine whether each cost was either of an administrative or capital in nature 2 We challenged certain key judgements made by directors based on the nature of some of these costs and our understanding of the production processes We concluded that costs capitalised represent costs incurred in the establishment of the plant which will provide future economic benefit. We concluded that the disclosure in note 2 of the financial statement in this regard is appropriate.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the directors' report, the audit committee's report and the company secretary's certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the integrated report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with 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 misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

INDEPENDENT AUDITOR'S REPORT continued

includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in *Government Gazette* Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of PPC Ltd for 16 years.

Deloitte & Touche.

Deloitte & Touche
Registered Auditor

Per: Andrew Mashifane
Partner
15 June 2018

DIRECTORS' REPORT

for the year ended 31 March 2018

The PPC board of directors has pleasure in presenting its report on the financial statements of the company and group for the year ended 31 March 2018.

NATURE OF THE BUSINESS

PPC Ltd, its subsidiaries and equity-accounted investments operate in Africa as producers of cement, aggregates, readymix, lime and limestone, and fly ash.

The principal activities of the group remain unchanged from the previous reporting period.

In April 2017, a further investment of US$4 million was made into our Ethiopian equity-accounted investment, thereby increasing the company's shareholding to 38% from the 35% previously held.

CORPORATE GOVERNANCE

The group subscribes to the code of good corporate practices and conduct as contained in the King IV™ report on corporate governance. The PPC board has satisfied itself that the company has complied in material aspects with the codes as well as the JSE Listings Requirements.

REVIEW OF OPERATIONS

A comprehensive review of operations is detailed in the attached financial report.

KEY AREAS FROM THE YEAR-END AUDITOR'S REPORT

The consolidated annual financial statements include balances, transactions and other items where the application of judgement is necessary. To the extent that significant judgement was applied, the areas of judgement are noted and the appropriate disclosure is reflected in the respective notes to the consolidated annual financial statements.

POTENTIAL IMPAIRMENT OF SIGNIFICANT ASSETS

The group recently expanded into the DRC and Rwanda with the result that PPC added 1,2 million tonnes and 0,6 million tonnes of annual cement capacity from these plants respectively. The DRC plant was commissioned during the current financial year and the results of the operation have been included in the income statement effective 1 November 2017. The plant in Rwanda was commissioned during the 2016 calendar year.

PPC has been operating in Zimbabwe since the acquisition of the business in 2001, with a further investment made in a cement mill in Harare which was commissioned during the previous financial year. This investment added a further 0,4 million tonnes of annual cement capacity.

In totality, the investments made into the rest of Africa over the past number of years has seen the group's cement capacity increase to 11,4 million tonnes per annum.

However, due to the economic and political environments in the DRC and Zimbabwe, some impairment indicators necessitated an impairment assessment of these operations.

As the plant and equipment in Rwanda had an initial useful life of 20 years and limestone reserves were estimated at 13 years, there continues to be an impairment indicator due to the differential in estimated useful lives.

Having finalised the impairment reviews, it was concluded that an impairment of R165 million was required against the DRC's plant and equipment. No impairment was required against the assets of the Zimbabwe and Rwanda operations. The improved operating profits in these business units has seen headroom against a potential impairment from the prior year.

Further details on the judgements, key inputs and sensitivity disclosures can be found in note 2 to the consolidated annual financial statements.

CAPITALISATION OF PLANT EXPANSION COSTS AND CAPITALISATION DATE FOR THE DRC PLANT

As noted earlier in this report, the DRC plant was commissioned during the current financial year.

In determining the most appropriate commissioning date, the company considered various factors, some of which are included in note 2 to the consolidated financial statements, to determine when the true risk and rewards of the new cement plant passed to the company.

This assessment concluded that the plant became operational from an IFRS perspective on 1 November 2017. At this stage, depreciation commenced, seeing depreciation of R59 million being recorded for the 2018 financial year, while the capitalisation of finance costs ceased.

As per group practice, a full review was undertaken on the costs that had been initially capitalised to the DRC plant as capital work in progress. This review concluded that some R72 million of costs that had been capitalised to property, plant and equipment was required to be expensed to the income statement under administration and other operating expenditure. These costs expensed approximate 2% of the total project cost.

The report to shareholders on the activities of the audit committee includes the approach the audit committee undertook to ensure appropriate judgements have been applied to these key audit matters. The report can be found on pages 8 to 9 of these annual financial statements.

SUBSIDIARY COMPANIES

Details of the group's subsidiaries can be found on page 54. There has been no change in the shareholding of operating subsidiaries during the year.

BEE TRANSACTION

In March 2018, the company announced a top-up black economic empowerment (BEE) scheme. This transaction reflects the company's strategic approach to *"building a future that lasts"* through long-term investments and doing the right thing for its people and communities.

The BEE III transaction will be implemented at the level of PPC South Africa Holdings Pty Limited (PPC SA). The top-up transaction, together with the residual BEE shareholding from the company's two previous transactions, will result in an effective 30% BEE shareholding at the PPC SA level.

BEE III will be broad-based in nature comprising the PPC SA Employee Trust, Community Development Trust and eligible black entrepreneurs still to be identified.

The transaction will be facilitated via a notional vendor funding (NVF) structure over a 10-year period for eligible employees, black entrepreneurs and a perpetual trust for communities. During the period of the transaction, the participants, with the exception of the Community Development Trust, will enjoy a trickle dividend of 20%, to the extent that PPC SA declares a dividend which will be used to purchase PPC Ltd shares

at the prevailing market price in the name of the individual participants. The Community Development Trust will receive a 20 % trickle dividend in cash to be used for community development initiatives.

The BEE III transaction will become effective upon:

- The completion of all administrative matters common for transactions of this nature, including the execution of all the transaction agreements
- Approval of the transaction by regulatory authorities, as may be required

PROPERTY, PLANT AND EQUIPMENT

At March 2018, the group's net investment in property, plant and equipment amounted to R11 393 million (2017: R12 531 million), details of which are set out in note 2 to the consolidated financial statements.

There has been no change in the nature of the property, plant and equipment or to the policies relating to the use thereof during the year.

During the year, the DRC plant was successfully commissioned. The Slurry expansion project remains on track to be commissioned during the first half of our 2019 financial year.

Impairment assessments were undertaken for our rest of Africa cement plants. Details of these impairments have been discussed earlier in this report. Discussion around the methodology applied is included in note 2 to the consolidated financial statements.

Details of the group capital commitments of R596 million (2017: R1 071 million) can be found in note 3.

BORROWINGS

At March 2018, total borrowings amounted to R4 682 million (2017: R5 736 million), split across the various jurisdictions as follows:

	2018 Rm	2017 Rm
Southern Africa	**1 639**	1 831
Zimbabwe	**479**	638
Rwanda	**747**	1 124
DRC	**1 817**	2 143
Total borrowings	**4 682**	5 736

In order to further strengthen the group's liquidity position and maturity profile, the South African debt was successfully renegotiated in March 2018. A R2 billion facility was secured, with an extended maturity profile at reduced interest rates. In the DRC, management was successful in negotiating a two-year capital repayment grace period with interest still required to be settled during this two-year period. The interest rate has increased to six-month LIBOR plus 9,75 %.

Details of borrowings are included in note 10 to the consolidated financial statements.

STATED CAPITAL

On 31 March 2018, the issued stated capital of the company remains unchanged from the prior year at 1 591 759 954 no par value shares.

During the current reporting period, 9 774 028 shares (2017: 8 449 941 shares) were purchased in terms of the group's long-term employee incentive scheme, the forfeitable share plan, and have been treated as treasury shares from an IFRS perspective during the vesting period of the awards. Following the withdrawal of the cautionary announcement during March 2018, awards that had vested during the cautionary periods became available to participants of the scheme. As a result, 3 832 250 shares vested to participants and were no longer treated as treasury shares from an IFRS perspective.

At year-end, stated capital amounted to R3 984 million (2017: R3 919 million).

Except for the purchase of the shares held for participants of the long-term employee incentive scheme noted earlier, the company did not purchase any of its own shares during the year under review.

Details of authorised, issued and unissued shares at 31 March 2018 are disclosed in notes 13 and 21 to the consolidated financial statements.

GOING CONCERN ASSUMPTION

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group and company can continue in operational existence for the foreseeable future.

In assessing the going concern of the rest of Africa cement business units, the local boards and their audit committees assessed the going concern of these businesses and concluded that they were all going concerns for the foreseeable future. These assessments have been used in support of our assessment of the going concern.

Based on the expectation that the group's current trading position and forecasts will be met and taking banking facilities into account, the directors believe that the group and company will be able to comply with their financial covenants and be able to meet their obligations as they fall due, and accordingly have concluded that it is appropriate to prepare the financial statements on a going concern basis.

DIVIDENDS

The company's dividend policy remains unchanged and takes into account its growth considerations as well as prudency regarding its capital structure, and is therefore flexible with regard to the quantum and form of dividends.

No dividend has been declared during the current reporting year.

EVENTS AFTER REPORTING DATE

There are no events that occurred after the reporting date that may have a material impact on the consolidated financial position at March 2018.

CORPORATE ACTION

During the year, the company communicated that it was in discussion with AfriSam and other international cement players on potential mergers. Following due consideration, the PPC board determined that the proposed mergers were not in the best interest of PPC shareholders and the merger discussions ceased.

The company incurred additional costs of R60 million investigating these potential mergers and the costs have been included in the administration and other operating expenditure line in the consolidated income statement.

REGISTER OF MEMBERS

The register of members of the company is open for inspection to members and the public, during normal office hours, at the offices of the company's transfer secretaries, Computershare Investor Services Pty Limited, or at Corpserve Pvt Limited (Zimbabwe).

Details of the transfer secretaries can be found in the administration section on page 77.

Details relating to the beneficial shareholders owning more than 3% of the issued stated capital of the company appear in the PPC in the stock market section.

DIRECTORS' INTEREST IN THE ISSUED SHARES OF THE COMPANY

Details of the beneficial holdings of directors of the company and their families in the ordinary shares of the company are given in the abridged remuneration report included in the financial statements.

Certain directors and non-executive directors have an indirect shareholding in the company following the completion of the broad-based black economic empowerment transactions. Details thereof are also provided in the abridged remuneration report.

There has been no change in the directors' interest since year-end.

DIRECTORS

The directors in office at the date of this report appear in the administration section.

At the annual general meeting held on 28 August 2017, Messers T Leaf-Wright and C Naude were re-elected as directors, while Ms N Gobodo was elected as a director.

Post the annual general meeting, Messers P Nelson, S Mhlarhi, and T Ross and Ms D Earp resigned as directors of the company. The board would like to thank them for their service to the company.

Messers T Leaf-Wright and T Moyo, and Mses N Goldin and S Dakile-Hlongwane are required to retire by rotation in terms of the company's memorandum of incorporation. Details of re-elections will be provided in the notice to the annual general meeting.

Following the appointment of Messers A Ball, P Moleketi and M Gumbi and Ms N Mkhondo as directors by the board during March/April 2018, and in terms of the company's memorandum of incorporation, all are required to retire as directors. All have offered themselves for election and the nominations committee has recommended their election.

The PPC board believes the appointment of the new directors aligns the composition of the board with its strategic priorities.

SPECIAL RESOLUTIONS

At the annual general meeting held on 28 August 2017, the following special resolutions were approved:

- Granting approval for the company to enter into intercompany loans with subsidiaries and other related entities within the group
- Authorised the company to pay remuneration to non-executive directors for their services as non-executive directors
- The company be and is hereby authorised to pay once-off remuneration to non-executive directors of an equivalent amount to any VAT paid by qualifying non-executive directors
- General authority to repurchase own shares or acquisition of the company's shares by a subsidiary company

SPECIAL RESOLUTIONS PASSED BY SUBSIDIARY COMPANIES

No special resolutions were passed by subsidiaries of the company.

COMPANY SECRETARY

The company secretary of PPC Ltd is Mr JHDLR Snyman. His business and postal address appear in the administration section.

AUDIT COMMITTEE

The directors confirm that the audit committee has addressed specific responsibilities required in terms of section 94(7) of the Companies Act 71 of 2008, as amended. Further details are contained within the audit committee report.

COMPETITION COMMISSION

In terms of the conditional leniency agreement with the Competition Commission, PPC continues to cooperate with its investigation and from our perspective there have been no significant new developments.

AUDITORS

Deloitte & Touche were reappointed as auditors to the company at the annual general meeting held on 28 August 2017.

AUDIT COMMITTEE REPORT

Report to shareholders on the activities of the audit committee for the year ended 31 March 2018.

The audit committee is a committee of the board. In addition to specific statutory responsibilities to shareholders in terms of the Companies Act, it assists the board by advising and making submissions on financial reporting, overseeing the governance, risk management process and internal financial and non-financial controls, external and internal audit functions as well as statutory and regulatory compliance of the company. For the review period, the committee complied with the requirements of King IV™.

Terms of reference

The committee has formal terms of reference that were reviewed during the year and approved by the board. It has executed its duties in the period in line with these terms of reference.

Composition

The committee comprises four independent non-executive directors:

Membership	Qualification (relevant)	Tenure (years)
Gobodo (chair)	CA(SA)	1
Goldin	BCom (hons), MBA	2
Moyo	CA(Z), CA(SA)	3
Sehoole	CA(SA)	–

Effective 9 April 2018, Mr Ross, the committee chair, resigned as non-executive director of PPC Ltd and Ms Gobodo was appointed as the audit committee chair. On 13 April, Mr Sehoole was appointed to the committee.

The CEO, CFO, chief audit executive, senior financial executives of the group and representatives from the external auditors attend committee meetings. The internal and external auditors have unrestricted access to the committee.

Meetings

The committee held five scheduled meetings during the year, with attendance shown below:

Meeting date	Attendance
29 May 2017	All present
12 July 2017	All present
18 September 2017	All present
14 November 2017	All present
8 March 2018	All present

Statutory duties

In executing its statutory duties for the year, the committee:

- Nominated Mr Mashifane, from the audit firm Deloitte & Touche (Deloitte), for appointment as lead engagement auditor. In the opinion of the committee, Mr Mashifane was independent of the company
- Determined Deloitte's terms of engagement
- Believes the appointment of Deloitte complies with the relevant provisions of the Companies Act, JSE Listings Requirements and King IV™
- Developed and implemented a policy setting out the extent of any non-audit services the external auditors may provide to the company or may not provide
- Pre-approved all non-audit service contracts with Deloitte
- Received no complaints on the accounting practices and internal audit of the company, the content or auditing of its financial statements, internal financial controls, or related matters

Delegated duties

In executing its delegated duties and making its assessments (as reflected in its terms of reference), the committee obtained feedback from external and internal audit and, based on the processes and assurances obtained, believes the accounting practices are effective. Accordingly, the committee fulfilled all its obligations set out below.

FINANCIAL STATEMENTS

The committee reviewed the financial statements, summarised annual financial statements, preliminary announcements, short-form announcements and accompanying reports to shareholders and other announcements on the company's 2018 results to the public.

INTEGRATED REPORTING

- Recommended to the board to engage an external assurance provider on material sustainability issues
- Reviewed disclosure of sustainability issues in the integrated and supplementary reports to ensure it is reliable and does not conflict with financial information
- Recommended the integrated report to the board for approval

INTERNAL AUDIT

- Took responsibility for the performance assessment of Ms Putzier, chief audit executive (CAE). A formal performance assessment was performed at the end of the financial year and nothing has come to the attention of the committee indicating a decline in performance
- Approved the internal audit plan and changes to the plan and satisfied itself that the audit plan makes provision for effectively addressing the critical risk areas of the business
- Reviewed internal audit's compliance with its charter and considered whether the internal audit function has the necessary resources, budget and standing in PPC to discharge its functions

RISK MANAGEMENT

The committee is an integral component of the risk management process and specifically reviewed:

- Financial risks
- Financial reporting risks
- Internal financial controls
- Fraud risks as they relate to financial reporting
- IT governance

EXTERNAL AUDIT

- Evaluated and reported on the independence of the external auditor
- Reviewed the quality and effectiveness of the external audit process
- Based on its satisfaction with the results of activities outlined above, recommended to the board that Deloitte should be reappointed for 2019, with Mr Mashifane nominated as the registered auditor
- Determined fees to be paid and terms of engagement of the auditor
- Ensured the appointment of the auditor complies with the Companies Act and other relevant legislation

FINANCIAL DIRECTOR

The committee has satisfied itself of the appropriateness of the expertise and experience of Ms Ramano, the financial director, and confirms this to shareholders.

FINANCIAL FUNCTION

- The committee has reviewed the expertise, resources and experience of the company's finance function. It noted that management was taking steps to alleviate the impact of a higher workload given the number of projects and increased complexities
- In making these assessments, the committee obtained feedback from external and internal audit
- Based on the processes and assurances obtained, the committee believes the

accounting practices are functional and effective. While the finance function is efficient, there are some deficiencies that require management attention. The committee is satisfied that management is implementing appropriate plans to remedy the situation

OVERSIGHT OF RISK MANAGEMENT

The committee engages with the risk and compliance committee to ensure adequate understanding of risk management processes.

INTERNAL FINANCIAL CONTROLS

- Reviewed the effectiveness of the company's system of internal financial controls, and received assurance from management and internal audit
- Reviewed material issues raised by the internal and external audit process
- Based on the processes and assurances obtained, we believe material internal financial controls are effective

Key areas from the year-end audit report

As noted in the directors' report, preparing the financial statements requires management and the board to exercise judgement in compiling financial information. To the extent that significant judgement was applied, appropriate disclosure is reflected in the respective notes to the financial statements.

The auditors also report on matters they deem significant. These are discussed in their report on pages 2 to 4 of the financial statements.

In finalising the consolidated annual financial statements for the year ended March 2018, the audit committee considered the following balances to have been prepared with a significant amount of judgement:

POTENTIAL IMPAIRMENT OF SIGNIFICANT ASSETS

PPC group performs impairment calculations twice each year, at interim and at year-end stage. All subsidiaries of PPC Ltd are assessed for indications or conditions that may suggest an impairment. In accordance with IAS 36.10(a) and (b), the following are assessed irrespective of whether there is any indication of impairment:

- Goodwill acquired in a business combination
- Intangible asset with an indefinite useful life
- Intangible asset not yet available for use

Where such an indication exists, PPC estimates the recoverable amount of the asset and compares this to the current carrying amount of the entity and the goodwill balance (where applicable) (IAS 36.09).

PPC measures the recoverable amount as value in use, as PPC expects to recover the value of the asset through use, unless an asset has been identified as held for sale or there is a suitable market where fair values are readily available. The selection of an appropriate method is prescribed by IFRS requirements.

The group has expanded into the DRC and Rwanda, with the DRC plant commissioned in the current financial year. The plant in Rwanda was commissioned in calendar 2016. PPC has been operating in Zimbabwe since acquiring the business in 2001, with a further investment in a cement mill in Harare which was commissioned in the previous financial year.

Given the economic and political environments and life-of-mine estimates, impairment assessments were undertaken by management on all subsidiaries.

The audit committee reviewed and debated assumptions used by management in preparing the impairment assessments, under the discounted cash flow model, including the weighted average cost of capital applicable to each subsidiary. It concluded that there was no impairment required on CIMERWA, PPC Zimbabwe, PPC Cement RSA and the rest of the materials businesses. However, on reviewing the PPC Barnet DRC subsidiary's discounted cash flows, the committee concluded that an impairment of this operation was appropriate and concurred with management on an impairment of US$14 million. It was also noted that management should continue to monitor the impairment indicators and, if still applicable by the time the company finalises its 2019 half-year results, further impairment reviews should be performed.

The committee also noted constraints in remitting funds from Zimbabwe as a result of in-country liquidity issues and the potential impact on the going concern assumption. In addition, the committee noted the disclosure of Zimbabwe's cash and cash equivalents at year-end.

CAPITALISATION OF PLANT EXPANSION COSTS AND CAPITALISATION DATE FOR THE DRC PLANT

The 1mtpa plant in the DRC was commissioned in the current financial year. In determining the most appropriate commissioning date, management considered various factors, some of which are included in note 2 to the consolidated financial statements, to determine when the plant would be in the condition necessary for it to operate in the manner intended by management.

The committee reviewed management's assessment of when the plant would be deemed to be operating in this manner, taking account of significant factors listed in the property, plant and equipment note on determining commissioning dates and timing of performance acceptance certificates.

In addition, the committee debated the process followed by management to determine appropriate costs to be capitalised to plant and equipment. It concurred with management's assessment on the commissioning date of 1 November 2017.

The committee reviewed management's assessment of the DRC plant's capital work in progress account and the exercise undertaken to transfer expenditure to the fixed assets register and expensing of US$6 million of expenditure previously capitalised to plant under capital work in progress.

Regulatory compliance

The committee has fulfilled all its statutory duties as per the requirements of section 94(7) of the Companies Act.

