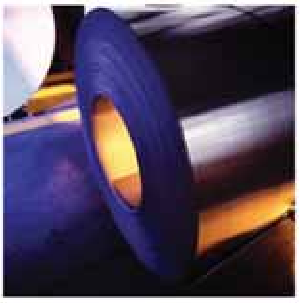
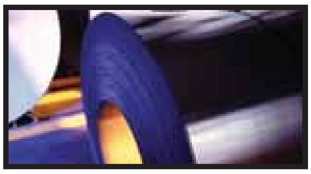
INSIMBI

Insimbi Refractory and Alloy Supplies Ltd
Reg. No. 2002/029821/06

ANNUAL REPORT 2008





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ANNUAL REPORT 2008

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www.insimbi-alloys.co.za

PROFILE