On behalf of the audit committee

Nonkululeko Gobodo
Chairman

13 June 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

	Notes	31 March 2018 Rm	31 March 2017 Rm
ASSETS			
Non-current assets		**12 910**	14 192
Property, plant and equipment	2	**11 393**	12 531
Goodwill	4	**230**	237
Other intangible assets	18	**557**	677
Equity-accounted investments	20	**182**	225
Other non-current assets	7	**303**	380
Deferred taxation assets	9.3	**245**	142
Non-current assets held for sale	24	**34**	38
Current assets		**3 262**	3 805
Inventories	16	**1 182**	1 163
Trade and other receivables	15	**1 244**	1 652
Cash and cash equivalents	17	**836**	990
Total assets		**16 206**	18 035
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	13	**3 984**	3 919
Other reserves		**967**	1 464
Retained profit		**2 817**	2 668
Equity attributable to shareholders of PPC Ltd		**7 768**	8 051
Non-controlling interests		**120**	334
Total equity		**7 888**	8 385
Non-current liabilities		**5 909**	5 626
Provisions	6	**526**	545
Deferred taxation liabilities	9.3	**1 042**	1 073
Long-term borrowings	10	**4 079**	3 555
Other non-current liabilities	8	**262**	453
Current liabilities		**2 409**	4 024
Short-term borrowings	10	**603**	2 181
Trade and other payables	14	**1 806**	1 843
Total equity and liabilities		**16 206**	18 035

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
Revenue		**10 271**	9 641
Cost of sales		**7 924**	7 359
Gross profit		**2 347**	2 282
Administration and other operating expenditure		**1 343**	1 049
Operating profit before item listed below		**1 004**	1 233
Empowerment transactions IFRS 2 charges	30	**48**	206
Operating profit	22	**956**	1 027
Fair value and foreign exchange gains/(losses)	12	**143**	(124)
Finance costs	11	**675**	741
Investment income	23	**52**	27
Profit before equity-accounted earnings		**476**	189
(Loss)/earnings from equity-accounted investments	20	**(60)**	1
Impairments and other exceptional items	5	**(174)**	(10)
Profit before taxation		**242**	180
Taxation	9.1	**205**	153
Profit for the year		**37**	27
Attributable to:			
Shareholders of PPC Ltd		**149**	93
Non-controlling interests		**(112)**	(66)
		37	27
Earnings per share (cents)	21.4		
Basic		**10**	8
Diluted		**10**	8

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2018

	Foreign currency translation reserve Rm	Hedging reserve Rm	Retained profit Rm	Total comprehensive (loss)/income Rm
March 2018				
Profit for the year	**–**	**–**	**37**	**37**
Items that will be reclassified to profit or loss	**(598)**	**–**	**–**	**(598)**
Translation of foreign operations[(a)]	**(598)**		**–**	**(598)**
Other comprehensive income net of taxation	**(598)**	**–**	**–**	**(598)**
Total comprehensive income	**(598)**	**–**	**37**	**(561)**
Attributable to:				
Shareholders of PPC Ltd	**(496)**	**–**	**149**	**(347)**
Non-controlling interests	**(102)**	**–**	**(112)**	**(214)**
March 2017				
Profit for the year	–	–	27	27
Items that will be reclassified to profit or loss	(489)	(34)	–	(523)
Cash flow hedges	–	(47)	–	(47)
Taxation on cash flow hedges	–	13	–	13
Translation of foreign operations	(489)	–	–	(489)
Other comprehensive income net of taxation	(489)	(34)	–	(523)
Total comprehensive income	(489)	(34)	27	(496)
Attributable to:				
Shareholders of PPC Ltd	(354)	(34)	93	(295)
Non-controlling interests	(135)	–	(66)	(201)

[(a)] Currency conversion guide included in note 1.5.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

		Other reserves							
	Stated capital Rm	Foreign currency translation reserve Rm	Available-for-sale financial assets Rm	Hedging reserve Rm	Equity compensation reserve Rm	Retained profit Rm	Equity attributable to shareholders of PPC Ltd Rm	Non-controlling interests Rm	Total equity Rm
March 2018									
Balance at 31 March 2017	**3 919**	**891**	**14**	**–**	**559**	**2 668**	**8 051**	**334**	**8 385**
Movement for the year	**65**	**(496)**	**–**	**–**	**(1)**	**149**	**(283)**	**(214)**	**(497)**
IFRS 2 charges	**–**	**–**	**–**	**–**	**72**	**–**	**72**	**–**	**72**
Sale of shares, treated as treasury shares, by consolidated BBBEE entity	**64**	**–**	**–**	**–**	**–**	**–**	**64**	**–**	**64**
Shares purchased in terms of FSP incentive scheme treated as treasury shares	**(72)**	**–**	**–**	**–**	**–**	**–**	**(72)**	**–**	**(72)**
Total comprehensive (loss)/income	**–**	**(496)**	**–**	**–**	**–**	**149**	**(347)**	**(214)**	**(561)**
Vesting of shares held by certain BBBEE 1 entities	**73**	**–**	**–**	**–**	**(73)**	**–**	**–**	**–**	**–**
Balance at 31 March 2018	**3 984**	**395**	**14**	**–**	**558**	**2 817**	**7 768**	**120**	**7 888**
March 2017									
Balance at 31 March 2016	(1 113)	1 245	14	34	265	2 583	3 028	535	3 563
Movement for the year	5 032	(354)	–	(34)	294	85	5 023	(201)	4 822
Acquisition of 3Q, settled via the issue of shares (refer note 19)	135	–	–	–	–	–	135	–	135
Dividends declared	–	–	–	–	–	(8)	(8)	–	(8)
IFRS 2 charges	–	–	–	–	245	–	245	–	245
Increase in stated capital from issuance of shares following rights issue (net of transaction costs)	3 805	–	–	–	–	–	3 805	–	3 805
Proceeds from the sale of nil paid letters by the consolidated BBBEE entities	–	–	–	–	137	–	137	–	137
Sale of shares, treated as treasury shares, by consolidated BBBEE entity	37	–	–	–	–	–	37	–	37
Shares issued to strategic black partners through the modification of the company's first BBBEE transaction[a]	1 041	–	–	–	–	–	1 041	–	1 041
Shares purchased in terms of FSP incentive scheme treated as treasury shares	(74)	–	–	–	–	–	(74)	–	(74)
Total comprehensive (loss)/income	–	(354)	–	(34)	–	93	(295)	(201)	(496)
Vesting of shares held by certain BBBEE 1 entities	88	–	–	–	(88)	–	–	–	–
Balance at 31 March 2017	3 919	891	14	–	559	2 668	8 051	334	8 385

[a] In 2008 PPC announced its first BBBEE transaction for a period of eight years, which resulted in an effective BBBEE ownership of 15,29 %. In terms of the transaction agreements, the 48 557 982 PPC shares held by the strategic black partners (SBPs) (including community service groups (CSGs)) and were repurchased by PPC at R0,10 per share and the SBPs and CSGs were required to subscribe for new PPC shares at R66,84 per share, subject to their funding position. The SBPs and CSGs subscribed for 15 571 174 new PPC ordinary shares in December 2016.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

	Notes	Year ended March 2018 Rm	Year ended March 2017 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**242**	180
Adjustments for:			
Amortisation and depreciation	22	**876**	832
Dividends received	23	**(7)**	(6)
Finance costs (including fair value and foreign exchange adjustments)	11/12	**532**	865
Impairments and other exceptional items	5	**174**	10
IFRS 2 charges (empowerment and FSP-related IFRS 2)		**72**	245
Interest received	23	**(45)**	(21)
Loss from equity-accounted investments		**60**	–
Other non-cash flow items		**(15)**	(4)
Operating cash flows before movements in working capital		**1 889**	2 101
Movements in inventories		**(85)**	(94)
Movements in trade and other receivables		**221**	(248)
Movements in trade and other payables and provisions		**275**	112
Cash generated from operations		**2 300**	1 871
Finance costs paid	11.1	**(592)**	(743)
Investment income received		**52**	21
Taxation paid	9.2	**(330)**	(296)
Cash available from operations		**1 430**	853
Dividends paid		**–**	(8)
Net cash inflow from operating activities		**1 430**	845

	Notes	Year ended March 2018 Rm	Year ended March 2017 Rm
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional shares in equity-accounted investment	20	**(42)**	–
Acquisition of additional shares in subsidiary		**–**	(18)
Investments in intangible assets	18	**(6)**	(19)
Investments in property, plant and equipment	2.1	**(921)**	(2 058)
Proceeds from disposal of property, plant and equipment		**29**	4
Other investing activities		**28**	–
Net cash outflow from investing activities		**(912)**	(2 091)
Net cash inflow/(outflow) before financing activities		**518**	(1 246)
CASH FLOWS FROM FINANCING ACTIVITIES[a]			
Net borrowings repaid before repayment of the notes		**(597)**	(1 370)
Proceeds from the issuance of shares following rights issue (net of transaction costs)		**–**	3 722
Proceeds from the issuance of shares to strategic black partners in terms of the company's first BBBEE transaction		**–**	1 041
Proceeds from the sale of shares and nil paid letters by consolidated BBBEE entities		**–**	137
Proceeds from the sale of shares held by consolidated BBBEE entity		**36**	–
Purchase of PPC Ltd shares in terms of the FSP incentive scheme		**(16)**	(74)
Repayment of notes		**–**	(1 614)
Net cash (outflow)/inflow from financing activities		**(577)**	1 842
Net movement in cash and cash equivalents		**(59)**	596
Cash and cash equivalents at the beginning of the year		**990**	460
Cash and cash equivalents acquired on acquisition of 3Q Mahuma Concrete	19	**–**	4
Exchange rate movements on cash and cash equivalents		**(95)**	(70)
Cash and cash equivalents at the end of the year	17	**836**	990

[a] During the year, the non-cash changes on borrowings amounted to R457 million arising from favourable, unrealised foreign exchange differences.

SEGMENTAL INFORMATION

for the year ended 31 March 2018

The group discloses its operating segments according to the business units which are reviewed by the group executive committee. The operating segments are initially identified based on the products produced and sold and then per geographical location. The key operating segments are southern Africa cement, rest of Africa cement, lime, aggregates and readymix and group shared services.

	Consolidated		Cement Southern Africa[a]	
	31 March 2018 Audited Rm	31 March 2017 Audited Rm	**31 March 2018 Audited Rm**	31 March 2017 Audited Rm
Revenue				
Gross revenue	**10 524**	9 878	**5 704**	5 712
Intersegment revenue[d]	**(253)**	(237)	**(205)**	(205)
Total revenue[e]	**10 271**	9 641	**5 499**	5 507
Operating profit before item listed below	**1 004**	1 233	**827**	861
Empowerment transactions IFRS 2 charges	**48**	206	**–**	16
Operating profit	**956**	1 027	**827**	845
Fair value and foreign exchange gain/(losses)	**143**	(124)	**(19)**	(5)
Finance costs	**675**	741	**265**	214
Investment income	**52**	27	**42**	11
Profit before equity-accounted earnings	**476**	189	**585**	637
Earnings from equity-accounted investments	**(60)**	1	**–**	–
Impairments and other exceptional items	**(174)**	(10)	**11**	–
Profit/(loss) before taxation	**242**	180	**596**	637
Taxation	**205**	153	**202**	192
Profit/(loss) for the year	**37**	27	**394**	445
Attributable to:				
Shareholders of PPC Ltd	**149**	93	**394**	445
Non-controlling interests	**(112)**	(66)	**–**	–
	37	27	**394**	445
Basic earnings per share (cents)	**10**	8	**26**	39
Depreciation and amortisation	**876**	832	**373**	374
EBITDA[f]	**1 880**	2 065	**1 200**	1 235
EBITDA margin (%)	**18,3**	21,4	**21,8**	22,4
Assets				
Non-current assets	**12 910**	14 192	**4 272**	4 184
Non-current assets held for sale	**34**	38	**–**	–
Current assets	**3 262**	3 805	**1 235**	1 468
Total assets	**16 206**	18 035	**5 507**	5 652
Investments in property, plant and equipment	**801**	2 234	**460**	939
Liabilities				
Non-current liabilities	**5 909**	5 626	**2 181**	2 007
Current liabilities	**2 409**	4 024	**796**	792
Total liabilities	**8 318**	9 650	**2 977**	2 799
Capital commitments (refer note 3)	**596**	1 071	**482**	716

[a] Southern Africa comprises South Africa and Botswana.

[b] Rest of Africa comprises Zimbabwe, Rwanda, DRC, Mozambique and cross-border sales from southern Africa.

[c] Shared services and other comprise group shared services, BEE and group eliminations.

[d] All sales are concluded at arm's length. Segments are disclosed net of intersegment revenue.

[e] Revenue from external customers generated by the group's material foreign operations is as follows:

Botswana	R438 million (2017: R427 million)
DRC	R144 million (2017: R24 million)
Rwanda	R804 million (2017: R733 million)
Zimbabwe	R1 813 million (2017: R1 352 million)

[f] EBITDA is defined as operating profit before empowerment transactions IFRS 2 charges, depreciation and amortisation.

Rest of Africa[b]		Materials business				Group services and other[c]	
		Lime		Aggregates and readymix			
31 March 2018 Audited Rm	31 March 2017 Audited Rm	**31 March 2018 Audited Rm**	31 March 2017 Audited Rm	**31 March 2018 Audited Rm**	31 March 2017 Audited Rm	**31 March 2018 Audited Rm**	31 March 2017 Audited Rm
2 762	2 119	**849**	818	**1 209**	1 229	**–**	–
–	–	**(48)**	(32)	**–**	–	**–**	–
2 762	2 119	**801**	786	**1 209**	1 229	**–**	–
389	347	**95**	119	**(22)**	74	**(285)**	(168)
2	2	**–**	2	**–**	1	**46**	185
387	345	**95**	117	**(22)**	73	**(331)**	(353)
(69)	(153)	**1**	–	**(1)**	(1)	**231**	35
338	168	**24**	4	**20**	3	**28**	352
18	6	**18**	1	**15**	1	**(41)**	8
(2)	30	**90**	114	**(28)**	70	**(169)**	(662)
(61)	–	**–**	–	**–**	–	**1**	1
(168)	(10)	**–**	–	**(17)**	–	**–**	–
(231)	20	**90**	114	**(45)**	70	**(168)**	(661)
34	21	**24**	29	**18**	6	**(73)**	(96)
(265)	(1)	**66**	85	**(63)**	64	**(95)**	(565)
(153)	65	**66**	85	**(63)**	64	**(95)**	(565)
(112)	(66)	**–**	–	**–**	–	**–**	–
(265)	(1)	**66**	85	**(63)**	64	**(95)**	(565)
(10)	6	**4**	7	**(4)**	6	**(6)**	(50)
347	298	**40**	46	**79**	77	**37**	37
736	645	**135**	165	**57**	151	**(248)**	(131)
26,7	30,4	**16,8**	21,0	**4,7**	12,3		
6 817	8 113	**309**	319	**672**	726	**840**	850
34	38	**–**	–	**–**	–	**–**	–
1 375	1 334	**214**	210	**327**	315	**111**	478
8 226	9 485	**523**	529	**999**	1 041	**951**	1 328
235	1 181	**41**	26	**48**	57	**17**	31
5 608	5 619	**32**	117	**264**	215	**(2 176)**	(2 332)
1 186	1 382	**83**	86	**170**	176	**174**	1 588
6 794	7 001	**115**	203	**434**	391	**(2 002)**	(744)
49	310	**2**	9	**38**	9	**25**	27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

1. BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 31 March 2018 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa using the historical convention except for certain financial instruments and liabilities which are stated at fair value.

The basis of preparation is consistent with the prior year except where the group has adopted new or revised accounting standards, amendments and interpretations of those standards, which became effective during the year in review. The group adopted the following two amendments during the year:

- IAS 7 *Statement of Cash Flows*: Amendment as a result of the disclosure initiative. Additional disclosure as required by this amendment has been included in the statement of cash flows
- IAS 12 *Income Taxes*: Amendment regarding the recognition of deferred tax assets for unrealised losses. This amendment did not have an impact on the reported results

1.1 Basis of consolidation

The group consolidates all of its subsidiaries.

Where subsidiaries of the group use accounting policies, other than those adopted in the consolidated financial statements, for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure consistency with the group's accounting policies.

All subsidiaries, with the exception of CIMERWA Limitada and the PPC DRC Barnet entities, have the same financial year-end as the company. The financial year-end of the respective DRC incorporated entities is December and is prescribed by local legislation, while CIMERWA has a September financial year-end.

1.2 Accounting policies

In preparing these financial statements, accounting policies are not reproduced if they are in compliance with IFRS. Where there is an exception or specific standard which provides the user with optionality, it is discussed in the respective note.

1.3 Significant judgements made by management and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect reported amounts and related disclosures, and therefore actual results, when realised in future, could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by management in applying the accounting policies that could have a significant effect on the amounts recognised in the financial statements are disclosed in the respective notes.

The following are the significant judgements and sources of estimation uncertainty that the directors have made in the process of applying the company accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Refer to the referenced note for details on the judgement and sources of estimation uncertainty:

Significant judgements made by management

- Property, plant and equipment (note 2)
  - Costs to be capitalised to a project
  - Commissioning date
  - Impairment assessment
- Goodwill (note 4)
  - Impairment assessment
- Cash and cash equivalents (note 17)
  - PPC Zimbabwe cash and cash equivalents

Sources of estimation uncertainty

- Property, plant and equipment (note 2)
  - Decommissioning provisions
  - Useful lives and residual values
  - Impairment assessment
- Goodwill (note 4)
  - Impairment assessment
- Provisions (note 6)
  - Calculation of the decommissioning and rehabilitation obligations

1. BASIS OF PREPARATION continued

1.3 Significant judgements made by management and sources of estimation uncertainty continued

Sources of estimation uncertainty continued

- Other non-current assets (note 7)
  - Recoverability and valuation of assets
- Other non-current liabilities (note 8)
  - Put option liability valuation
- Deferred taxation assets (note 9.3)
  - Recoverability of asset
- Trade and other receivables (note 15)
  - Allowance for doubtful debts of trade receivables
- Inventories (note 16)
  - Provision for obsolete inventory
- Other intangible assets (note 18)
  - Reserves estimates
  - Useful lives
- Share-based payments (note 25)
  - Fair value of cash and equity-settled instruments

1.4 Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group and company can continue in operational existence for the foreseeable future.

PPC embarked upon an expansion strategy in 2010 to extract value from high-growth economies by expanding its footprint into the rest of Africa. The result of this expansion strategy is an expected increase in gross production capacity of approximately 3 million tonnes per annum giving the group a solid foundation for further growth. Given the long lead time required to develop greenfield operations, the group has drawn down on pre-arranged project finance debt (refer note 10) without an immediate concomitant increase in earnings and resultant cash flow. During the same period of the group's expansion on the continent, external factors beyond the group's control have seen a slowing global economy and significant decline in oil and commodity prices, which have culminated in downward pressures on selling prices in the regions in which the group operates. In addition, South Africa, which is currently the major contributor to the group's earnings, has seen intensified competition in terms of new entrants and imports into the country despite the economic slowdown, resulting in overcapacity in the market.

The board and executive management continue to monitor, refine and develop business plans and liquidity models in order to effectively deal with the effects of a continuation of the current low selling price environment and slowing economic growth. These plans realised a successful R4 billion rights issue in 2017, and in the current year the refinancing of the South African debt, thereby reducing the effective interest rate while improving the maturity profile, and negotiating a two-year capital repayment holiday in the DRC. Total borrowings of the group, including the DRC, are R4,7 billion in comparison to the R5,7 billion at March 2017. At the end of March 2018, the group's debt to EBITDA was 2,5 times (March 2017: 2,8 times), a marked improvement. Further details on borrowings can be found in note 10.

At year-end, current assets of R3 262 million exceeded current liabilities of R2 409 million by R853 million. In 2017, current liabilities of R4 024 million exceeded current assets of R3 805 million by R219 million, mainly due to the short-term portion of R1 565 million of long-term borrowings being classified under current liabilities. 2018 is a marked improvement from 2017, in part due to an improved maturity profile of the local funding.

Based on the expectation that the group's current trading position and forecasts will be met and taking current and future banking facilities into consideration, the directors believe that the group will be able to comply with its financial covenants and be able to meet its obligations as they fall due, and accordingly have concluded that it is appropriate to prepare the financial statements on a going concern basis.

1.5 Foreign currency conversion guide

Foreign income and expenditure transactions are translated using the average rate of exchange for the year. Management considers the average rate to approximate the actual rates prevailing on the dates on which these transactions occur.

Approximate value of foreign currencies relative to the rand

	Average rate		Closing rate	
	2018	2017	**2018**	2017
Botswana pula	**1,28**	1,32	**1,22**	1,26
US dollar	**13,06**	14,08	**11,82**	13,43
Rwandan franc	**0,02**	0,02	**0,01**	0,02
Mozambican metical	**0,22**	0,28	**0,19**	0,19

2. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recognised at cost, and subsequently measured at cost less accumulated depreciation and impairments.

The methods of depreciation, useful lives and residual values are reviewed annually. The following methods and rates were used during the year:

	Method	Rate
Land	Not depreciated	
Capital work in progress	Not depreciated	
Buildings	Straight-line	Up to 30 years, limited to life of mine where applicable
Plant	Straight-line	Up to 35 years, limited to life of mine where applicable
Vehicles	Straight-line	Up to 10 years
Furniture and equipment	Straight-line	Up to 6 years
Mineral rights	Straight-line	Estimated life of mine
Leasehold improvements	Straight-line	Written off over the lease period or shorter period if appropriate

Judgements made by management and sources of estimation uncertainty

Costs to be capitalised to a project

Significant judgement is required in identifying costs to be capitalised to a project during the construction, testing and ramp-up phases. Judgement is further required to identify indirect costs that could be capitalised. Revenue and the related cost of sales generated during the pre-commissioning phase is capitalised to the plant.

Decommissioning provisions

Estimating the future costs of these obligations is complex as most of the obligations will only be fulfilled in the foreseeable future. Furthermore, the resulting provisions and assets are influenced by changing technologies and regulations, life of mine, political, environmental, safety, business and statutory considerations across the various jurisdictions in which PPC operates.

Useful lives and residual values

Items of property, plant and equipment are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological advancements, product lifecycles, life of mine and maintenance programmes are taken into account.

The residual value assessments consider issues such as future market conditions, the remaining useful life of the asset and projected disposal values. The group has not made any material adjustments to the useful lives and residual values in the current year.

Commissioning date

The phase of each construction project is assessed to determine when the plant starts operating. The commissioning date is the date when the plant is in a condition necessary for it to be capable of operating in the manner intended by management.

The criteria used to assess the commissioning date are determined based on the unique circumstances of each plant. Various criteria are considered to assess when the plant is substantially complete and ready for its intended use and moves into the production phase. Some of the criteria applied include, but are not limited to, the following:

- The majority of the assets making up the project are substantially complete and ready for use
- The level of capital expenditure incurred compared to the construction cost
- Completion of a reasonable period of testing of the plant and equipment
- The plant meets regulatory and contracted emission standards
- The plant has been turned over to operations from the construction team
- A specified percentage of design capacity for the plant has been achieved over a continuous period
- The ability to produce the product in a saleable form and within specifications (in accordance with regulatory specifications)
- The ability to sustain ongoing production over a certain period

2. PROPERTY, PLANT AND EQUIPMENT continued

	Freehold and leasehold land, buildings and mineral rights Rm	Decom-missioning assets Rm	Plant, vehicles, furniture and equipment Rm	Capitalised leased plant Rm	Total Rm
March 2018					
Cost	2 089	199	15 799	138	18 225
Accumulated depreciation and impairments	522	66	6 106	138	6 832
	1 567	133	9 693	–	11 393
Movements during the year					
Net carrying value at the beginning of the year	742	164	11 624	1	12 531
Additions	55	–	740	–	795
To enhance existing operations	8	–	321	–	329
To expand operations	47	–	419	–	466
Depreciation	(54)	(12)	(732)	–	(798)
Disposals	(8)	–	(10)	–	(18)
Impairments (refer note 5)	–	–	(165)	–	(165)
Other movements	968	(12)	(981)	(1)	(26)
Reallocation from inventory (refer note 16)	–	–	2	–	2
Translation differences	(136)	(7)	(785)	–	(928)
Net carrying value at the end of the year	1 567	133	9 693	–	11 393
Translation differences comprise					
Cost					(1 088)
Accumulated depreciation and impairments					160
					(928)

Other movements

In the prior year all capital work in progress for the DRC operation was classified under plant, vehicles, furniture and equipment. Following the commissioning of the plant during the year, all costs relating to buildings, structures and staff village were reclassified to freehold and leasehold land, buildings and mineral rights.

	Freehold and leasehold land, buildings and mineral rights Rm	Decom-missioning assets Rm	Plant, vehicles, furniture and equipment Rm	Capitalised leased plant Rm	Total Rm
March 2017					
Cost	1 271	322	16 889	136	18 618
Accumulated depreciation and impairments	529	158	5 265	135	6 087
	742	164	11 624	1	12 531
Movements during the year					
Net carrying value at the beginning of the year	800	79	10 836	1	11 716
Acquisition of subsidiary company	6	–	92	–	98
Additions	30	1	2 205	–	2 236
To enhance existing operations	18	–	298	–	316
To expand operations	12	1	1 907	–	1 920
Depreciation	(35)	(7)	(698)	–	(740)
Disposals	(1)	–	(14)	–	(15)
Other movements	(2)	97	(3)	–	92
Impairments (refer note 5)	–	–	(10)	–	(10)
Reallocation from inventory (refer note 16)	–	–	7	–	7
Translation differences	(56)	(6)	(791)	–	(853)
Net carrying value at the end of the year	742	164	11 624	1	12 531
Translation differences comprise					
Cost					(960)
Accumulated depreciation and impairments					107
					(853)

	31 March 2018 Rm	31 March 2017 Rm

2. PROPERTY, PLANT AND EQUIPMENT continued

Assets pledged as security		
DRC	**3 111**	3 269
Rwanda	**1 321**	2 072
Zimbabwe	**2 028**	1 963
	6 460	7 304

Included in plant, vehicles, furniture and equipment are vehicles with a carrying value of R4 million (2017: R11 million) that have been used as security for finance lease obligations of R3 million (2017: R5 million).

Capital work in progress included in plant, vehicles, furniture and equipment		
DRC	**16**	3 322
Rwanda	**6**	12
Zimbabwe	**99**	13
Slurry expansion project	**1 294**	1 111
Other	**44**	26
	1 459	4 484

The Slurry expansion project will see the construction of a 3 000 tonne per day production line (SK9) and will incorporate the latest energy-efficient technology and the replacement of SK8's electrostatic precipitator with a bag filter in order to ensure compliance with environmental legislation. The project cost is estimated at R1,7 billion and commissioning remains scheduled for the first half of PPC's 2019 financial year.

Other information

The cost of land included in freehold and leasehold land, buildings and mineral rights amounts to R364 million (March 2017: R350 million).

Borrowing costs of R23 million (March 2017: R241 million) have been capitalised to property, plant and equipment. No interest was capitalised from general borrowings in the current year, while in the prior year a capitalisation rate of 7,5 % was used for general group borrowings.

Impairment considerations

Judgements made by management and sources of estimation uncertainty

Property, plant and equipment is considered for impairment where the recoverable amount is lower than the carrying value. Management applies judgement in determining the recoverable amount for an item of property, plant and equipment where impairment indicators may exist at year-end. Judgement is also applied in selecting the appropriate basis for the recoverable amount between value in use and fair value less costs to sell.

Where management has chosen value in use, future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the determined recoverable amount.

Where management has chosen fair value less costs to sell in determining the recoverable amount, judgement is required in determining the fair value of the item of property, plant and equipment.

During the current year, management considered the following significant items of property, plant and equipment for impairment:

Zimbabwe

As a result of the current economic environment and liquidity challenges being experienced in Zimbabwe, an impairment assessment was undertaken. In spite of the economic challenges, the financial performance of the business has been above our internal forecasts and prior year. The inclusion of the Harare mill has improved cash flows.

In performing the impairment review, a value-in-use methodology was applied. Cash flow projections were based on financial forecasts approved by management applying a 16 % (2017: 13 %) US dollar discount rate. The cash flow projections during the forecast period are based on similar pricing and margins to those currently being achieved by the business and takes into consideration the future trends within the industry, geographical location, and expected growth in neighbouring countries. The values used reflect past experiences while the economic growth rates of approximately 2 % per annum (2017: 1 % per annum) are management's best estimates that have been prepared using leading financial institutions' forecasts.

Following the impairment assessment review, the recoverable amount of PPC Zimbabwe was calculated to be higher than its carrying amount resulting in no impairment. There are no indications that any reasonable possible change in the key assumptions on which the recoverable amount has been calculated would cause the carrying amount to exceed the recoverable amount of this cash-generating unit.

DRC

PPC, in partnership with the Barnet Group and International Finance Corporation (IFC), completed the construction of a 1,2 million tonnes per annum integrated cement plant for approximately US$300 million in the DRC, near Kimpese in Kongo Central province in western DRC, 230km south-west of the capital Kinshasa.

2. PROPERTY, PLANT AND EQUIPMENT continued

Impairment considerations continued

Judgements made by management and sources of estimation uncertainty continued

DRC continued

In the year-end results to March 2018, the DRC market continued to face uncertainty driven by political instability, lower cement demand and subdued selling prices. Furthermore, the competitive landscape remains challenging due production capacity that is higher than market demand. General elections were anticipated to be held in December 2017, but these have subsequently been postponed to December 2018. The delayed elections have created uncertainty in the economy and most of the infrastructural projects have been put on hold or are slow and as a result the current monthly sales performance is not deemed to be a true indicator of the business's long-term performance. As a result of these factors, management undertook an impairment assessment.

IAS 36 *Impairment of Assets* provides two options for assessing recoverable amounts and states that the recoverable amount is the higher of the fair value less cost to sell or value in use.

In performing the impairment review, a fair value less cost to sell methodology was applied. IFRS 13.61 states that "an entity shall use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs". Taking the current political, environmental and economic circumstances into account, management believes that the valuation technique applied is the most appropriate method as it maximises the use of relevant observable inputs.

In performing the fair value less costs to sell valuation for the current reporting, the following key inputs were used:

- Fair value of the plant was calculated using the installed capacity of PPC's DRC plant of 1,2 million tonnes per annum and applying a construction cost per tonne of US$233. The construction cost per tonne was based on recent cement plants' construction costs in similar markets by independent cement producers, using information available in the public domain. The estimated replacement value was then reduced for annual wear and tear for one year applying a 30-year weighted average useful life, noting that the plant was only commissioned during this reporting period.
- An economic obsolescence provision was then applied to the fair value of the estimated plant replacement cost net of wear and tear. IFRS 13 requires that the replacement cost be adjusted for physical deterioration, technological/functional changes and economic or external obsolescence. The DRC plant, being fairly new, has not suffered any physical deterioration and management also concluded that the technology is not obsolete. Economic environment obsolescence has, however, been determined by adjusting the plant construction benchmark of US$233 per tonne by a country risk premium of 8,4% against the installed capacity of the plant.
- Management estimates that the only costs to sell will be legal and valuation costs. Based on PPC's recent legal transactions in both the DRC and South Africa, management estimates costs to sell to be no more than US$5 million.

Following the impairment assessment review, the recoverable amount of the DRC operation of US$265 million was considered lower than the current carrying value and an impairment of R165 million (US$14 million) was charged against property, plant and equipment for the year ended March 2018.

Other valuation methodologies were applied to determine potential sensitivities. These valuation methodologies provided potential impairment ranges varying from US$6 million to US$22 million.

Refer note 4 for an impairment assessment of CIMERWA, Safika and Pronto.

		31 March 2018 Rm	31 March 2017 Rm
2.1	**Cash flow from investment in property, plant and equipment**		
	Acquisition of property, plant and equipment	**795**	2 235
	Movement in advance payments for plant and equipment (refer note 7)	**(38)**	(98)
	Movement in capital expenditure payables (refer note 14)	**126**	83
	Movement in retentions held for plant and equipment (refer note 14)	**38**	(162)
		921	2 058

3. COMMITMENTS

	31 March 2018 Rm	31 March 2017 Rm
Contracted capital commitments	**339**	549
Approved capital commitments	**257**	522
Capital commitments	**596**	1 071
Operating lease commitments	**128**	115
	724	1 186
Capital commitments		
Southern Africa	**546**	760
Rest of Africa	**50**	311
	596	1 071
Capital commitments are anticipated to be incurred:		
Within one year	**500**	1 046
Between one and two years	**96**	8
Beyond two years	**–**	17
	596	1 071

Capital expenditure commitments are stated in current values which, together with expected price escalations, will be financed from surplus cash generated and borrowing facilities available to the group.

	2024 and thereafter Rm	2020 – 2023 Rm	2019 Rm	**Total 2018 Rm**	Total 2017 Rm
3. COMMITMENTS continued					
Operating lease commitments					
Land and buildings	13	83	29	**125**	110
Other	–	1	2	**3**	5
				128	115

In 2013, the company signed a 10-year lease for its head office and this lease comprises the majority of the operating lease commitments. The lease contains annual escalations of 8 % for the offices and an operating costs annual escalation of 10 %. The lease has a five-year renewal period with an initial renewal escalation rate at the prevailing market rate.

4. GOODWILL

	31 March 2018 Rm	31 March 2017 Rm
Cost	**309**	327
Accumulated impairments	**79**	90
	230	237
Movements of goodwill		
Net carrying value at the beginning of the year	**237**	255
Translation differences	**(7)**	(18)
Net carrying value at the end of the year	**230**	237
Goodwill, net of impairments, is allocated to the following cash-generating units:		
CIMERWA Limitada^	**25**	32
Safika Cement Holdings Pty Limited	**78**	78
Pronto Holdings Pty Limited	**127**	127
	230	237

^ Movement in CIMERWA is due to the exchange rate fluctuation.

Judgements made by management and sources of estimation uncertainty

The future cash flows expected to be generated by the business units are forecast taking into account market conditions and the expected useful lives of the assets which require judgement. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the goodwill and the underlying assets are written down to the present value calculated. Refer below for the specific factors taken into consideration.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill or intangible asset is allocated. The recoverable amount is generally calculated by applying the discounted cash flow methodology using forecasts and appropriate discount rates approved by management. Determining the expected cash flows and appropriate discount rates is judgemental in nature and involves the use of significant estimates and assumptions.

CIMERWA Limitada (CIMERWA)

The recoverable amount for this cash-generating unit of R1 094 million (2017: R706 million) was determined based on a value-in-use calculation, using cash flow projections based on financial forecasts approved by management and covering an initial seven-year period and a post-forecast period of 13 years, bringing the total period of the cash flows to 20 years from the report date. The company's budgeting cycle time horizon is seven years and management believes this should provide a more accurate base for the value-in-use calculation. A Rwandan franc discount rate of 18 % (2017: 20 %) was used in the valuation.

Cash flow projections during the forecast period of seven years were based on improved margins and profitability, following the commissioning of the new plant in September 2015, taking cognisance of an appropriate ramp-up period. Selling prices and cost of sales were forecast to increase at applicable inflation rates varying between 5 % and 6 % (2017: 3 % and 7 %), impacted by anticipated competitor activity in the earlier phase of the planning horizon. The cash flows post the forecast period have been extrapolated using specific growth rates of 6,7 % (2017: 7,5 %) per annum which is in line with the real inflation rate in Rwanda. The forecast period was limited to the life of mine, currently estimated at 20 years.

4. GOODWILL continued

Judgements made by management and sources of estimation uncertainty continued

CIMERWA Limitada (CIMERWA) continued

The forecast takes into consideration the future trends within the industry, geographical location, and expected growth in neighbouring countries. The values used reflect past experiences while the economic growth rates are management's best estimates that have been prepared using leading financial institutions' forecasts.

In both the current and prior reporting periods, the recoverable amount was deemed to be higher than the current carrying value, resulting in no impairment being charged against profit and loss. CIMERWA is included under cement rest of Africa in the segmental analysis.

There are no indications that any reasonable possible change in the key assumptions on which the recoverable amount has been calculated would cause the carrying amount to exceed the recoverable amount of this cash-generating unit.

Safika Cement Holdings Pty Limited (Safika)

When monitoring goodwill for Safika, Cement RSA and Safika have been combined as a single cash-generating unit due to the closely linked business dependencies between the two entities. Safika acquires all of its cement from Cement RSA and produces a blended 32,5N cement. From a day-to-day management perspective, the businesses are run as one single unit noting the key dependencies.

Therefore, for purposes of impairment testing, the goodwill is allocated to the combined Cement RSA cash-generating unit as the two business are expected to benefit from synergies. They represent the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The recoverable amount of R11 114 million (2017: R12 814 million) for the combined Cement RSA cash-generating units was determined based on value-in-use calculations, using cash flow projections based on financial forecasts approved by management and covering an initial seven-year period. The company's budgeting cycle time horizon is seven years and management believes this should provide a more accurate base for the value-in-use calculation. A discount rate of 13% (2017: 14%) and terminal growth rate of 5,5% (2017: 5,5%) have been used in the valuation.

Cash flow projections during the forecast period are based on similar pricing and margins to those currently being achieved by the businesses. Selling prices and cost of sales are forecast to increase at rates linked to local inflation forecasts varying between 6% and 10% (2017: 6% and 9%). The values used reflect past experiences while the economic growth rates of approximately 2% (2017: 3%) per annum are management's best estimates that have been prepared using leading financial institutions' forecasts.

In both the current and prior reporting periods, the recoverable amount was deemed higher than the current carrying value, resulting in no impairment being charged against profit and loss. The Cement RSA cash-generating unit is included under Cement southern Africa in the segmental analysis.

There are no indications that any reasonable possible change in the key assumptions on which the recoverable amount has been calculated would cause the carrying amount to exceed the recoverable amount of this cash-generating unit.

Pronto Holdings Pty Limited (Pronto)

During the 2017 reporting period, the PPC group undertook to reorganise the manner in which it discloses its operating segments according to the business units which are reviewed by the group executive committee. One of these key segments is aggregates and readymix. Included in the readymix segment is the Pronto group and 3Q Mahuma.

Applying judgement, management was of the opinion that the natural synergy between the two operations of Pronto group and 3Q Mahuma will result in a greater total competitive advantage for the group and should therefore be considered as one cash-generating unit. Assessed as its own group of assets, the readymix business operation can be seen to generate revenue and incur expenses which are independent of other groups of assets within the PPC group. This can also be substantiated further by the manner in which the group discloses the performance of its different business units in its segmental information.

Therefore, for purposes of impairment testing, the goodwill is allocated to the combined readymix cash-generating unit. They represent the lowest level within the entity at which goodwill is monitored for internal management purposes.

The recoverable amount of R453 million (2017: R612 million) for the cash-generating unit was determined based on value-in-use calculations, using cash flow projections based on financial forecasts approved by management and covering an initial seven-year period, which is in line with the company's budgeting cycle time horizon as management believes this should provide a more accurate base for the value-in-use calculation. A discount rate of 16% (2017: 17%) and terminal growth rate of 5,5% (2017: 5,5%) have been used in the valuation.

Cash flow projections during the forecast period are based on similar pricing and margins to those currently being achieved by the business, noting that selling prices achieved during the year are below last year. Selling prices and cost of sales are forecast to increase at rates linked to local inflation forecasts and vary between 5% and 9% (2017: 5% and 8%). The values used reflect past experiences while the economic growth rates of approximately 2% (2017: 3%) per annum are management's best estimates that have been prepared using leading financial institutions' forecasts.

Following the goodwill impairment assessment review, the recoverable amount of Pronto was calculated to be higher than its carrying amount resulting in no impairment to goodwill.

It is estimated that a decrease in net cash flows by 4% (2017: 4%) would result in the carrying amount exceeding the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2018

5. IMPAIRMENTS AND OTHER EXCEPTIONAL ITEMS

	31 March 2018 Rm	31 March 2017 Rm
Impairment of intangible assets (refer note 18)	**(17)**	–
Impairment of property, plant and equipment (refer note 2)	**(165)**	(10)
Impairment of VAT receivable	**(3)**	–
Profit on disposal of property, plant and equipment	**11**	–
Gross impairments and other exceptional adjustments	**(174)**	(10)
Taxation impact	**56**	3
Net impairments and other exceptional adjustments	**(118)**	(7)

Judgements made by management and sources of estimation uncertainty

The future cash flows expected to be generated by the business units are forecast, taking into account market conditions and the expected useful lives of the assets which require judgement. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are written down to the present value calculated.

Impairment

As a result of the economic and political uncertainty in the DRC, an impairment assessment was performed (refer note 2). The recoverable amount was calculated based on the fair value less cost to sell methodology and assessed to be lower than the carrying value with an impairment of R165 million recorded. In addition, an impairment of R17 million was recognised on the intangible assets relating to one of the aggregate quarries in Botswana.

In the prior year, CIMERWA recognised an impairment of R10 million relating to machinery that will no longer be utilised in the bagging and packing process.

Profit on disposal of property, plant and equipment

In the current year, PPC Botswana Cement Pty Limited disposed of land resulting in a profit of R11 million.

6. PROVISIONS

	31 March 2018 Rm	31 March 2017 Rm
Decommissioning and rehabilitation	**495**	509
Post-retirement healthcare benefits	**31**	36
	526	545

	Decom-missioning and rehabilitation Rm	Post-retirement healthcare benefits Rm	Total Rm
Movement of provisions			
2018			
Balance at the beginning of the year	**509**	**36**	**545**
Amounts added	**8**	**–**	**8**
Amounts reversed/utilised	**(42)**	**(5)**	**(47)**
Other movements	**(3)**	**–**	**(3)**
Time value of money adjustments	**34**	**–**	**34**
Translation differences	**(11)**	**–**	**(11)**
Balance at the end of the year	**495**	**31**	**526**
To be incurred:			
Between two and five years	**36**	**–**	**36**
More than five years	**459**	**31**	**490**
	495	**31**	**526**
2017			
Balance at the beginning of the year	374	34	408
Acquisition of subsidiary company	4	–	4
Amounts added	112	3	115
Amounts reversed/utilised	(1)	–	(1)
Other movements	–	2	2
Time value of money adjustments	27	–	27
Transfer to short-term provision	(2)	(2)	(4)
Translation differences	(5)	(1)	(6)
Balance at the end of the year	509	36	545
To be incurred:			
Between two and five years	38	7	45
More than five years	471	29	500
	509	36	545

6. PROVISIONS continued

Judgements made by management and sources of estimation uncertainty

Decommissioning and rehabilitation obligations

Estimating the future costs of these obligations is complex as most of the obligations will only be fulfilled in the foreseeable future. Furthermore, the resulting provisions are influenced by changing regulations and technologies, life of mine, political, environmental, safety, business and statutory considerations across the various jurisdictions in which PPC operates.

Group companies are required to restore mining and processing sites at the end of their productive lives to an acceptable condition consistent with local regulations, and in line with group policy. PPC has set up an environmental trust in South Africa to administer the local funding requirements of its decommissioning and rehabilitation obligations. Currently, there are no such regulations in the other jurisdictions in which the group operates for the creation of a rehabilitation trust fund. The investments in the trust fund are carried at fair value through profit/loss and amount to R134 million (2017: R124 million) at year-end.

In 2017, the South African decommissioning provision was reviewed in order to align to the new regulatory requirements for compliance during PPC's 2019 financial year. This review resulted in decommissioning provisions increasing by R97 million with a corresponding increase in property, plant and equipment, while the rehabilitation provision increased by R16 million, with the adjustment recorded in cost of sales. The company continues finalising its computations with assistance of external experts to quantify any potential shortfall against the law.

The majority of the decommissioning and rehabilitation provision relates to the South Africa operations. The key inputs used for calculating the provision in South Africa are (i) inflation rates of 5,6 % (2017: 5,2 %), (ii) real discount rate of 7,8 % (2017: 6,8 %), and (iii) life of mine limited to a maximum of 30 years.

Post-retirement healthcare benefits

Historically, qualifying employees were granted certain post-retirement healthcare benefits. The obligation for the employer to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners remain entitled to this benefit, the cost of which has been fully provided.

Included in the provision are the following:

Cement and Concrete Institute employees

The provision relates to post-employment healthcare benefits in respect of former employees of the Cement and Concrete Institute and amounted to R9 million (2017: R10 million). This liability was last actuarially valued during February 2018. The liability has been determined using the projected unit credit method.

Corner House Pension Fund and Lime Acres continuation members

The provision relates to post-employment healthcare benefits in respect of certain Corner House Pension Fund and Lime Acres continuation members and amounted to R15 million (2017: R18 million). This liability is revalued every three years and was last actuarially valued during February 2018. The liability has been determined using the projected unit credit method.

Porthold Post-retirement Medical Fund

The provision relates to healthcare benefits for both active and retired employees who joined the medical aid scheme on or after 1 October 2001 and amounted to R7 million (2017: R8 million). This liability is revalued every three years and was last actuarially valued during September 2015. The liability was determined using the projected unit credit method.

	31 March 2018 Rm	31 March 2017 Rm
7. OTHER NON-CURRENT ASSETS		
Unlisted collective investment	**134**	124
VAT receivable	**104**	210
Advance payments for plant and equipment	**–**	38
Long-term receivable	**59**	–
Investment in government bonds	**6**	8
	303	380
Valuation of unlisted investments including loans advanced (excluding advance payments, long-term receivable and VAT receivable)	**140**	132

Judgements made by management and sources of estimation uncertainty

Due to the longer-term nature of the non-current assets, judgement is required in determining the recoverability and valuation of the various non-current assets held by the group. These balances are exposed to movements in exchange rates, changes in regulatory environment and in the case of the recoverability of the long-term receivable, the estimated production tonnages and resultant power usage.

Unlisted collective investment

Comprises an investment by the PPC Environmental Trust in local unit trusts, with the fair value being calculated using the ruling prices on 31 March 2018. Put options are also held over the value of the investments in order to protect the capital of the portfolio. At 31 March 2018, the values of the put options were not material. During the year, a further R7 million (2017: R5 million) was reinvested into the unit trusts. These funds are held to fund PPC's South African environmental obligations.

VAT receivable

The group incurred VAT during the construction of the plant in the DRC. During the prior reporting period, management received a letter from the DRC Finance Department which indicates that the VAT needs to be paid to PPC Barnet DRC on condition that the money is utilised for discharge of local suppliers and local salary obligations. The letter did not, however, state when the payments will be initiated. As a result of the uncertainty around the timing of receipt of the funds, the VAT receivable has been classified as non-current.

During the year, a loss of R80 million (2017: R112 million) comprising the remeasurement following devaluations of the Congolese franc against the US dollar and a fair value adjustment relating to the discounting of the non-current VAT receivable were recorded and is reflected as fair value and foreign exchange adjustments in the income statement (refer note 12). Refunds amounting to R11 million were received during the year. An amount of R3 million assessed to be irrecoverable was impaired during the year (refer note 5).

Advance payments for plant and equipment

In terms of the construction agreements with the suppliers of the new cement plants in the rest of Africa, a portion of the full contract price was required to be paid in advance of the plant construction. The advance payments were recycled to property, plant and equipment as the plants were constructed, and were secured by advance payment bonds.

Long-term receivable

When the plant in the DRC was being constructed, PPC Barnet DRC entered into an agreement whereby PPC and the local power corporation would build the necessary power facility to supply electricity. In terms of this agreement, the portion initially contributed by PPC would be repaid through electrical usage of the plant. When PPC pays the power corporation, a portion of the amount payable is withheld and offset against this non-current asset.

Investment in government bonds

Represents government of Zimbabwe treasury bills carried at fair value. The initial face value of the treasury bills was US$706 831 (R8 million), repayable in three equal annual instalments from June 2017 to June 2019. In the current year, a first instalment of US$188 613 (R2 million) was received. Due to current liquidity constraints in Zimbabwe and uncertainty around receipt of the remaining instalments, the remaining value is still recognised as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2018

	31 March 2018 Rm	31 March 2017 Rm
8. OTHER NON-CURRENT LIABILITIES		
Cash-settled share-based payment liability (refer note 25)	**2**	1
Put option liability	**245**	434
Finance lease liabilities	**5**	5
Liability to non-controlling shareholder in subsidiary company	**14**	16
	266	456
Less: Short-term portion of cash-settled share-based payment liability and finance lease	**(4)**	(3)
	262	453

Judgements made by management and sources of estimation uncertainty

Due to the valuation technique used in determining the fair value of the put option liability, management judgements and estimations have been applied. The fair value calculated is impacted by the future financial performance of the DRC, the EBITDA multiple applied, exchange rates and expected timing of when the option will be exercised.

Put option liability		
Balance at the beginning of the year	**434**	415
Remeasurements	**(238)**	–
Time value of money adjustments	**49**	19
Balance at the end of the year	**245**	434

The International Finance Corporation (IFC) was issued a put option in September 2015 in terms of which PPC Ltd is required to purchase all or part of the shares held by the IFC in PPC Barnet DRC Holdings. The put option may be exercised after six years from when the IFC subscribed for the shares but only for a five-year period. The put option value was calculated using the DRC's forecast EBITDA applying an earnings multiple less net debt and then present valued.

Forecast EBITDA is based on financial forecasts approved by management, with pricing and margins similar to those currently being achieved by the business unit, albeit lower than in the prior year, while selling prices and costs are forecast to increase at local inflation projections and extrapolated using local GDP growth rates averaging 5 % per annum (2017: between 5 % and 9 %) taking cognisance of the plant production ramp-up and adjusted for the impact of competitor activity and political environment within the country and neighbouring countries. An EBITDA multiple of 7 times (2017: 8 times) was determined using comparison of publicly available information on other cement businesses operating in similar territories. The present value of the put option was calculated at R245 million (2017: R434 million). The decline in the liability follows the reduction in the EBITDA multiple applied, market dynamics putting pressure on volumes, selling prices and exchange rates.

Refer note 26 for sensitivity analysis.

Liability to non-controlling shareholder in subsidiary company

Relates to US dollar denominated interest payable on initial equity contribution into the DRC group of companies by a non-controlling shareholder. The accruing of interest ceased in September 2015 and the amount payable will be repaid once the external funding of the DRC has been settled.

9. TAXATION

9.1 Income tax

Judgements made by management and sources of estimation uncertainty

The group is subject to direct and indirect taxation in a number of jurisdictions. There may be transactions and calculations for which the ultimate tax determination has an element of uncertainty in the ordinary course of business. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liabilities in the year in which such determination is made.

	31 March 2018 Rm	31 March 2017 Rm
South African normal taxation		
Current taxation	**215**	182
Current year	**230**	169
Prior years	**(15)**	13
Deferred taxation	**(56)**	(117)
Current year	**(48)**	(140)
Prior years	**(8)**	23
Foreign normal taxation		
Current taxation	**117**	102
Current year	**117**	102
Deferred taxation	**(71)**	(37)
Current year	**(71)**	(37)
Withholding taxation	**–**	23
Taxation charge	**205**	153

	%	%
Taxation rate reconciliation		
Profit before taxation (excluding earnings from equity-accounted investments)	**68**	85
Prior years' taxation impact	**(7)**	(20)
Profit before taxation, excluding prior years' taxation adjustments	**61**	65
Income taxation effect of:	**(33)**	(37)
Disallowable charges, permanent differences and impairments	**(42)**	(10)
Empowerment transactions and IFRS 2 charges not taxation deductible	**(3)**	(32)
Fair value adjustments on financial instruments not subject to taxation	**22**	–
Finance costs on BBBEE transaction not taxation deductible	**–**	(9)
Foreign taxation rate differential	**16**	12
Deferred taxation (not raised)/previously not recognised	**(23)**	15
Withholding taxation	**(3)**	(13)
South African normal taxation rate	**28**	28

		31 March 2018 Rm	31 March 2017 Rm
9.	**TAXATION** continued		
9.2	**Taxation paid**		
	Net amounts (receivable) at the beginning of the year	**(18)**	(27)
	Charge per income statement (excluding deferred taxation)	**331**	307
	Impact of foreign rate differences	**(5)**	(2)
	Net amounts receivable at the end of the year	**22**	18
		330	296
9.3	**Deferred taxation**		
	Net liability at the beginning of the year comprises:	**931**	1 126
	Deferred taxation asset	**142**	52
	Deferred taxation liability	**1 073**	1 178
	Acquisition of subsidiary company (refer note 19)	**–**	(3)
	Income statement release	**(86)**	(154)
	Prior year taxation adjustment	**(28)**	52
	Released directly in equity	**–**	(13)
	Translation differences	**(20)**	(77)
	Net liability at the end of the year comprises:	**797**	931
	Deferred taxation asset	**245**	142
	Deferred taxation liability	**1 042**	1 073
	Analysis of deferred taxation		
	Property, plant and equipment	**1 189**	1 416
	Other non-current assets	**134**	120
	Current assets	**(10)**	14
	Non-current liabilities	**(124)**	(113)
	Current liabilities	**(75)**	(66)
	Reserves	**1**	(83)
	Taxation losses	**(318)**	(357)
		797	931

Judgements made by management and sources of estimation uncertainty

Deferred taxation assets

Deferred taxation assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Future tax profits are estimated based on the business plans which include estimates and assumptions regarding economic growth, interest, inflation, tax rates and the competitive environment.

Included in the net deferred taxation balance is an assessed loss of R242 million (2017: R262 million) relating to CIMERWA's taxation losses. In terms of local legislation, taxation losses need to be utilised within five years from the initial year of assessment. This assessment involves significant judgement as it requires management to project available taxable profits over a five-year period. Management has relied on the same projections used in assessing impairments. At year-end, and based on the approved business plans, the company considered it probable that these taxation losses will be offset against future taxable profits.

Following the assessment of the future recoverability of deferred taxation assets, the deferred taxation assets were fully impaired at PPC Barnet DRC Trading and 3Q Mahuma Concrete totalling R54 million. Furthermore, an impairment of R6 million was recorded against PPC Aggregate Quarries Botswana.

10. BORROWINGS

	Terms	Security	Interest rate	31 March 2018 Rm	31 March 2017 Rm
	Terms	**Security**	**Interest rate**	**131**	131
Notes					
PPC 002	Five years	Unsecured	Variable rates at three-month JIBAR plus 1,5 %	**20**	20
PPC 003	Five years	Unsecured	Variable rates at three-month JIBAR plus 1,48 %	**111**	111
South Africa long-term funding				**1 392**	1 565
	Interest is payable bi-annually with a bullet capital repayment in June 2018. Loan was settled in March 2018 through long-term loans secured as noted below	Unsecured	Variable rates at 585 basis points above JIBAR	**–**	1 565
	R700 million amortising loan facility, maturing in 2021 with capital repayments of R175 million in 2019 and 2020 and R350 million in 2021	Unsecured	Variable rates at 270 basis points above three-month JIBAR	**696**	–
	R800 million general banking facility expiring in 2022	Unsecured	Variable rates at 305 basis points above three-month JIBAR	**696**	–
Project funding				**2 889**	3 685
	US dollar denominated, repayable in monthly instalments over a 10-year period starting March 2016	Secured by CIMERWA's property, plant and equipment (refer note 2)	Variable at 725 basis points above six-month US dollar LIBOR	**347**	569
	Rwandan franc denominated, repayable in monthly instalments over a 10-year period starting March 2016	Secured by CIMERWA's property, plant and equipment (refer note 2)	Fixed rate of 16 %	**300**	435
	US dollar denominated, interest payable bi-annually. Bi-annual repayments in equal instalments over five years starting December 2016	Secured by PPC Zimbabwe's property, plant and equipment (refer note 2), inventory (refer note 16) and trade and other receivables (refer note 15)	Six-month US dollar LIBOR plus 700 basis points	**479**	638
	US dollar-denominated, capital and interest payable bi-annually starting July 2016 ending January 2025	Secured by PPC Barnet DRC's property, plant and equipment	Six-month US dollar LIBOR plus 975 basis points	**1 763**	2 043
				4 412	5 381
Less: Short-term portion of long-term borrowings				**(333)**	(1 826)
Long-term borrowings				**4 079**	3 555
Add: Short-term borrowings, bank overdrafts and short-term portion of long-term borrowings				**603**	2 181
Total borrowings				**4 682**	5 736
Maturity analysis of total borrowings:					
One year				**603**	2 181
Two years				**764**	570
Three years				**836**	669
Four years				**1 192**	568
Five and more years				**1 287**	1 748
				4 682	5 736
Assets encumbered					
Property, plant and equipment (refer note 2)				**6 460**	7 304

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2018

	31 March 2018 Rm	31 March 2017 Rm
11. FINANCE COSTS		
Bank and other short-term borrowings	**305**	474
Notes	**8**	80
Long-term loans and project funding	**303**	345
	616	899
Capitalised to plant and equipment	**(23)**	(241)
Finance costs before BBBEE transaction and time value of money adjustments	**593**	658
BBBEE transaction	**–**	37
Time value of money adjustments on rehabilitation and decommissioning provisions and put option liability	**82**	46
	675	741
Southern Africa	**337**	573
Rest of Africa	**338**	168

Included in the bank and other short-term borrowings in the prior year is R128 million which was incurred for the liquidity and guarantee facility raising fees.

The total finance costs excluding time value of money adjustments relate to borrowings held at amortised cost. For details of borrowings, refer note 10.

	31 March 2018 Rm	31 March 2017 Rm
11.1 Finance costs paid		
Finance costs as per income statement charge	**675**	741
Time value of money adjustments on rehabilitation and decommissioning provisions and put option liability	**(82)**	(46)
Movement in accrued finance costs	**(1)**	48
	592	743

	31 March 2018 Rm	31 March 2017 Rm
12. FAIR VALUE AND FOREIGN EXCHANGE GAINS/(LOSSES)		
Loss on ineffective portion of cash flow hedge	**–**	(9)
Gain on remeasurement of put option liability (refer note 8)	**238**	–
Gain on unlisted collective investments	**5**	1
Loss on translation of foreign denominated currency monetary items	**(100)**	(116)
	143	(124)

Included in loss on translation of foreign currency denominated monetary items is a loss of R80 million (2017: R112 million) comprising the remeasurement following devaluations of the Congolese franc against the US dollar and a fair value adjustment relating to the discounting of the non-current VAT receivable in the DRC. Furthermore, a remeasurement loss of R12 million (2017: R53 million) has been recorded against the US dollar denominated project funding in Rwanda. Also included in the loss on translation of foreign currency monetary items is losses and gains made on open forward exchange contract held for capital purchases and working capital requirements.

Details on foreign exchange rates can be found in note 1.5.

	31 March 2018 Shares	31 March 2017 Shares

13. STATED CAPITAL

Authorised ordinary shares	**10 000 000 000**	10 000 000 000

Refer note 21 for total shares in issue.

Authorised preference shares	**20 000 000**	20 000 000

Twenty million preference shares of R1 000 each. No preference shares have been issued.

	Rm	Rm
Stated capital		
Balance at the beginning of the year	**3 919**	(1 113)
Acquisition of 3Q Mahuma Concrete, settled via the issue of shares (refer note 19)	**–**	135
Increase in stated capital from issuance of shares following rights issue (net of transaction costs)	**–**	3 805
Sale of shares, treated as treasury shares, by consolidated BBBEE entity	**62**	37
Shares issued to SBPs following the maturity of the company's first BBBEE transaction	**–**	1 041
Shares purchased in terms of FSP incentive scheme treated as treasury shares	**(72)**	(74)
Vesting of shares held by certain BBBEE 1 entities	**2**	88
Vesting of shares held in terms of the FSP incentive scheme	**73**	–
Balance at the end of the year	**3 984**	3 919

	Shares	Shares
Unissued shares		
Ordinary shares	**8 408 240 046**	8 408 240 046
Preference shares	**20 000 000**	20 000 000

14. TRADE AND OTHER PAYABLES

	Rm	Rm
Accrued finance charges	**8**	7
Cash-settled share-based payment liability (short-term portion) (refer note 25)	**2**	1
Capital expenditure payables	**45**	171
Finance lease liabilities	**1**	2
Other financial payables	**156**	42
Retentions held for plant and equipment	**259**	297
Trade payables and accruals	**991**	944
Trade and other financial payables	**1 462**	1 464
Payroll accruals	**248**	227
VAT payable	**25**	46
Taxation payable	**71**	106
	1 806	1 843

Included in other financial payables is an amount of R47 million relating to amounts due to advisers for work performed on the corporate actions.

Trade and other payables, payroll accruals and regulatory obligations are payable within a 30 to 60-day period.

	31 March 2018 Rm	31 March 2017 Rm

15. TRADE AND OTHER RECEIVABLES

	31 March 2018 Rm	31 March 2017 Rm
Trade receivables	**958**	1 041
Allowance for doubtful debts	**(58)**	(46)
Net trade receivables	**900**	995
Mark to market fair value hedge (refer note 26)	**1**	27
Proceeds due from the rights offer for PPC shares listed on the Zimbabwe Stock Exchange	**–**	86
Proceeds due from the sale of PPC shares held by consolidated BBBEE entities	**7**	37
Other financial receivables	**115**	179
Trade and other financial receivables	**1 023**	1 324
Prepayments	**115**	105
VAT receivable	**13**	99
Taxation receivable	**93**	124
	1 244	1 652

Refer note 26 for fair value of trade and other receivables.

Proceeds due from the rights offer for PPC shares listed on the Zimbabwe Stock Exchange

Relates to the rights issue proceeds (concluded in September 2016) from the PPC shares listed on the Zimbabwe Stock Exchange. The amount receivable has been reclassified to cash and cash equivalents in the current year as the funds are considered freely available to PPC (refer note 17).

	31 March 2018 Rm	31 March 2017 Rm
Net trade receivables comprise	**900**	995
Trade receivables that are neither past due nor impaired	**704**	816
Trade receivables that would otherwise be impaired whose terms have been renegotiated	**–**	2
Trade receivables that are past due but not impaired	**196**	177

No individual customer represents more than 10 % of the group's revenue and exposure at year-end. The group's largest customer comprises 9 % (2017: 7 %) of trade receivables at year-end.

Before granting credit to a customer, the group uses an internal credit scoring system to assess the potential customer's credit quality and limit. The credit quality of a customer is assessed with reference to credit bureau reports, financial statements analysis, trade references, bank codes and securities. Accounts are reviewed annually with high-risk customers monitored more frequently. Collateral held comprises bank guarantees, cession of book debt, deed of surety, cross-company guarantees and notarial bonds.

Except for trade and other receivables of PPC Zimbabwe of R36 million, no receivables have been pledged as security.

	Cement Rm	Lime Rm	Aggregates and readymix Rm	Total Rm

15. TRADE AND OTHER RECEIVABLES continued

	Cement Rm	Lime Rm	Aggregates and readymix Rm	Total Rm
Trade receivables that are neither past due nor impaired				
2018	**497**	**87**	**120**	**704**
2017	610	93	113	816
There is no history of material default relating to trade receivables in this category.				
Trade receivables that are past due but not impaired				
2018				
Ageing beyond normal terms	**157**	**17**	**22**	**196**
1 – 30 days	**42**	**6**	**3**	**51**
31 – 60 days	**39**	**–**	**4**	**43**
61 – 90 days	**13**	**1**	**1**	**15**
91 – 180 days	**28**	**10**	**12**	**50**
Greater than 180 days	**35**	**–**	**2**	**37**
Fair value of collateral held	**89**	**–**	**–**	**89**
2017				
Ageing beyond normal terms	146	13	18	177
1 – 30 days	43	13	6	62
31 – 60 days	41	–	2	43
61 – 90 days	11	–	3	14
91 – 180 days	8	–	4	12
Greater than 180 days	43	–	3	46
Fair value of collateral held	22	–	–	22

Judgements made by management and sources of estimation uncertainty

The allowance for doubtful debts of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due in accordance with the original terms of credit given and includes an assessment of recoverability based on historical trend analysis and circumstances that exist at the reporting date. Normal credit terms vary between 30 and 60 days. Allowance for doubtful debt is generally determined by the ageing on an account (greater than 120 days), financial position of the customer and security held. When a customer applies for business rescue or liquidates, the amount due is immediately provided for, if not already provided.

	Cement Rm	Lime Rm	Aggregates and readymix Rm	Total Rm
Allowance for doubtful debts				
2018				
Balance at the beginning of the year	**34**	**–**	**12**	**46**
Allowance raised through profit or loss	**21**	**–**	**5**	**26**
Utilisation of allowance	**(9)**	**–**	**(1)**	**(10)**
Translation differences	**(4)**	**–**	**–**	**(4)**
Balance at the end of the year	**42**	**–**	**16**	**58**
2017				
Balance at the beginning of the year	60	12	5	77
Allowance raised through profit or loss	(1)	–	11	10
Utilisation of allowance	(3)	(12)	(4)	(19)
Translation differences	(22)	–	–	(22)
Balance at the end of the year	34	–	12	46

	31 March 2018 Rm	31 March 2017 Rm
16. INVENTORIES		
Inventories are initially recognised at cost, determined using a weighted average cost formula. Subsequently, inventories are stated at the lower of cost and net realisable value.		
Raw materials	**152**	161
Work in progress	**151**	220
Finished goods	**499**	493
Maintenance stores	**599**	524
Inventory obsolescence	**(219)**	(235)
	1 182	1 163

Judgements made by management and sources of estimation uncertainty

The provision for obsolete inventory, which is specific to maintenance stores, is calculated based on an item by item basis with regard to specific circumstances and history of usage, and is consistent with the prior year.

During the year, an amount of R2 million (March 2017: R7 million) for critical spares was reclassified between property, plant and equipment and inventory (refer note 2).

The cost of inventories recognised as an expense in cost of sales during the year was R5 538 million (2017: R4 927 million).

Except for the inventory of PPC Zimbabwe of R239 million, no inventories have been pledged as security.

17. CASH AND CASH EQUIVALENTS

	31 March 2018 Rm	31 March 2017 Rm
Cash and cash equivalents	**836**	990
Currency analysis:		
Botswana pula	**51**	32
Mozambican metical	**7**	10
Rwandan franc	**45**	54
South African rand	**124**	422
United States dollar	**609**	472
	836	990

Included in cash and cash equivalents, under South African rand, is R82 million due from the rights issue (concluded in September 2016) for PPC shares listed on the Zimbabwe Stock Exchange. The amount receivable has been reclassified to cash and cash equivalents in the current year as the funds are considered freely available to PPC. The current liquidity issues in Zimbabwe have not allowed our Zimbabwe sponsors to facilitate the transfer of funds to South Africa. In light of the liquidity issues in Zimbabwe, the company continues to explore the most beneficial use of the funds in Zimbabwe while transfer to South Africa is not possible.

Cash and cash equivalents include cash on hand and cash on deposit. Amounts denominated in foreign currencies have been translated at ruling exchange rates at year-end (refer note 1.5).

	31 March 2018 Rm	31 March 2017 Rm
Included in cash and cash equivalents is restricted cash:		
PPC Environmental Trust	**8**	8
Zimbabwe	**49**	51
	57	59

Cash and cash equivalents held by the PPC Environmental Trust can only be utilised for environmental obligations in South Africa and is therefore not freely available.

In the prior year, PPC Zimbabwe's full cash and cash equivalents of R289 million were reflected as restricted. After due consideration in the current period, the prior year number has been restated to only reflect the funds included in the escrow account at March 2017 rather than PPC Zimbabwe's full cash and cash equivalents as restricted cash and cash equivalents. There has been no change to the overall cash and cash equivalent position as recorded in the prior year. In accordance with the requirements of lenders to PPC Zimbabwe, PPC Zimbabwe is required to deposit funds in an escrow account which can only be used for the purposes of making capital and interest repayments on the loan. The section below covers the position on PPC Zimbabwe's cash and cash equivalents.

PPC Zimbabwe

PPC Zimbabwe has cash and cash equivalents, net of restricted cash, of R466 million (2017: R237 million). The funds are freely available for use in Zimbabwe but due to the current economic environment, the transfer of funds outside of the country is limited.

During the year, the Zimbabwe Central Bank through Exchange Control Operational Guide 8 (ECOGAD 8) introduced a foreign payments priority list that has to be followed when making foreign payments. Any foreign payment that is made is ranked based on the Central Bank prioritisation criteria and paid subject to the bank having adequate funds with its foreign correspondent banks. This has resulted in the delayed processing of payments of foreign telegraphic transfers. The delayed payments have resulted in an increase in the cash and cash equivalents balance and the foreign creditor balances compared to the prior year.

Included in PPC Zimbabwe's cash and cash equivalents are bond notes. Bond notes are debt instruments which have been disclosed under cash and cash equivalents as it meets the definition of cash and cash equivalents. These notes are pegged at 1:1 with the US dollar and is considered legal tender in Zimbabwe.

18. OTHER INTANGIBLE ASSETS

	Right of use of mineral asset Rm	ERP development and other software Rm	Brand, trademarks and customer relationships Rm	Total Rm
2018				
Cost	**192**	**347**	**518**	**1 057**
Accumulated amortisation and impairments	**26**	**242**	**232**	**500**
	166	**105**	**286**	**557**
Movements during the year				
Net carrying value at the beginning of the year	**203**	**126**	**348**	**677**
Additions	**–**	**6**	**–**	**6**
Amortisation	**(2)**	**(26)**	**(50)**	**(78)**
Impairments	**(17)**	**–**	**–**	**(17)**
Translation differences	**(18)**	**(1)**	**(12)**	**(31)**
Net carrying value at the end of the year	**166**	**105**	**286**	**557**
2017				
Cost	213	349	537	1 099
Accumulated amortisation and impairments	10	223	189	422
	203	126	348	677
Movements during the year				
Net carrying value at the beginning of the year	214	140	412	766
Acquisition of subsidiary company (refer note 19)	–	–	10	10
Additions	–	19	–	19
Amortisation	(2)	(33)	(57)	(92)
Translation differences	(9)	–	(17)	(26)
Net carrying value at the end of the year	203	126	348	677

Judgements made by management and sources of estimation uncertainty

Reserves estimates

Purchased reserves through a business combination are estimates of the amount of minerals that can be economically and legally extracted from our mining properties. Reserves and mineral resource estimates are based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the orebody, and require geological judgements to interpret the data and other relevant economical and technical data.

The estimation of recoverable reserves is based on factors such as estimates of selling prices, future capital requirements and production costs along with geological assumptions and judgements made in estimating the size and grade of the mineral reserve.

Changes in the reserve or resource estimates may impact the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation and decommissioning, recognition of deferred taxation assets and depreciation and amortisation charges.

Useful lives	Method	Rate
Right of use of mineral asset	Straight-line	Estimated life of mine, limited to 30 years
ERP development and other software	Straight-line	Up to 10 years
Brand and trademarks	Straight-line	Up to 15 years
Customer relationships	Straight-line	Up to 5 years

Brand, trademarks and customer relationships

Included in brand, trademarks and customer relationships are brand and trademarks of R270 million (March 2017: R297 million), and contracted and non-contracted customer relationships of R29 million (March 2017: R51 million). At year-end, this category has an estimated remaining useful life of six years.

The group does not have any indefinite useful life intangible assets other than goodwill (refer note 4).

19. ACQUISITION OF A SUBSIDIARY COMPANY

Prior year acquisition of 3Q

Judgements made by management and sources of estimation uncertainty

Fair values of intangible assets were valued by an independent specialist and amounted to R11 million, the significant portion thereof relating to the 3Q brand. These intangible assets will be amortised over a five-year period. The fair value adjustments to property, plant and equipment amounted to R11 million and relate to trucks and these were valued using insurable replacement values.

	31 March 2017 Rm
Fair value of assets and liabilities acquired at date of acquisition	
Property, plant and equipment	98
Intangible assets	10
Deferred taxation	3
Cash and cash equivalents	4
Other current assets	102
Other non-current liabilities	(6)
Current liabilities	(76)
Net fair value of assets and liabilities acquired	135

In the prior financial year, all the transaction terms to acquire 100% of 3Q Mahuma Concrete Pty Limited (3Q) were achieved and 3Q became a wholly owned group subsidiary. The acquisition was settled via the issuance of 17 565 872 new PPC shares. The fair value of the shares for asset acquisition, using the ruling share price of R7,68 on the effective date of the transaction, amounted to R135 million.

The commercial rationale for the transaction was to progress the company's channel management strategy that serves as a complementary platform for cement growth in South Africa. PPC's strategic intention is to be a provider of materials and solutions into the basic services sector. Cementitious distribution channels, including readymix, is increasingly being utilised as conduit to grow and sustain cement sales volumes. The acquisition provides PPC with a further complementary platform to grow its service offering in this market segment. The South African market is evolving towards a concrete delivery model, which requires complementary building materials including cement, aggregates and readymix. Controlling cement distribution channels is vital, with customers and end-users requiring integrated solutions.

20. EQUITY-ACCOUNTED INVESTMENTS

	31 March 2018 Rm	31 March 2017 Rm
Investments at cost at the beginning of the year	**225**	200
Investment made during the year	**42**	–
Investments at cost at the end of the year	**267**	200
Share of retained loss	**(61)**	–
Share of current year's (loss)/profit	**(60)**	1
Share of associate dividend	**(1)**	(1)
Translation differences	**(24)**	25
	182	225
Valuation of interest in equity-accounted investments		
Fair value of unlisted equity-accounted investments, including loans advanced	**582**	347

Habesha Cement Share Company (Habesha) comprises the majority of the group's investment in equity-accounted investments and therefore only the valuation methodology and assumptions relating to the investment are disclosed.

The majority of the share of current year losses is as a result of a remeasurement loss recorded against the US dollar denominated borrowings following the devaluation of the Ethiopian birr against the US dollar.

The fair value of Habesha was determined using the discounted cash flow methodology and cash flow projections based on financial forecasts approved by the Habesha board. A discount rate of 17% (2017: 19%) and terminal growth rate of 5% have been used in the valuation.

Key financial information of associates		
Revenue	**96**	–
Loss for the year	**160**	–
Non-current assets	**1 367**	1 639
Current assets	**318**	170
Total assets	**1 685**	1 809
Total equity	**300**	858
Non-current liabilities	**941**	951
Current liabilities	**444**	–

During the current year, PPC contributed a further US$4 million equity contribution into Habesha bringing PPC's shareholding to 38%. The plant was successfully commissioned in January 2018.

20. EQUITY-ACCOUNTED INVESTMENTS continued

Name	Nature of business	Shareholding 2018 %	Shareholding 2017 %	Financial year-end[(a)]	Carrying value, including loans advanced 2018 Rm	Carrying value, including loans advanced 2017 Rm
Incorporated in South Africa						
Olegra Oil Pty Limited	Used oil collection and filling station	**29**	29	February	**3**	3
Incorporated in Ethiopia						
Habesha Cement Share Company	Cement manufacturer	**38**	38	December	**179**	222
					182	225

[(a)] Management accounts together with the financial statements are used to align earnings in equity-accounted investments with PPC's year-end as Habesha has a December financial year-end.

21. EARNINGS AND HEADLINE EARNINGS PER SHARE

21.1 Number of shares and weighted average number of shares

	Total number of shares	Weighted average number of shares	Number of shares for dilutive earnings per share
March 2018			
Total shares in issue before adjustments for shares deemed to be treasury shares	**1 591 759 954**	**1 591 759 954**	**1 591 759 954**
Shares issued in terms of the second BBBEE transaction treated as treasury shares	**(37 382 193)**	**(37 382 193)**	**(37 382 193)**
Shares held by consolidated BBBEE trusts and trust funding SPVs treated as treasury shares	**(20 144 083)**	**(21 291 094)**	**(21 291 094)**
Shares held by consolidated Porthold Trust Pvt Limited treated as treasury shares	**(1 284 556)**	**(1 284 556)**	**(1 284 556)**
Shares purchased in terms of the FSP incentive scheme treated as treasury shares	**(19 955 207)**	**(21 639 158)**	**–**
	1 512 993 915	**1 510 162 953**	**1 531 802 111**
March 2017			
Total shares in issue at the beginning of the year	607 180 890	690 104 317	690 104 317
Shares issued in terms of the rights issue	1 000 000 000	536 986 301	536 986 301
Shares issued for the acquisition of 3Q (refer note 19)	17 565 872	14 293 663	14 293 663
Shares issued to the SBPs and CSGs during the year	15 571 174	4 522 040	4 522 040
Shares bought back from the SBPs and CSGs and cancelled in terms of BBBEE I agreements	(48 557 982)	(14 101 770)	(14 101 770)
Total shares in issue before adjustments for shares deemed to be treasury shares	1 591 759 954	1 231 804 551	1 231 804 551
Shares issued in terms of the second BBBEE transaction treated as treasury shares	(37 382 193)	(42 487 524)	(42 487 524)
Shares held by consolidated BBBEE trusts and trust funding SPVs treated as treasury shares	(28 928 502)	(39 106 713)	(39 106 713)
Shares held by consolidated Porthold Trust Pvt Limited treated as treasury shares	(1 284 556)	(1 457 038)	(1 457 038)
Shares purchased in terms of the FSP incentive scheme treated as treasury shares	(14 013 429)	(11 415 442)	–
	1 510 151 274	1 137 337 834	1 148 753 276

	31 March 2018 Shares	31 March 2017 Shares
21. EARNINGS AND HEADLINE EARNINGS PER SHARE continued		
21.2 Weighted average number of shares		
Used for cash earnings per share	**1 510 162 953**	1 137 337 834

The difference between earnings and diluted earnings per share relates to shares held under the FSP incentive scheme that have not vested.

Shares held by consolidated participants of the second BBBEE transaction

Shares issued in terms of the second BBBEE transaction which was facilitated by means of a notional vendor funding (NVF) mechanism, with the transaction concluding on 30 September 2019. These shares participate in 20% of the dividends declared by PPC during the NVF period. With the exception of the Bafati Investment Trust, entities participating in this transaction are consolidated into the PPC group in terms of IFRS 10 *Consolidated Financial Statements* during the transaction term.

Shares held by consolidated BBBEE trusts and trust funding SPVs

In terms of IFRS 10 *Consolidated Financial Statements*, certain of the BBBEE trusts and trust funding SPVs from PPC's first BBBEE transaction are consolidated, and as a result, shares owned by these entities are carried as treasury shares on consolidation.

Shares held by consolidated Porthold Trust Pvt Limited

Shares owned by a Zimbabwe employee trust company are treated as treasury shares.

FSP incentive scheme

In terms of the FSP incentive scheme, 19 955 207 shares (2017: 14 013 429 shares) are held in total for participants of this long-term incentive scheme. The shares are treated as treasury shares during the vesting periods of the awards. During the year, 3 832 250 shares (2017: nil shares) vested.

In terms of IFRS requirements, 5% (2017: 5%) of the total shares in issue are treated as treasury shares following the consolidation of the various BBBEE entities, employee trusts and incentive share schemes.

	Rm	Rm
21.3 Basic earnings		
Net profit for the year	**37**	27
Attributable to:		
Shareholders of PPC Ltd	**149**	93
Non-controlling interests	**(112)**	(66)
	37	27

	Cents	Cents
21.4 Earnings per share		
Basic	**10**	8
Diluted	**10**	8

	Rm	Rm
21.5 Headline earnings		
Headline earnings is calculated as follows:		
Profit for the year	**37**	27
Adjusted for:		
Impairment of property, plant, equipment and intangible assets	**182**	10
Taxation on impairments	**(58)**	(3)
Proceeds from insurance claim	**–**	(27)
Taxation on proceeds from insurance claim	**–**	8
(Profit)/loss on sale of assets	**(11)**	10
Taxation on profit/(loss) on sale of assets	**2**	(3)
Headline earnings	**152**	22
Attributable to:		
Shareholders of PPC Ltd	**231**	85
Non-controlling interests	**(79)**	(63)

	Cents	Cents
21.6 Headline earnings per share		
Basic	**15**	7
Diluted	**15**	7

	31 March 2018 Rm	31 March 2017 Rm

22. OPERATING PROFIT

	2018 Rm	2017 Rm
Operating profit includes:		
Amortisation of intangible assets (refer note 18)	**78**	92
Cost of sales	**6**	24
Operating costs	**72**	68
Auditors' remuneration	**27**	20
Fees	**21**	17
Other	**6**	3
Depreciation	**798**	740
Cost of sales	**749**	669
Operating costs	**49**	71
Distribution costs included in cost of sales	**1 422**	1 348
(Profit)/loss on sale of asset	**(11)**	10
Operating lease charges – land and buildings	**37**	27
Staff costs before capitalisation to plant and equipment	**1 657**	1 597
Southern Africa	**1 343**	1 279
Rest of Africa	**314**	318
Including:		
Equity-settled share incentive scheme charge	**40**	38
Directors' remuneration[a]	**45**	33
Employees' remuneration	**1 448**	1 420
Restructuring costs	**22**	9
Retirement benefit contributions (refer note 27)	**102**	97
	1 657	1 597
Less: Costs capitalised to plant and equipment	**(15)**	(29)
	1 642	1 568

[a] For further details, refer to the abridged remuneration report.

23. INVESTMENT INCOME

	2018 Rm	2017 Rm
Dividends on collective investment scheme	**7**	6
Interest received on cash and cash equivalents	**45**	21
	52	27

24. NON-CURRENT ASSETS HELD FOR SALE

	2018 Rm	2017 Rm
Assets classified as held for sale	**34**	38

In September 2015, the PPC Zimbabwe board approved the disposal of houses at its Colleen Bawn and Bulawayo factories which was anticipated to be finalised in 12 months. The disposal has been delayed due to the government processing of the sectional title deeds and is now anticipated to be completed during the 2019 financial year. No impairment loss was recognised on the initial reclassification as management concluded that the fair value (estimated based on market prices of similar properties) less costs to sell was higher than the current carrying amount. PPC Zimbabwe is included under the cement rest of Africa segment in the segmental analysis. The underlying assets are US dollar denominated and the year-on-year reduction follows the strengthening of the rand against the US dollar.

25. SHARE-BASED PAYMENTS

Judgements made by management and sources of estimation uncertainty

Fair value used in calculating the amount to be expensed as a share-based payment is subject to a level of uncertainty. The group is required to calculate the fair value of the cash-settled and equity-settled instruments granted to employees in terms of the share option schemes, FSP incentive schemes and share-based payment charges relating to empowerment transactions.

These fair values are calculated by applying a valuation model, which is in itself judgemental, and takes into account certain inherently uncertain assumptions such as dividend yield, share price volatility, performance conditions and staff turnover.

25.1 Cash-settled

Executive directors and certain senior employees have been granted cash-settled share appreciation rights in terms of the PPC Long-Term Incentive Plan. The scheme was implemented during 2007, in recognition of services rendered, to encourage long-term shareholder value creation, and as an incentive for current and prospective employees to benefit from growth in the value of PPC in the medium and long term. All grants are approved by the remuneration committee.

Share appreciation rights granted

	Total	2009[(a)]	2008[(a)]	2007[(a)/(b)]
Date of grant		25/09/2009	17/11/2008	08/08/2007
Grant price (based on five-day volume weighted average price or zero) (rand)		21,30	18,97	26,95
Number of rights granted	**7 918 000**	2 166 000	2 212 000	3 540 000
Directors (with performance conditions)	**1 826 000**	360 000	435 000	1 031 000
Executives (with performance conditions)	**1 390 000**	458 000	456 000	476 000
Senior management	**4 702 000**	1 348 000	1 321 000	2 033 000
Movement during the year	**(1 359 000)**	–	–	(1 359 000)
Movement in prior years	**(4 395 000)**	(1 058 000)	(1 156 000)	(2 181 000)
Unexercised/unvested at 31 March 2018 – senior management	**2 164 000**	1 108 000	1 056 000	–
Vesting in thirds after the third, fourth and fifth anniversary of the grant date		Yes	Yes	Yes
Automatically exercised on the third anniversary of the grant date		Yes	Yes	Yes
Expiry date (lapse if not exercised)		25/09/2019	17/09/2018	

(a) These rights have vested but have not been exercised as at 31 March 2018.

(b) The rights granted in 2017 have now reached their expiry date and the awards lapsed during the year following the lifting of the various cautionaries the company was trading under.

	2018 Rm	2017 Rm
Charge/(reversal of previous charges) recognised	1	(2)
The carrying amount of the liability relating to cash-settled share appreciation rights at year-end	2	1

25.2 Equity-settled

Executive directors and certain senior employees have been granted equity-settled share appreciation rights in terms of PPC's Long-Term Incentive Plan in recognition of services rendered, to encourage long-term shareholder value creation, and as an incentive to benefit from growth in the value of PPC in the medium and long term. The scheme was amended in 2015 to include equity-settled awards. All grants are approved by the remuneration committee.

Equity-settled share appreciation rights granted

		Year of award	
	Total Rm	2017 Rm	2015 Rm
Date of grant		30/08/2016	29/05/2015
Grant price (based on five-day volume weighted average price or zero) revised for the effect of the rights offer (rand)		5,85	9,84
Number of rights granted (all with performance conditions)	**11 566 952**	1 643 800	9 923 152
Directors	**4 164 752**	1 249 800	2 914 952
Management (including prescribed officers)	**7 402 200**	394 000	7 008 200
Forfeited during the year – directors	**(2 914 952)**	–	(2 914 952)
Forfeited during the year – management	**(6 102 458)**	–	(6 102 458)
Forfeited in prior years – management	**(905 742)**	–	(905 742)
Unvested at 31 March 2018	**1 643 800**	1 643 800	–
Directors	**1 249 800**	1 249 800	–
Management (including prescribed officers)	**394 000**	394 000	–
Vesting date		30/08/2019	19/02/2018
Expiry date (lapse if not exercised)		30/08/2022	19/02/2021

25. SHARE-BASED PAYMENTS continued

25.2 Equity-settled continued

In terms of IFRS 2, the fair value of each equity-settled share appreciation right awarded, which will be expensed over the vesting period in return for services rendered, is based on the five-day volume weighted average price preceding the grant date and is not remeasured subsequently. The service and performance conditions are taken into account in the number of instruments that are expected to vest. Subsequent revisions are made for changes in estimated attrition and probability of satisfaction of performance conditions.

	31 March 2018 Rm	31 March 2017 Rm
The carrying amount of the equity-settled share appreciation rights at year-end	7	2

25.3 Forfeitable share plan (FSP)

The FSP, a long-term incentive, was introduced in 2011/12 to provide an incentive to deliver the group's strategy over the long term and to be a retention mechanism. Participants receive forfeitable shares for no consideration and will participate in dividends and shareholder rights from the date of grant, but may only dispose of the shares after the vesting date. Vesting of the retention awards is generally subject to employment for a period of three years, and vesting of the performance awards is additionally subject to satisfaction of certain performance conditions, failing which the employee will forfeit the shares and they may be sold by PPC and the net proceeds retained by the group. The performance conditions are described in the remuneration report.

Shares are purchased directly by PPC on the JSE Limited and are held by an agent on behalf of the participants until the vesting date and are deemed to be treasury shares.

In terms of IFRS 2, the fair value of each share awarded, which will be expensed over the vesting period in return for services rendered, is based on the average market price of acquiring the share and is not remeasured subsequently. The service and performance conditions are taken into account in the number of instruments that are expected to vest. Subsequent revisions are made for changes in estimated attrition and probability of satisfaction of performance conditions.

	Total performance awards[a]	**Total retention awards**[a]	Performance awards	Retention awards	Performance awards	Retention awards	Retention awards	Performance awards	Retention awards
Date of grant			15/05/2017		30/08/2016		29/05/2015		18/02/2014
Number of shares granted to directors	**1 472 400**	**427 500**	1 139 900	227 900	332 500	199 600	182 050	329 200	40 100
Number of shares granted to management and prescribed officers	**8 949 600**	**10 903 700**	4 915 200	6 003 100	4 034 400	4 900 600	2 180 100	1 140 700	1 262 600
Average purchase price of shares acquired (R)			7,53	7,53	8,72	8,72	19,96	29,17	29,17
Estimated fair value per share at grant date (R)			4,52	7,53	5,23	8,72	19,96	17,50	29,17

[a] The total performance and retention awards exclude the awards that have vested or forfeited.

During the year, the shares granted in terms of the 18/02/2014 and 29/05/2015 awards vested. The performance conditions on both awards were not achieved. The vesting of these awards were delayed by the various cautionary announcements that the company traded under.

26. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of borrowings from financial institutions, deposits with banks, local money market instruments, and accounts receivable and payable.

Forward exchange contracts are used by the group for hedging purposes. The group does not speculate in the trading of derivative instruments.

Capital risk management

The group manages its capital to ensure that entities in the group will continue as going concerns, while maximising the return to stakeholders through the optimisation of debt and equity. Refer note 1 for a detailed explanation as to management's going concern considerations.

The capital structure of the group consists of debt, which includes the borrowings disclosed in notes 10, cash and cash equivalents as disclosed in note 17, and equity attributable to PPC Ltd shareholders, comprising stated capital (note 13), reserves and retained profit.

A committee including PPC's senior financial executives reviews the capital structure on a quarterly basis. As part of this review, the cost of capital and the risks associated with each class of capital are considered. Based on recommendations of the committee, PPC balances its overall capital structure through issues of equity instruments, dividend cover reviews and the issue of new debt or the redemption of existing debt.

Treasury risk management

Senior financial executives meet on a regular basis to analyse currency and interest rate exposure and to re-evaluate treasury management strategies against the latest economic forecasts. The group's treasury operation provides South African entities with access to local markets and provides local subsidiaries with the benefit of bulk financing and depositing.

Foreign currency management

Trade and capital commitments

The group is exposed to exchange rate fluctuations as it undertakes transactions denominated in foreign currencies in the normal course of business. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts. Where possible, entities in the group cover forward all material foreign currency commitments unless there is a natural hedge.

Forward exchange contracts are carried at fair value with the resultant profit or loss included in income. The only exception relates to the effective portion of cash flow hedges, where profits or losses are recognised as other comprehensive income and are either included in the initial acquisition cost of the hedged assets, or are transferred to profit or loss when the hedged transaction affects the income statement where appropriate. Fair value gain of the forward exchange contracts on hand at reporting date is R1 million.

Movements on cash flow hedges amounting to Rnil (2017: R34 million), net of taxation, were recognised in other comprehensive income during the year.

Cash flow hedge accounting applied in respect of foreign currency risk

Foreign exchange contracts designated as cash flow hedges amounted to Rnil (2017: Rnil).

Fair value hedge accounting applied in respect of foreign currency risk

The amounts below represent forward exchange contract commitments to purchase foreign currencies:

	< 1 year Rm	1 to 3 years Rm	Total Rm
2018	**168**	**–**	**168**
2017	638	55	693

Total forward exchange contracts comprise the following:

	2018	2017
US dollar (US$m)	**13**	50
Average rate (R/US$)	**12,92**	13,65

The average rates shown above include the cost of forward cover.

PPC is exposed to translation risk as its foreign subsidiaries and associates report in different currencies to that of the holding company. This is managed primarily through borrowings denominated in the relevant foreign currencies to the extent that such funding is available on reasonable terms in the local capital markets.

26. FINANCIAL RISK MANAGEMENT continued

Interest rate management

The group is exposed to interest rate risk arising from fluctuations in financing costs on loans which are at variable interest rates. As part of the process of maintaining a balance between the group's fixed and variable rate borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. The profile of total borrowings is as follows:

Description	Years of repayment	**2018 Rm**	2017 Rm
Secured			
Long-term loans denominated in foreign currencies (refer note 10)	2018 – 2025	**2 889**	3 685
Unsecured			
Long-term loans (refer note 10)	2019	**1 392**	1 565
Short-term loans and bank overdrafts (refer note 10)	2019	**270**	355
Notes (refer note 10)	2019 – 2021	**131**	131
		1 793	2 051

Unsecured, short-term loans bear interest at market rates.

Sensitivity analysis

Interest rate risk

At 31 March 2018, if all floating interest rates on interest-bearing loan receivables, short-term cash investments, short-term loans payable and bank overdrafts had been 100 basis points higher, with all other variables held constant, attributable earnings would have been R26 million (earnings per share: 2 cents) lower. Conversely, at 31 March 2018, if all floating interest rates at that date had been 100 basis points lower, with all other variables held constant, the attributable earnings would have been R26 million (earnings per share: 2 cents) higher.

26. FINANCIAL RISK MANAGEMENT continued

Fair values of financial assets and liabilities

The carrying values of certain financial assets and liabilities, which are accounted for at historical cost, may differ from their fair values.

	Notes	Total carrying amount Rm	Fair value Rm
2018			
Financial assets			
Loans and receivables		**1 865**	**1 865**
Investment in government bonds	7	**6**	**6**
Derivative financial instruments (cash flow and fair value hedges)	15	**1**	**1**
Trade and other financial receivables	15	**1 022**	**1 022**
Cash and cash equivalents	17	**836**	**836**
At fair value through profit and loss		**134**	**134**
Unlisted collective investment	7	**134**	**134**
Financial liabilities			
At amortised cost		**6 163**	**6 163**
Long-term borrowings	10	**4 079**	**4 079**
Short-term borrowings	10	**603**	**603**
Finance lease liabilities	8	**5**	**5**
Liability to non-controlling shareholder in subsidiary company	8	**14**	**14**
Trade and other financial payables	14	**1 462**	**1 462**
At fair value through profit and loss		**247**	**247**
Cash-settled share-based payment liability	8	**2**	**2**
DRC put option liability	8	**245**	**245**
2017			
Financial assets			
Loans and receivables		2 322	2 322
Investment in government bonds	7	8	8
Derivative financial instruments (cash flow and fair value hedges)	15	27	27
Trade and other financial receivables	15	1 297	1 297
Cash and cash equivalents	17	990	990
At fair value through profit and loss		124	124
Unlisted collective investment (held for trading)	7	124	124
Financial liabilities			
At amortised cost		7 220	7 220
Long-term borrowings	10	3 555	3 555
Short-term borrowings	10	2 181	2 181
Finance lease liabilities	8	5	5
Liability to non-controlling shareholder in subsidiary company	8	16	16
Trade and other financial payables	14	1 463	1 463
At fair value through profit and loss		435	435
Cash-settled share-based payment liability	8	1	1
DRC put option liability	8	434	434

26. FINANCIAL RISK MANAGEMENT continued

Credit risk management

The potential exposure to credit risk is represented by the carrying amounts of trade and other receivables, cash and cash equivalents, short-term cash investments and derivative assets in the statement of financial position. Trade receivables comprise a large, widespread customer base and credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the granting of credit is controlled by application and account limits, and the group only deals with creditworthy customers supported by appropriate collateral. The group credit committee, chaired by the group CFO, meets on a quarterly basis to monitor trade receivables and approve granting of account limits. The group annually re-evaluates counterparty limits and the financial reliability of its customers. Provision is made for specific doubtful debts where appropriate, and as at 31 March 2018, management did not consider there to be any material credit risk exposure that was not already covered by security or a doubtful debt provision.

The group only deposits short-term cash with financial institutions of high-quality credit standing.

	2018 **Rm**	2017 Rm
Maximum credit risk exposure	**1 999**	2 446

Liquidity risk management

Liquidity risk is the risk of the group being unable to meet its payment obligations when they fall due. The group manages liquidity risk centrally by maintaining an appropriate balance between long-term and short-term debt, ensuring borrowing facilities are adequate to meet its liquidity requirements at all times, and by monitoring forecast and actual cash flows.

The company had committed borrowing facilities of R2 313 million and utilised 72 % of these facilities at 31 March 2018. At year-end, R647 million of borrowing facilities remain unutilised. These numbers exclude project finance in Rwanda, the DRC and Zimbabwe.

Although cash held by PPC Zimbabwe is available to settle liabilities in that country, the ability to access foreign currency in the country is constrained. The current cash and cash equivalents held by PPC Zimbabwe amount to R466 million. The liquidity risk on foreign creditors and lenders has increased due to the delay of foreign payments. To mitigate this risk, PPC Zimbabwe has set out a contingency plan to help ensure that operations are not interrupted due to difficulties in remitting payments to foreign suppliers. Through the contingency plan, PPC Zimbabwe is exploring various mitigation methods such as increasing export sales and obtaining a trade financing mechanism facility. Further details on the cash and cash equivalents in Zimbabwe can be found in note 17.

Banking facilities are only entered into with leading financial institutions.

The following table details the group's remaining contractual maturity for its financial liabilities. The table has been prepared based on undiscounted cash flows at the earliest date on which the group can be required to pay. The amounts include both interest accrued and capital.

	< 1 year Rm	**1 to 3 years Rm**	**> 3 years Rm**	**Total Rm**
2018				
Total borrowings	**603**	**1 600**	**2 479**	**4 682**
Trade and other financial payables	**1 462**	**–**	**–**	**1 462**
2017				
Total borrowings	2 181	1 239	2 316	5 736
Trade and other financial payables	1 464	–	–	1 464

Refer note 10 for borrowings details.

Methods and assumptions used by the group in determining fair values

The estimated fair value of financial instruments is determined, at discrete points in time, by reference to the mid-price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the group uses valuation techniques to arrive at fair value, including the use of prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of unlisted investment has been valued based on the purchase agreement following the decision to dispose of the investment, while unlisted collective investment is valued using the closing unit price at year-end. Investment in government bonds is valued using the discounted face value of the bills. Further details are disclosed in note 7.

The fair value of loans receivable and payable is based on the market rates of the loan and the recoverability.

26. FINANCIAL RISK MANAGEMENT continued

Methods and assumptions used by the group in determining fair values continued

The fair values of cash and cash equivalents, trade and other financial receivables and trade and other financial payables approximate the respective carrying amounts of these financial instruments because of the short period to maturity.

The put option liability has been calculated using EBITDA forecasts prepared by management and discounted to present value. Further details are disclosed in note 8.

The fair value of derivative financial instruments relating to cash-settled share appreciation rights is determined with reference to valuations performed by third-party financial institutions at reporting date, using an actuarial binomial pricing model. The inputs into the model are shown in note 25.

Fair value hierarchy disclosures

	Notes	Level 1	Level 2	Level 3	Total
2018					
Financial assets					
Loans and receivables					
Mark to market hedges	15	**1**	**–**	**–**	**1**
At fair value through profit and loss					
Unlisted collective investments at fair value (held for trading)	7	**–**	**134**	**–**	**134**
Total financial assets		**1**	**134**	**–**	**135**
Financial liabilities					
At fair value through profit and loss					
Cash-settled share-based payment liability	8	**–**	**2**	**–**	**2**
Put option liabilities	8	**–**	**–**	**245**	**245**
Total financial liabilities		**–**	**2**	**245**	**247**
2017					
Financial assets					
Loans and receivables					
Mark to market hedges	15	27	–	–	27
At fair value through profit and loss					
Unlisted collective investments at fair value (held for trading)	17	–	124	–	124
Total financial assets		27	124		151
Financial liabilities					
At fair value through profit and loss					
Cash-settled share-based payment liability	8	–	1	–	1
Put option liability	8	–	–	434	434
Total financial liabilities		–	1	434	435

Level 1 – financial assets and liabilities that are valued accordingly to unadjusted market prices for similar assets and liabilities. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length transaction.

Level 2 – financial assets and liabilities are valued using observable inputs, other than the market prices noted in the level 1 methodology, and make reference to pricing of similar assets and liabilities in an active market or by utilising observable prices and market-related data.

Level 3 – financial assets and liabilities that are valued using unobservable data, and requires management judgement in determining the fair value. Refer notes 7, 8 and 14 for quantitative information and significant assumptions on the unobservable inputs used to determine fair values for financial assets and liabilities respectively.

This note has been refined from that reported in the prior period to only include financial instruments held at fair value.

26. FINANCIAL RISK MANAGEMENT continued

Level 3 sensitivity analysis

Financial instrument	Valuation technique	Main assumptions	Carrying value Rm	Increase Rm	Decrease Rm
Put option liabilities	Earnings multiple	EBITDA and net debt	245	29	29

If the key unobservable inputs to the valuation model, being estimated EBITDA and net debt, were 1 % higher/lower while all the other variables were held constant, the carrying amount of the put option liabilities would decrease/increase by R29 million.

Movements in level 3 financial instruments

	2018 Rm	2017 Rm
Financial liabilities (refer note 26)		
Balance at the beginning of the period	**434**	415
Remeasurements	**(238)**	–
Time value of money adjustments	**49**	19
Balance at the end of the year	**245**	434

Remeasurements are recorded in fair value adjustments on financial instruments in the income statement.

27. RETIREMENT BENEFIT AND POST-RETIREMENT INFORMATION

Judgements made by management and sources of estimation uncertainty

Post-employment healthcare benefit valuations

Actuarial valuations of employee benefit obligations under the now closed defined healthcare benefit plans are based on assumptions which include employee turnover, mortality rates, discount rates, healthcare inflation, the rate of compensation increases and current market conditions.

It is the policy of the group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end, the group's permanent employees are usually required to be members of a pension and/or a provident fund, depending on local requirements.

South Africa-based employees, except for Safika Cement, 3Q and Pronto, belong to the PPC Retirement Fund, which consists of the Pretoria Portland Cement Defined Contribution Pension and Provident Funds. Safika Cement employees belong to the Liberty Provident Fund.

Botswana-based employees belong to Barloworld Botswana Retirement Fund.

Rwanda-based employees belong to Rwanda Social Board.

Zimbabwe-based employees belong to the National Social Security Authority Scheme and UNICEM Pension Fund.

Defined contribution plans

The total cost charged to the income statement of R102 million (2017: R97 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes. At 31 March 2018, all contributions due in respect of the current reporting period had been paid over to the schemes.

28. RELATED-PARTY TRANSACTIONS

There are no material related-party transactions for the 2018 and 2017 years.

Group companies, in the ordinary course of business, entered into purchase transactions with associates and subsidiaries. The terms and conditions of these transactions are determined on an arm's length basis.

Prescribed officers and directors' emoluments are disclosed in the abridged remuneration report.

29. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following amendments to published accounting standards are in issue but not yet effective. These revised standards and interpretations will be adopted by PPC in the future.

Revised statements in issue not yet effective:	**Effective date reporting period on or after**	**Possible implication on PPC**
For adoption during 2019 financial year		
IFRS 1 and IAS 28 *Annual Improvements*	1 January 2018	No impact.
IFRIC 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018	No impact.
IAS 40 *Investment Property (Amendment)*	1 January 2018	No impact.
IFRS 2 *Share-Based Payments (Amendment)*	1 January 2018	No impact.
IFRS 4 *Insurance Contracts*	1 January 2018	No impact.
IFRS 7 *Financial Instruments:* Additional disclosure resulting from the introduction of the hedge accounting chapter in IFRS 9	1 January 2018	Disclosure impact.
IFRS 9 *Financial Instruments:* Classification and measurement, impairment, hedge accounting, derecognition and the deferral option	1 January 2018	The impact is still to be finalised.
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018	The impact is still to be finalised.
For adoption during 2020 financial year		
IFRS 16 *Leases*	1 January 2019	The impact is still to be finalised.

30. EMPOWERMENT TRANSACTION IFRS 2 CHARGES

The empowerment charges reflected on the consolidated income statement comprise:

(i) Second BBBEE transaction – the current year's charge amounted to R33 million (March 2017: R33 million) and relates to the IFRS 2 charge on the employee share option element of the transaction. The total charge is amortised over the vesting period of the transaction.

(ii) Modification of the first BBBEE transaction – following the board approval in March 2018, an ex-gratia payment was made to the beneficiaries of the BMT resulting in an additional IFRS 2 charge of R14 million.

(iii) Annual IFRS 2 charge on the Zimbabwe indigenisation plan of R1 million (March 2017: R2 million).

31. ADDITIONAL DISCLOSURE

Directors, prescribed officers and key management

The executive directors and prescribed officers of PPC are regarded as key management personnel. Details regarding directors and prescribed officers' remuneration and interest are disclosed in the abridged remuneration report.

Shareholders

The principal shareholders of the company are disclosed in the PPC in the stock market section.

32. EVENTS AFTER REPORTING DATE

There are no events that occurred after the reporting date that may have a material impact on the group's reported financial position at 31 March 2018.

SUBSIDIARIES AND NON-CONTROLLING INTERESTS

for the year ended 31 March 2018

The consolidated annual financial statements for the year ended 31 March 2018 include the results and statements of financial position of the company, all of its subsidiaries, special-purpose vehicles and companies that are controlled by the group.

The group consists of subsidiaries, either directly or indirectly held by the company, and holds the majority of voting rights in all subsidiaries. Except for the respective BBBEE entities consolidated in terms of IFRS 10, voting rights are aligned to the proportionate ownership. Non-controlling shareholders have significant interests in two of the group's subsidiaries, namely CIMERWA Limited (CIMERWA) and PPC Barnet DRC Holdings.

The key trading subsidiaries, their activities and respective holding companies are:

Name of subsidiary	Principal activity
PPC Zimbabwe Limited	Manufacturer and supplier of both bag and bulk cement for use within Zimbabwe and surrounding countries
PPC Botswana Pty Limited	Manufacturer, wholesaler and distributor of cementitious products, both bag and bulk, within Botswana
PPC Cement SA Pty Limited	Manufacturer and supplier of both bag and bulk cement for use within South Africa and surrounding countries
PPC Group Services Pty Limited	Services to group entities
PPC Lime Limited	Manufacturer and supplier of highly reactive lump lime, burnt lime and burnt dolomite for use in South Africa and other surrounding countries
Pronto Building Materials Pty Limited	Manufacturer and supplier of readymix concrete and dry mortar mix in Gauteng
Ulula Ash Pty Limited	Manufacturer and supplier of fly ash
3Q Mahuma Concrete Pty Limited	Manufacturer and supplier of readymix concrete
Safika Cement Holdings Pty Limited[(a)]	Manufacturer and supplier of blended cement within South Africa
PPC Aggregate Quarries Pty Limited	Manufacturer and supplier of stone, sand, road layer material and special aggregate-related products in Gauteng
PPC Aggregate Quarries Botswana Pty Limited	Manufacturer and supplier of stone, sand, road layer material and special aggregate-related products in Gaborone and Francistown
CIMERWA Limitada	Manufacturer and supplier of both bag and bulk cement for use within Rwanda and surrounding countries
PPC Barnet DRC Trading SA	Supplier of bag cement for use within the DRC and surrounding countries
PPC Barnet DRC Manufacturing SA	Manufacturer of both bag and bulk cement for use within the DRC and surrounding countries
PPC Barnet DRC Quarrying SA	Owner of the mineral right in the DRC and responsible for the primary phase of quarrying
PPC Mozambique SA	Supplier of cement, sourced primarily from Zimbabwe and South Africa, into the Mozambique market mainly into the Maputo and Tete regions

[(a)] In order to retain and incentivise the Safika Cement management team, an NVF transaction was concluded for 5 % of the business and is for five years. Put option percentages are as per the original agreements and have not been adjusted for the impact of the NVF that was concluded post the original purchase date.

Other than the normal regulations and exchange controls applicable in the various countries in which the group operates, there are no significant restrictions that could materially impact the ability to access or use assets and settle liabilities in foreign jurisdictions with the exception of Zimbabwe.

Country of incorporation	Proportion of ownership interest and voting power held by the group		Holding company
	2018	2017	
Zimbabwe	**70%**	70 %	PPC Ltd
Botswana	**100%**	100 %	PPC Ltd
South Africa	**100%**	100 %	PPC South Africa Holdings Pty Limited
South Africa	**100%**	100 %	PPC Ltd
South Africa	**100%**	100 %	PPC South Africa Holdings Pty Limited
South Africa	**100%**	100 %	Pronto Holdings Pty Limited
South Africa	**100%**	100 %	Pronto Building Materials Pty Limited
South Africa	**100%**	100 %	Pronto Holdings Pty Limited
South Africa	**95%**	95 %	PPC Cement SA Pty Limited
South Africa	**100%**	100 %	PPC South Africa Holdings Pty Limited
Botswana	**100%**	100 %	PPC Botswana Pty Limited
Rwanda	**51%**	51 %	PPC International Holdings Pty Limited
Democratic Republic of the Congo	**69%**	69 %	PPC Barnet DRC Holdings
Democratic Republic of the Congo	**69%**	69 %	PPC Barnet DRC Holdings
Democratic Republic of the Congo	**69%**	69 %	PPC Barnet DRC Holdings
Mozambique	**100%**	100 %	PPC International Holdings Pty Limited

SUBSIDIARIES AND NON-CONTROLLING INTERESTS continued

for the year ended 31 March 2018

SUBSIDIARIES AND NON-CONTROLLING INTERESTS continued

The following summarised financial information is presented for PPC Barnet DRC Holdings and CIMERWA Limited (CIMERWA) and, based on their respective consolidated financial statements which were prepared in accordance with IFRS, modified for fair value adjustments to financial assets and liabilities at the acquisition date. The information is before intergroup eliminations with other group entities. These entities are deemed material due to their respective non-controlling shareholders being a major component of the value reflected in the consolidated statement of financial position.

	PPC Barnet DRC Holdings 2018 Rm	**CIMERWA 2018 Rm**	PPC Barnet DRC Holdings 2017 Rm	CIMERWA 2017 Rm
Revenue	**144**	**804**	24	733
EBITDA	**(105)**	**270**	(39)	250
Net (loss)/profit for the year	**(384)**	**7**	(154)	(47)
Net (loss)/profit attributable to non-controlling interests	**(119)**	**7**	(47)	(19)
Total assets	**2 280**	**1 063**	2 867	1 542
Total liabilities	**2 851**	**829**	2 727	1 152
Equity attributable to non-controlling interests	**(291)**	**411**	195	139

ATTRIBUTABLE INTEREST IN SUBSIDIARIES

	2018 Rm	2017 Rm
Attributable interest in the aggregate amount of profits and losses of subsidiaries, after taxation:		
Profits	**4**	19
Losses	**(264)**	(66)

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

	Notes	31 March 2018 Rm	31 March 2017[a] Rm
ASSETS			
Non-current assets		**4 538**	4 448
Property, plant and equipment	2	**3**	–
Other non-current assets	3	**4 456**	4 390
Deferred taxation assets	4	**79**	58
Current assets		**3 369**	3 947
Trade and other receivables	5	**29**	178
Amounts owing by subsidiaries	3	**3 208**	3 394
Taxation receivable		**51**	55
Cash and cash equivalents		**81**	320
Total assets		**7 907**	8 395
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	6	**5 149**	5 146
Other reserves		**(798)**	(797)
Retained profit		**2 556**	1 578
Total equity		**6 907**	5 927
Non-current liabilities		**356**	565
Long-term borrowings	7	**111**	131
Other non-current liabilities	8	**245**	434
Current liabilities		**644**	1 903
Short-term borrowings	9	**172**	1 584
Trade and other payables	10	**114**	35
Amounts owing to subsidiaries	3	**358**	284
Total equity and liabilities		**7 907**	8 395

[a] Numbers presented in the prior year for non-current assets and amounts owing by subsidiaries have been restated from that previously disclosed. Details of the restatement is included in note 1.5.

COMPANY INCOME STATEMENT

for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
Revenue		**21**	150
Cost of sales		**–**	–
Gross profit		**21**	150
Administration and other operating expenditure		**176**	151
Operating loss before BBBEE IFRS 2 charges	11	**(155)**	(1)
BBBEE IFRS 2 charges		**32**	186
Operating loss		**(187)**	(187)
Foreign exchange gain/(loss) on foreign currency monetary items	12	**235**	17
Finance costs	13	**79**	418
Investment income	14	**992**	134
Profit/(loss) before taxation		**961**	(454)
Taxation	15	**(17)**	(55)
Profit/(loss) for the year		**978**	(399)

COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2018

	Hedging reserve Rm	Retained profit/(loss) Rm	Total comprehensive income/(loss) Rm
2018			
Profit for the year	–	978	978
Other comprehensive profit net of taxation	–	978	978
Total comprehensive income	–	978	978
2017			
Loss for the year	–	(399)	(399)
Items that will be reclassified to profit or loss	(35)	–	(35)
Cash flow hedge	(48)	–	(48)
Taxation on cash flow hedge	13	–	13
Other comprehensive profit net of taxation	(35)	(399)	(434)
Total comprehensive loss	(35)	(399)	(434)

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	Stated capital Rm	Other reserves: Available-for-sale financial assets Rm	Other reserves: Equity compensation reserve Rm	Other reserves: Hedging reserve Rm	Other reserves: Put options Rm	Retained profit Rm	Total Rm
2018							
Balance at the beginning of the year	**5 146**	**211**	**(585)**	**–**	**(423)**	**1 578**	**5 927**
Movement for the year	**3**	**–**	**(1)**	**–**	**–**	**978**	**980**
IFRS 2 charges	**–**	**–**	**73**	**–**	**–**	**–**	**73**
Total comprehensive profit	**–**	**–**	**–**	**–**	**–**	**978**	**978**
Vesting of shares held in terms of the FSP incentive scheme	**74**	**–**	**(74)**	**–**	**–**	**–**	**–**
Shares purchased in terms of the FSP incentive scheme treated as treasury shares	**(71)**	**–**	**–**	**–**	**–**	**–**	**(71)**
Balance at the end of the year	**5 149**	**211**	**(586)**	**–**	**(423)**	**2 556**	**6 907**
2017							
Balance at the beginning of the year	(678)	211	255	35	(423)	1 292	692
Movement for the year	5 824	–	(840)	(35)	–	286	5 235
BBBEE IFRS 2 charges	–	–	(751)	–	–	–	(751)
Increase in stated capital from issuance of shares following rights issue (net of transaction costs)	3 805	–	–	–	–	–	3 805
Total comprehensive loss	–	–	–	(35)	–	(399)	(434)
Acquisition of 3Q settled via the issue of shares	135	–	–	–	–	–	135
Shares issued to strategic black partners of the company's first BBBEE transaction[(a)]	1 041	–	–	–	–	–	1 041
Capital contribution to BBBEE 1 entities	–	–	(89)	–	–	–	(89)
Vesting of shares held by certain BBBEE 1 entities	88	–	–	–	–		88
Shares purchased in terms of the FSP incentive scheme treated as treasury shares	(74)	–	–	–	–	–	(74)
Gain on deconsolidation of certain BBBEE 1 entities	–	–	–	–	–	739	739
Reversal of shares previously recognised as treasury shares held by deconsolidated BBBEE entities	829	–	–	–	–	–	829
Other movements	–	–	–	–	–	(54)	(54)
Balance at the end of the year	5 146	211	(585)	–	(423)	1 578	5 927

[(a)] In 2008, PPC announced its first broad-based black economic transaction for a period of eight years, which resulted in an effective BBBEE ownership of 15,29%. In terms of the transaction agreements, the 48 557 982 PPC shares held by the strategic black partners (SBPs) (including community service groups (CSGs)) were repurchased by PPC at R0,10 per share and the SBPs and CSGs were required to subscribe for new PPC shares at R66,84 per share, subject to their funding position. The SBPs and CSGs subscribed for 15 571 174 new PPC ordinary shares in December 2016.

For further details on the FSP incentive scheme, refer note 25 in the consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before exceptional adjustments		**961**	(454)
Adjustments for:			
IFRS 2 charges		**32**	186
Fair value gains on financial instruments	12	**(235)**	(17)
Finance costs	13	**79**	418
Income from subsidiary companies	11	**(970)**	(122)
Interest received	14	**(22)**	(12)
Operating cash flows before movements in working capital		**(155)**	(1)
Movement in trade and other receivables		**(21)**	(92)
Movement in trade and other payables		**79**	(185)
Cash utilised in operations		**(97)**	(278)
Finance costs paid	16	**(53)**	(365)
Income received from subsidiary companies		**950**	5
Interest received	14	**22**	12
Taxation paid	17	**–**	(29)
Net cash inflow/(outflow) from operating activities		**822**	(655)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment	18	**(3)**	–
Movement in DRC deficiency loan		**(556)**	–
Movement in net amounts owing by subsidiary companies	3	**946**	(1 236)
Net cash inflow/(outflow) from investing activities		**387**	(1 236)
Net cash inflow/(outflow) before financing activities		**1 209**	(1 891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of shares following rights issue (net of transaction costs)		**–**	3 722
Proceeds from the issuance of shares to strategic black partners of the company's first BBBEE transaction		**–**	1 041
BBBEE capital contribution		**–**	(975)
Net borrowings (repaid)/raised		**(1 432)**	111
Repayment of notes		**–**	(1 614)
Purchase of shares in terms of the FSP incentive scheme	6	**(16)**	(74)
Net cash (outflow)/inflow from financing activities		**(1 448)**	2 211
Net (decrease)/increase in cash and cash equivalents		**(239)**	320
Cash and cash equivalents at the beginning of the year		**320**	–
Cash and cash equivalents at the end of the year		**81**	320

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 March 2018

1. BASIS OF PREPARATION

These financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the company at 31 March 2018 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa using the historical convention except for certain financial instruments and liabilities which are stated at fair value.

The basis of preparation is consistent with the prior year except where the company has adopted new or revised accounting standards, amendments and interpretations of those standards, which became effective during the year in review.

The following amendments were adopted during the year:
- IAS 7 *Statement of Cash Flows*: Amendments as a result of the disclosure initiative
- IAS 12 *Income Taxes*: Amendment regarding the recognition for deferred tax assets of unrealised losses

1.1 Accounting policies

In preparing these annual financial statements, accounting policies are not reproduced if they are in full compliance with IFRS. Where there is an exception or specific standard provides the user with optionality, it is reflected in the respective note.

1.2 Basis of consolidation

In terms of the BBBEE transaction that was effected during December 2008 and ended in December 2016, PPC provided guarantees to the holders of the A preference shares issued by the Black Managers Trust funding SPV, the holders of the B preference shares issued by the respective trust funding SPVs, and all of the long-term loans issued to the Black Managers Trust and the respective trust funding SPVs. The funding raised by the Black Managers Trust and respective trust funding SPVs was used to purchase shares in PPC at market value, in terms of a scheme of arrangement. In substance, the shares purchased by the Black Managers Trust and respective trust funding SPVs were indirectly funded by PPC. The shares were accordingly reflected as treasury shares and the corresponding long-term borrowings was raised as at March 2016.

1.3 Judgements made by management

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect reported amounts and related disclosures, and therefore actual results, when realised in future, could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by management in applying the accounting policies that could have a significant effect on the amounts recognised in the financial statements are disclosed in the respective notes.

The following are the critical judgements that the directors have made in the process of applying the company accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Refer to the referenced note for the explanation of the noted area of judgement
- Property, plant and equipment (note 2)
  - Useful lives and residual values
- Other non-current assets (note 3)
  - Dividend receivable
- Deferred taxation assets (note 4)
  - Deferred taxation asset
- Other non-current liabilities (note 8)
  - Put option liability

1.4 Restructuring of the company

During the 2016 financial year, the group announced changes to its operating structure to ensure that it has the appropriate business model to deliver on its long-term growth strategy.

With effect from 1 April 2016, the internal restructuring of PPC Ltd became effective. Prior to the implementation of the internal restructure, PPC Ltd comprised the following:
- South African cement business
- Laezonia South African aggregate quarry
- Head office and group shared services activities
- Holding company for certain of the group's operating entities

The restructure has resulted in the following:
- A new holding company, PPC South Africa Holdings Pty Limited, was created that holds all South African trading entities
- South African cement business transferred to PPC Cement South Africa Pty Limited, via PPC SA Holdings Pty Limited (sole shareholder of PPC Cement South Africa)
- Laezonia aggregate quarry transferred to PPC Aggregate Quarries South Africa Pty Limited via PPC SA Holdings Pty Limited (sole shareholder of PPC Aggregate Quarries)
- Head office activities remaining in PPC Ltd while the group shared services functions transferred to PPC Group Services Pty Limited, a wholly owned subsidiary of PPC Ltd
- All investments in subsidiaries except for the investments held in PPC Zimbabwe, PPC Botswana and PPC International Holdings were transferred to PPC South Africa Holdings Pty Limited

The statement of financial position, income statement and statement of cash flow for the current financial year are therefore significantly different to that of the prior reporting periods. Many of the balances included in the statement of financial position have been transferred to the other subsidiaries and the respective notes indicate these transfers. This overarching principle should be considered when reading these financial statements.

1. BASIS OF PREPARATION continued

1.5 Restatement of the prior year results

As described in note 1.4 above, the company was restructured in the 2017 financial year with various subsidiaries and balances being transferred to different legal entities within the group.

In the current year, it was concluded that certain balances had been incorrectly classified to amounts owing by subsidiary companies, rather than being incorporated as an investment in subsidiary companies, included under other non-current assets. The statement of financial position and note 3 have been amended from that previously reported to cater for the correction in the account allocation. There is no overall impact on the company's net investment in subsidiary companies.

There is also no impact on the statement of comprehensive income and statement of cash flows.

The table below reflects the amounts previously reported and the restated amounts:

	Rm
Other non-current assets (refer note 3)	
As previously reported	4 316
Restated	4 390
Difference	74
Amounts owing by subsidiary companies (refer note 3)	
As previously reported	3 468
Restated	3 394
Difference	(74)

2. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairments.

The methods of depreciation and useful lives are reviewed annually. The following methods and rates were used during the year:

	Method	Rate
Vehicles	Straight-line	Up to 10 years
Furniture and equipment	Straight-line	Up to 6 years

Key judgements

Useful lives and residual values

The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological advancements, product lifecycles, life of mine and maintenance programmes are taken into account.

	Freehold and leasehold land, buildings and mineral rights Rm	Decommissioning assets Rm	Plant, vehicles, furniture and equipment Rm	Capitalised leased plant Rm	Total Rm
March 2018					
Cost	**–**	**–**	**9**	**–**	**9**
Accumulated depreciation and impairments	**–**	**–**	**6**	**–**	**6**
	–	**–**	**3**	**–**	**3**
Movements during the year					
Net carrying value at the beginning of the year	**–**	**–**	**–**	**–**	**–**
Additions	**–**	**–**	**3**	**–**	**3**
Net carrying value at the end of the year	**–**	**–**	**3**	**–**	**3**
March 2017					
Cost	–	–	6	–	6
Accumulated depreciation and impairments	–	–	6	–	6
	–	–	–	–	–
Movements during the year					
Net carrying value at the beginning of the year	327	31	3 417	4	3 779
Other movements/reallocation	(327)	(31)	(3 417)	(4)	(3 779)
Net carrying value at the end of the year	–	–	–	–	–

No assets were pledged as security.

	March 2018 Rm	March 2017[a] Rm

3. OTHER NON-CURRENT ASSETS

Investments in subsidiaries are recognised at cost less any accumulated impairment losses.

	March 2018 Rm	March 2017[a] Rm
Investments in subsidiaries		
Investments in subsidiaries at the beginning of the year	**4 390**	1 492
Transfer of investments to PPC South Africa Holdings in terms of the operational restructure (refer note 1)	**–**	(1 006)
Investment in PPC Group Services	**–**	101
Investment in PPC South Africa Holdings	**–**	3 803
Investments in subsidiaries at the end of the year	**4 390**	4 390
Other non-current assets		
Dividend receivable from PPC Zimbabwe (refer note 5)	**66**	–
	66	–
Total other non-current assets	**4 456**	4 390
Shares at cost less amounts written off and dividends received at the beginning of the year	**4 390**	1 492
Add: Investments in subsidiaries	**–**	3 904
Less: Transfer of investments to PPC South Africa Holdings (refer note 1)	**–**	(1 006)
	4 390	4 390
Add: Amounts owing by subsidiaries	**3 208**	3 394
	7 598	7 784
Less: Amounts owing to subsidiaries	**(358)**	(284)
	7 240	7 500

[a] Numbers presented in the prior year for non-current assets and amounts owing by subsidiaries have been restated from that previously disclosed. Details of the restatement are included in note 1.5.

Amounts owing by and to subsidiaries

The loans have no fixed terms of repayment, are unsecured and, where appropriate, interest is calculated using ruling market-related interest rates.

4. DEFERRED TAXATION ASSETS

	March 2018 Rm	March 2017[a] Rm
Movement		
Balance at the beginning of the year	**58**	(641)
Deferred taxation released on transfers to PPC group companies in terms of the operational restructure (refer note 1)	**–**	613
Released from equity	**–**	13
Released to income statement	**8**	73
Prior year tax adjustment	**13**	–
Balance at the end of the year	**79**	58
Analysis of deferred taxation		
Property, plant and equipment	**(10)**	(10)
Current assets	**5**	2
Non-current liabilities	**45**	10
Current liabilities	**1**	–
Assessed loss	**38**	56
	79	58

Key judgements

Deferred taxation assets

Deferred taxation assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Future tax profits are estimated based on the business plans which include estimates and assumptions regarding economic growth, interest, inflation, tax rates and the competitive environment.

The deferred taxation asset balance relates to the assessed losses raised in the 2017 financial year. Management has reviewed future earnings and based on the current forecasts or business plans, is confident that these assessed losses should be able to be utilised. This will be monitored on a regular basis.

	March 2018 Rm	March 2017 Rm

5. TRADE AND OTHER RECEIVABLES

	March 2018 Rm	March 2017 Rm
Proceeds due from the rights offer for PPC shares listed on the Zimbabwe Stock Exchange[(a)]	–	86
Dividend receivable from PPC Zimbabwe[(b)]	–	84
Dividend receivable from PPC Botswana Pty Limited	**14**	–
Interest receivable	**11**	–
Other financial receivables	**4**	–
Trade and other financial receivables	**29**	170
VAT receivable	–	8
Short-term portion transferred to trade and other receivables	**29**	178

[(a)] Relates to the R82 million (2017: R86 million) due from the rights issue concluded in September 2016 from the PPC shares listed on the Zimbabwe Stock Exchange. The amount receivable has been reclassified to cash and cash equivalents in the current year as the funds are considered to be freely available to PPC. The current liquidity issues in Zimbabwe have not allowed our Zimbabwe sponsors to facilitate the transfer of funds to South Africa. In light of the liquidity issues in Zimbabwe, the company continues to explore the most beneficial use of the funds while transfer to South Africa is not possible.

[(b)] During the 2017 financial year, PPC Zimbabwe declared a dividend but due to the current liquidity issues in Zimbabwe the funds have not been remitted to PPC Ltd. Management has assessed the dividend for recoverability and believes the funds are recoverable but not in the next financial year. As a result, the dividend receivable has been reclassified to other non-current assets (note 3). Furthermore, due to the delay in receipt of the funds, the company has applied discounting to the amount receivable with R12 million being reflected under finance costs. The dividend has also been adjusted for the movement in exchanges from 2017.

No receivables have been pledged as security.

6. STATED CAPITAL

	March 2018 Shares	March 2017 Shares
Authorised shares	**10 000 000 000**	10 000 000 000
Issued ordinary shares		
Total shares in issue at the beginning of the year	**1 591 759 954**	607 180 890
Shares issued for the acquisition of 3Q	–	17 565 872
Shares issued to the SBPs and CSGs following the maturity of the company's first BBBEE transaction	–	15 571 174
Shares bought back from the SBPs and CSGs and cancelled in terms of the company's first BBBEE transaction	–	(48 557 982)
Shares issued in terms of the rights issue	–	1 000 000 000
Total shares in issued at the end of the year	**1 591 759 954**	1 591 759 954
Adjustments for shares treated as treasury shares:		
Shares purchased in terms of the FSP incentive scheme	**(9 774 028)**	(14 013 429)
Vesting of shares held in terms of the FSP incentive scheme	**3 832 250**	–
Total shares in issue (net of treasury shares)	**1 585 818 176**	1 577 746 525
Authorised preference shares	**20 000 000**	20 000 000

Twenty million preference shares of R1 000 each. No preference shares have been issued.

	Rm	Rm
Stated capital		
Balance at the beginning of the year	**5 146**	(678)
Shares issued for the acquisition of 3Q	–	135
Shares issued in terms of the rights issue (net of transaction costs)	–	3 805
Reversal of shares held by deconsolidated BBBEE entities previously recognised as treasury shares	–	829
Vesting of shares held by certain of the entities that participated in the company's first BBBEE transaction	–	88
Shares purchased in terms of the FSP incentive scheme treated as treasury shares	**(71)**	(74)
Vesting of shares held in terms of FSP incentive scheme that were treated as treasury shares	**74**	–
Shares issued to the SBPs and CSGs following the maturity of the company's first BBBEE transaction	–	1 041
Balance at the end of the year	**5 149**	5 146

6. STATED CAPITAL continued

Shares held by consolidated BBBEE trusts and trust funding SPVs

In terms of the BBBEE transaction that was effected during December 2008, PPC provided guarantees to the financial institutions that provided funding to the respective trust funding SPVs and Black Managers Trust. The funding raised by the Black Managers Trust and the respective trust funding SPVs was used to purchase shares in PPC at market value, in terms of a scheme of arrangement. From an accounting perspective, the shares purchased by the Black Managers Trust and respective trust funding SPVs were indirectly funded by PPC. The shares were accordingly reflected as treasury shares and corresponding long-term borrowings recognised in the financial statements of PPC Ltd.

In December 2016, PPC Ltd settled the external funding obligations of the Black Managers Trust and respective trust funding SPVs, in terms of the guarantees it had provided, which resulted in the deconsolidation of Black Managers Trust and respective trust funding SPVs. This had the impact of reversing the initial transaction that reflected the PPC Ltd shares owned by these entities being recorded as treasury shares.

FSP incentive scheme

In terms of the FSP incentive scheme 9 774 028 shares (2017: 14 013 429 shares) are held for participants of this long-term incentive scheme. The shares are treated as treasury shares during the vesting periods of the awards in terms of IFRS. During the year 3 832 250 shares (2017: nil shares) vested.

	March 2018 Shares	March 2017 Shares
Unissued shares		
Ordinary shares	**8 408 240 046**	8 408 240 046
Preference shares	**20 000 000**	20 000 000

Of the unissued ordinary shares at the end of the year, the directors have the authority until the next annual general meeting to allot a maximum of 30 250 000 shares subject to the provisions of the Companies Act and JSE Listings Requirements.

7. LONG-TERM BORROWINGS

Borrowings	Terms		Security	Interest rate	**Rm**	Rm
Notes						
PPC 002	5 years	3-month JIBAR plus 1,5 %	Unsecured	December 2013	**20**	20
PPC 003	5 years	3-month JIBAR plus 1,48 %	Unsecured	July 2014	**111**	111
Long-term loan	Interest is payable quarterly with a bullet capital repayment in September 2017		Unsecured	Variable rates at 575 basis points above JIBAR	**–**	1 565
Long-term borrowings					**131**	1 696
Less: Short-term portion of long-term borrowings (refer note 9)					**(20)**	(1 565)
					111	131
Maturity analysis of obligations:						
One year					**20**	1 565
Two years					**111**	20
Three years					**–**	111
					131	1 696

	March 2018 Rm	March 2017 Rm

8. OTHER NON-CURRENT LIABILITIES

Put option liability	**245**	434
Movement in put option liability		
Balance at the beginning of the year	**434**	416
Fair value adjustments on remeasurements	**(237)**	–
Time value of money adjustments	**48**	18
Non-current balance at the end of the year	**245**	434

The International Finance Corporation (IFC) was issued a put option in September 2015 in terms of which PPC Ltd is required to purchase all or part of the shares held by the IFC in PPC Barnet DRC Holdings. The put option may be exercised after six years from when the IFC subscribed for the shares but only for a five-year period. The put option value was calculated using the DRC's forecast EBITDA applying an earnings multiple less net debt and then present valued.

Forecast EBITDA is based on financial forecasts approved by management, with pricing and margins similar to those currently being achieved by the business unit, albeit lower than in the prior year, while selling prices and costs are forecast to increase at local inflation projections and extrapolated using local GDP growth rates averaging 5% per annum (2017: between 5% and 9%) taking cognisance of the plant production ramp-up and adjusted for the impact of competitor activity and political environment within the country and neighbouring countries. An EBITDA multiple of 7 times (2017: 8 times) was determined using comparison of publicly available information on other cement businesses operating in similar territories. The present value of the put option was calculated at R245 million (2017: R434 million). The decline in the liability follows the reduction in the EBITDA multiple applied, market dynamics putting pressure on volumes, selling price and exchange rate.

Refer note 20 for sensitivity analysis.

9. SHORT-TERM BORROWINGS

Short-term loans and bank overdraft	**152**	19
Short-term portion of long-term borrowings (refer note 7)	**20**	1 565
	172	1 584

10. TRADE AND OTHER PAYABLES

Cash-settled share-based payment liability	**1**	2
Derivative financial instruments (fair value hedge)[a]	**13**	–
Finance costs accrued	**7**	6
Trade payables and accruals	**82**	18
Trade and other financial payables	**103**	26
Payroll accruals	**9**	9
VAT payable	**2**	–
	114	35

[a] This relates to the marked to market adjustments on open forward exchange contracts.

Trade and other payables are payable within the normal trade terms of 30 to 60-day period.

No interest is payable on overdue payments.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

for the year ended 31 March 2018

	March 2018 Rm	March 2017 Rm
11. OPERATING PROFIT		
Operating profit includes:		
Auditors' remuneration	**14**	9
Fees	**8**	9
Other	**6**	–
Income from subsidiary companies:	**970**	122
Interest	**27**	–
Dividends	**943**	122
Staff costs		
Equity-settled share incentive scheme charge[a]	**39**	37
Directors' remuneration[b]	**41**	10
Employees' remuneration	**3**	10
Retirement benefit contributions	**1**	1
	84	58

[a] Executive directors and certain senior employees of the PPC group have been granted equity-settled share appreciation rights in terms of the PPC Long-Term Incentive Plan in recognition of services rendered, to encourage long-term shareholder value creation, and as an incentive to benefit from growth in the value of PPC in the medium and long term. The scheme was amended in 2015 to include equity-settled awards. All grants are approved by the remuneration committee. During the year, the company recovered R65 million from group subsidiary companies where employees participated in these schemes following vesting of the two awards. This recovery has not been netted off staff costs.

[b] For further details, refer the abridged remuneration report.

12. FOREIGN EXCHANGE GAIN/(LOSS) ON FOREIGN CURRENCY MONETARY ITEMS

	March 2018 Rm	March 2017 Rm
Gain on remeasurement of put option liability (refer note 8)	**237**	–
Loss on derivatives designated as economic hedging instruments	**–**	(10)
(Loss)/gain on translation of foreign currency denominated monetary items	**(2)**	27
	235	17

13. FINANCE COSTS

	March 2018 Rm	March 2017 Rm
Bank and other short-term borrowings[a]	**11**	246
Notes	**8**	80
Long-term loans	**–**	32
Finance costs before BBBEE transaction, subsidiary companies and time value of money adjustments	**19**	358
BBBEE transaction	**–**	35
Dividends on redeemable preference shares	**–**	16
Long-term borrowings	**–**	19
Subsidiary companies	**12**	7
Time value of money on the put option liability	**48**	18
	79	418

[a] In the prior reporting period, the amount includes liquidity and guarantee facility raising fees of R128 million.

The total finance costs excluding time value of money adjustments relate to borrowings held at amortised cost. For details of borrowings, refer note 7.

14. INVESTMENT INCOME

	March 2018 Rm	March 2017 Rm
Dividends from subsidiaries	**943**	122
Interest from subsidiaries	**27**	–
Interest on deposits and non-current assets	**22**	12
	992	134

15. TAXATION

Key judgement

Judgement is required in determining the estimate of the provision for income taxes at the reporting period. The company recognises provisions for taxation based on estimates of the taxes that are likely to become due. Where the final taxation outcome is different from the amounts that were initially recorded, such differences impact the income taxation and deferred taxation provisions in the period in which such determination is made.

	March 2018 Rm	March 2017 Rm
Deferred taxation	**(21)**	(73)
Current period	**(8)**	(73)
Prior year	**(13)**	–
Withholding taxation	**4**	18
Total taxation charge	**(17)**	(55)

	%	%
Reconciliation of taxation rate:		
Profit before taxation	**(1,8)**	12,1
Prior year taxation impact	**3,6**	–
Profit before taxation, excluding prior year taxation adjustments	**1,8**	12,1
Adjustment due to the inclusion of dividend income	**28,1**	(7,5)
Effective rate of taxation	**29,9**	4,6
Income taxation effect of:	**(1,9)**	23,4
Disallowable charges, permanent differences and impairments	**(7,6)**	7,9
Empowerment transactions and IFRS 2 charges not taxation deductible	**(0,9)**	11,5
Fair value adjustment of financial instruments	**7,1**	–
Withholding taxation	**(0,5)**	4,0
South African normal taxation rate	**28,0**	28,0

16. FINANCE COSTS PAID

Finance costs as per income statement charge (refer note 13)	**79**	418
Time value of money adjustments	**(26)**	(18)
BBBEE funding transaction finance costs capitalised	**–**	(35)
	53	365

17. TAXATION PAID

Net amounts (receivable)/payable at the beginning of the year	**(55)**	(44)
Charge per income statement excluding deferred taxation (refer note 15)	**4**	18
Net amounts receivable at the end of the year	**(51)**	(55)
	–	29

18. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Plant, vehicles, furniture and equipment (refer note 2)	**3**	–
	3	–

19. CONTINGENT LIABILITIES

Litigation, current or pending, is not considered likely to have a material adverse effect on the company.

The company has provided security for general banking facilities of wholly owned subsidiaries, PPC Aggregate Quarries Pty Limited, PPC Cement SA Pty Limited, PPC Group Services Pty Limited, PPC Lime Ltd.

20. FINANCIAL RISK MANAGEMENT

Fair values of financial assets and liabilities

The carrying values of certain financial assets and liabilities, which are accounted for at historical cost, may differ from their fair values.

The estimated fair values have been determined using available market information and approximate valuation methodologies.

For full disclosure, refer note 26 in the consolidated financial statements.

	Notes	March 2018		March 2017	
		Rm	**Rm**	Rm	Rm
Financial assets					
Trade and other financial receivables	5	**29**	**29**	170	170
Amounts owing by subsidiary companies	3	**3 208**	**3 208**	3 468	3 468
Cash and cash equivalents		**81**	**81**	320	320
Financial liabilities					
Long-term borrowings	7	**111**	**111**	131	131
Short-term borrowings	9	**172**	**172**	1 584	1 584
Amounts owing to subsidiary companies	3	**358**	**358**	284	284
Trade and other financial payables	10	**103**	**103**	26	26
Put option liability	8	**245**	**245**	434	434

	March 2018 Rm	March 2017 Rm
Credit risk management		
Maximum credit risk exposure[a]	3 318	3 958

[a] Maximum credit risk exposure includes long-term receivables, trade and other receivables and cash and cash equivalents.

Methods and assumptions used by the company in determining fair values

The estimated fair value of financial instruments is determined, at discrete points in time, by reference to the mid-price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the company uses valuation techniques to arrive at fair value, including the use of prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of unlisted investment has been valued based on the purchase agreement following the decision to dispose of the investment, while unlisted collective.

The fair value of loans receivable and payable is based on the market rates of the loan and the recoverability.

The fair values of cash and cash equivalents, trade and other financial receivables and trade and other financial payables approximate the respective carrying amounts of these financial instruments because of the short period to maturity.

Put option liability has been calculated using EBITDA forecasts prepared by management and discounted to present value. Further details are disclosed in note 8.

The fair value of derivative financial instruments relating to cash-settled share appreciation rights is determined with reference to valuations performed by third-party financial institutions at reporting date, using an actuarial binomial pricing model.

20. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures

	Valuation with reference to prices quoted in an active market Level 1 Rm	Valuation based on observable inputs Level 2 Rm	Valuation based on unobservable inputs Level 3 Rm	Total Rm
2018				
Financial liabilities				
At amortised cost				
Put option liability	–	–	245	245
Derivative financial instruments current (fair value hedge)	–	13	–	13
Total financial liabilities	**–**	**13**	**245**	**258**
2017				
Financial liabilities				
At amortised cost				
Put option liabilities	–	–	434	434
Total financial liabilities	–	–	434	434

Level 1 – financial assets and liabilities that are valued according to unadjusted market prices for similar assets and liabilities. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length transaction.

Level 2 – financial assets and liabilities are valued using observable inputs, other than the market prices noted in the level 1 methodology, and make reference to pricing of similar assets and liabilities in an active market or by utilising observable prices and market-related data.

Level 3 – financial assets and liabilities that are valued using unobservable data, and requires management judgement in determining the fair value.

Level 3 sensitivity analysis

	Valuation technique	Main assumptions	Carrying value Rm
Put option liability	**Earnings multiple**	**EBITDA and net debt**	**245**

If the key unobservable inputs to the valuation model, being estimated EBITDA and net debt, were 10 % higher/lower while all the other variables were held constant, the carrying amount of the put option liabilities would decrease/increase by R29 million.

	2018 Rm	2017 Rm
Movements in level 3 financial instruments		
Financial liabilities (refer note 8)		
Balance at the beginning of the year	**434**	416
Fair value adjustments on remeasurements	**(237)**	–
Time value of money adjustments	**48**	18
Balance at the end of the year	**245**	434

Remeasurements are recorded in fair value adjustments on financial instruments in the income statement.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

for the year ended 31 March 2018

21. RELATED-PARTY TRANSACTIONS

The company had the following related-party transactions:

	March 2018 Rm	March 2017 Rm
Interest paid to		
Pronto Holdings Pty Limited	**7**	5
Safika Cement Holdings Pty Limited	**1**	2
PPC Lime Ltd	**5**	–
Dividends received from		
PPC South Africa Holdings Pty Limited	**890**	–
PPC Botswana Pty Limited	**53**	–
PPC Zimbabwe Ltd	**–**	122
Interest received from		
PPC Aggregate Quarries Pty Limited	**7**	–
PPC Cement South Africa Pty Limited	**6**	–
The PPC Black Managers Trust Funding SPV Pty Limited	**5**	–
PPC Construction Industry Associations Trust Funding SPV Pty Limited	**5**	–
PPC Community Trust Funding SPV Pty Limited	**2**	–
PPC Team Benefit Trust Funding SPV Pty Limited	**1**	–
PPC Education Trust Funding SPV Pty Limited	**2**	–
Group fees paid to		
PPC Group Services Pty Limited	**47**	–
Trade amounts due from		
PPC Mozambique SA	**–**	2
Amounts due by/(to)		
PPC Aggregate Quarries Pty Limited	**56**	46
PPC Lime Ltd	**(100)**	(26)
PPC Botswana Pty Limited	**13**	12
PPC International Holdings Pty Limited	**1 835**	1 960
Pronto Holdings Pty Limited	**(85)**	(96)
Safika Cement Holdings Pty Limited	**–**	7
PPC Ntsika Fund Pty Limited	**(1)**	–
PPC South Africa Holdings Pty Limited	**–**	(55)
PPC Cement SA Pty Limited	**595**	1 112
PPC Group Services Pty Limited	**(172)**	(112)
PPC Mozambique SA	**2**	12
CIMERWA Ltd	**1**	4
PPC Barnet DRC Manufacturing Company SA	**550**	–
PPC Barnet DRC Trading Company SA	**–**	18
Kgale Quarries Pty Limited	**–**	2
PPC Aggregate Quarries Botswana Pty Limited	**4**	2
The PPC Black Managers Trust Funding SPV Pty Limited	**7**	57
PPC Team Benefit Trust Funding SPV Pty Limited	**17**	19
PPC Construction Industry Associations Trust Funding SPV Pty Limited	**67**	74
PPC Education Trust Funding SPV Pty Limited	**34**	37
PPC Community Trust Funding SPV Pty Limited	**24**	26
The PPC Black Managers Trust	**–**	11
PPC Zimbabwe Ltd	**5**	–

The terms and conditions of these transactions are determined on an arm's length basis.

22. EVENTS AFTER REPORTING DATE

No events occurred after the reporting date that may have a material impact on the company financial position at 31 March 2018.

23. ADDITIONAL DISCLOSURE

Refer to the consolidated financial statements for additional disclosure on the following:

- Directors' remuneration and interest
- Financial risk management
- Retirement benefit information
- Share-based payments

ABRIDGED REMUNERATION REPORT

for the year ended March 2018

Key principles of the remuneration policy

PPC recognises that one of its sources of competitive advantage is its highly skilled employees. To meet the company's business objectives, remuneration and reward policies and practices must support the following principles:

- Encourage organisational, team and individual performance
- Designed to drive a high-performance culture
- Based on the premise that employees should share in the success of the company
- Be designed to attract and retain high-calibre individuals with the optimum mixture of competencies
- Takes into account industry benchmarks and practices of comparable companies of a similar size

PPC's remuneration policy conforms to King IV™ and is based on the following principles:

- Remuneration practices are aligned with corporate strategy
- Total rewards are set at competitive levels in the relevant market
- Incentive-based rewards are earned by achieving demanding performance conditions consistent with shareholder interests over the short, medium and long term
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle
- To promote an ethical culture and responsible corporate citizenship
- The remuneration of executive management is fair and responsible in the context of overall employee remuneration in the company
- The performance conditions used in the variable pay structures support positive outcomes across the economic, social and environmental context in which the company operates; and/or all the capitals that the company uses or effects
- The design of long-term incentives is prudent and does not expose shareholders to unreasonable financial risk

Further details on the company's remuneration policies and philosophy can be found in PPC's integrated report for the year ended March 2018.

Total remuneration outcomes

Remuneration paid to executive directors and prescribed officers for the year ended March 2018

R000	Salary	TGP, retirement and medical contributions	Car allowance	STI	LTI	Other	Total
Executive directors							
DJ Castle	1 786	248	–	–	–	16 832[(1)]	18 866
JT Claassen	3 140	591	300	1 441	907	893[(2)]	7 272
MMT Ramano	3 751	786	240	1 352	985	1 236[(3)]	8 350
Prescribed officers							
NL Lekula	2 862	387	–	880	462	700[(4)]	5 291
M Ramafoko	1 743	311	367	641	469	681[(5)]	4 212
JHDLR Snyman	2 041	260	117	463	381	5	3 267
	15 323	2 583	1 024	4 866	3 204	20 347	47 258

(1) Other comprises notice pay of R1 526 000, leave pay of R552 000 and separation package of R14 753 000.
(2) Includes relieving allowance of R885 000.
(3) Includes payment of R1 232 000 in relation to Black Managers Trust.
(4) Includes relieving allowance of R219 000, payment of R402 000 in relation to Black Managers Trust and leave payout of R75 000.
(5) Includes relieving allowance of R409 000 and payment of R261 000 in relation to Black Managers Trust.

ABRIDGED REMUNERATION REPORT continued

for the year ended March 2018

Remuneration paid to executive directors and prescribed officers for the year ended March 2017

R000	Salary	TGP, retirement and medical contributions	Car allowance	STI	Other	Total
Executive directors						
DJ Castle	5 230	700	–	–	8	5 938
MMT Ramano	3 473	817	240	–	1 421[a]	5 951
Prescribed officers						
JT Claassen	2 633	497	300	728	8	4 166
NL Lekula	2 693	359	–	654	219[b]	3 925
JHDLR Snyman	1 925	244	117	396	6	2 688
	15 954	2 617	657	1 778	1 662	22 668

[a] Vesting of restricted share units granted in 2013 .
[b] Relocation allowance paid in April 2016.

In the previous report, shareholders were alerted to the fact that the number of prescribed officers would be reduced. This decrease in the number of prescribed officers was due to the changes in the group governance structures and legal opinion obtained on the interpretation of Regulation 38 of the Companies Act 71 of 2008 (as amended).

Remuneration paid to non-executive directors for the year ended March 2018

			Committee							
R000	Board fees	Chairman fees	Nominations	Audit	Risk and compliance	Remuneration	Social and ethics	Investment	Special meetings	Total
AC Ball[a]	24	–	–	–	–	–	–	–	–	24
S Dakile-Hlongwane	282	–	–	–	–	–	99	–	190	571
D Earp[b]	–	–	–	–	–	–	–	–	–	–
N Gobodo	282	–	36	134	–	–	103	–	317	872
N Goldin	282	–	–	134	–	99	–	99	641	1 255
TJ Leaf-Wright	282	–	–	–	201	–	99	99	661	1 342
T Mboweni[c]	68	–	17	–	–	–	48	–	–	133
SK Mhlarhi[d]	258	–	30	–	–	91	–	91	664	1 134
NL Mkhondo[e]	24	–	–	–	–	–	–	–	–	24
PJ Moleketi[f]	–	98	–	–	–	–	–	–	–	98
T Moyo	282	–	71	134	–	201	–	–	326	1 014
CH Naude	282	–	–	–	99	99	–	201	683	1 364
PG Nelson[g]	–	2 310	–	–	–	–	–	–	–	2 310
TDA Ross[h]	366	–	–	265	99	–	–	99	641	1 470
	2 432	2 408	154	667	399	490	349	589	4 123	11 611

[a] Appointed 2 March 2018.
[b] Appointed 15 January 2018 and resigned 2 March 2018.
[c] Resigned 18 July 2017.
[d] Resigned 2 March 2018.
[e] Appointed 2 March 2018.
[f] Appointed 2 March 2018.
[g] Resigned 2 March 2018.
[h] Resigned 9 April 2018.

Remuneration paid to non-executive directors for the year ended March 2017

R000	Board fees	Chairman fees	Committee Nominations	Audit	Risk and compliance	Remuneration	Social and ethics	Investment	Special meetings	Total
S Dakile-Hlongwane	253	–	–	–	–	–	83	–	232	566
N Gobodo[(a)]	68	–	–	32	–	–	–	–	–	100
N Goldin	253	–	–	64	–	95	–	139	316	867
TJ Leaf-Wright	253	–	–	–	95	–	83	139	424	994
T Mboweni	236	–	160	–	–	–	169	–	81	686
SK Mhlarhi	253	–	–	–	–	95	–	119	301	768
B Modise[(b)]	135	–	–	112	145	–	–	–	278	670
T Moyo	253	–	100	168	–	153	–	–	404	1 078
C Naude	253	–	–	–	95	95	–	281	420	1 144
PG Nelson	–	1 291	179	–	–	95	–	–	543	2 108
TDA Ross	329	–	–	286	95	–	–	139	428	1 287
	2 286	1 291	379	662	430	533	335	817	3 535	10 268

[(a)] Appointed 8 February 2017.
[(b)] Resigned effective 31 October 2016.

Interests of executive directors and prescribed officers in share capital

The aggregate direct beneficial holdings of directors and their immediate families (none of whom holds over 1 %) in the issued ordinary shares of the company are detailed below. There are indirect holdings by directors and their immediate families. The shareholdings are as follows:

	Number of shares as at 31 March 2018	31 March 2017
Directors		
DJ Castle		625 000
JT Claassen	**30 629**	
MMT Ramano	**469 222**	433 749
Prescribed officers		
NL Lekula	**168 242**	149 606
MG Ramafoko	**11 775**	

Interests of directors and prescribed officers in BBBEE schemes

In 2008, in terms of the company's first BBBEE transaction, certain executive directors and prescribed officers were granted participation rights in the loan-funded Black Managers Trust which owns shares that are subject to vesting conditions and a lock-in period restricting transferability which expired on 15 December 2016. Residual shares after the settlement of outstanding debt obligations vested in the participants' names in March 2018.

In the 2013 financial year, after implementation of the company's second BBBEE transaction, executive directors and prescribed officers were included among South African employees granted participation rights in a notional loan-funded trust owning shares that are subject to vesting conditions and a lock-in period restricting transferability which expires in September 2019.

Participation rights	BEE 1	BMT vesting of residual shares	BEE 2
Executive directors			
JT Claassen	–	–	22 501
MMT Ramano	335 249	14 190	372 737
Prescribed officers			
NL Lekula	109 531	4 636	220 634
MG Ramafoko	71 132	3 011	107 994
JHDLD Snyman	–	–	18 167

PPC LTD SHAREHOLDER ANALYSIS

as at 31 March 2018

Issued share capital: 1 591 759 954 shares

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	5 860	47,83	2 070 352	0,13
1 001 – 10 000 shares	4 645	37,91	19 417 148	1,22
10 001 – 100 000 shares	1 282	10,46	49 935 736	3,14
100 001 – 1 000 000 shares	316	2,58	160 564 817	10,09
1 000 001 shares and over	149	1,22	1 359 771 901	85,43
Total	12 252	100	1 591 759 954	100
Distribution of shareholders				
American depositary receipts	3	0,02	1 898 610	0,12
Banks	102	0,83	407 444 836	25,60
Broad-based black ownership	17	0,14	132 845 444	8,35
Brokers	57	0,47	66 821 012	4,20
Close corporations	104	0,85	1 866 550	0,12
Endowment funds	27	0,22	2 000 735	0,13
Individuals	10 312	84,17	50 223 809	3,16
Insurance companies	34	0,28	36 550 433	2,30
Investment companies	15	0,12	705 670	0,04
Medical aid schemes	13	0,11	3 645 049	0,23
Mutual funds	187	1,53	284 168 477	17,85
Nominees and trusts	889	7,26	12 310 392	0,77
Other corporations	62	0,51	634 373	0,04
Pension funds	198	1,62	539 474 493	33,89
Private companies	232	1,89	51 170 071	3,21
Total	12 252	100	1 591 759 954	100
Public/non-public shareholders				
Non-public shareholders	19	0,16	517 601 979	32,52
Directors' holdings	1	0,01	26 577	0,00
Broad-based black ownership	17	0,14	132 845 444	8,35
Strategic holdings (10 % or more)	1	0,01	384 729 958	24,17
Public shareholders	12 233	99,84	1 074 157 975	67,48
Total	12 252	100	1 591 759 954	100

Beneficial shareholders holding 3% or more of the ISC	Number of shares as of 29 March 2018	%
Public Investment Corporation Limited (GEPF, UIF and CP)	384 729 958	24,17
Lazard Emerging Markets Equity Portfolio	83 815 165	5,27
Value Active PFP H4 QI Hedge Fund	74 880 595	4,70

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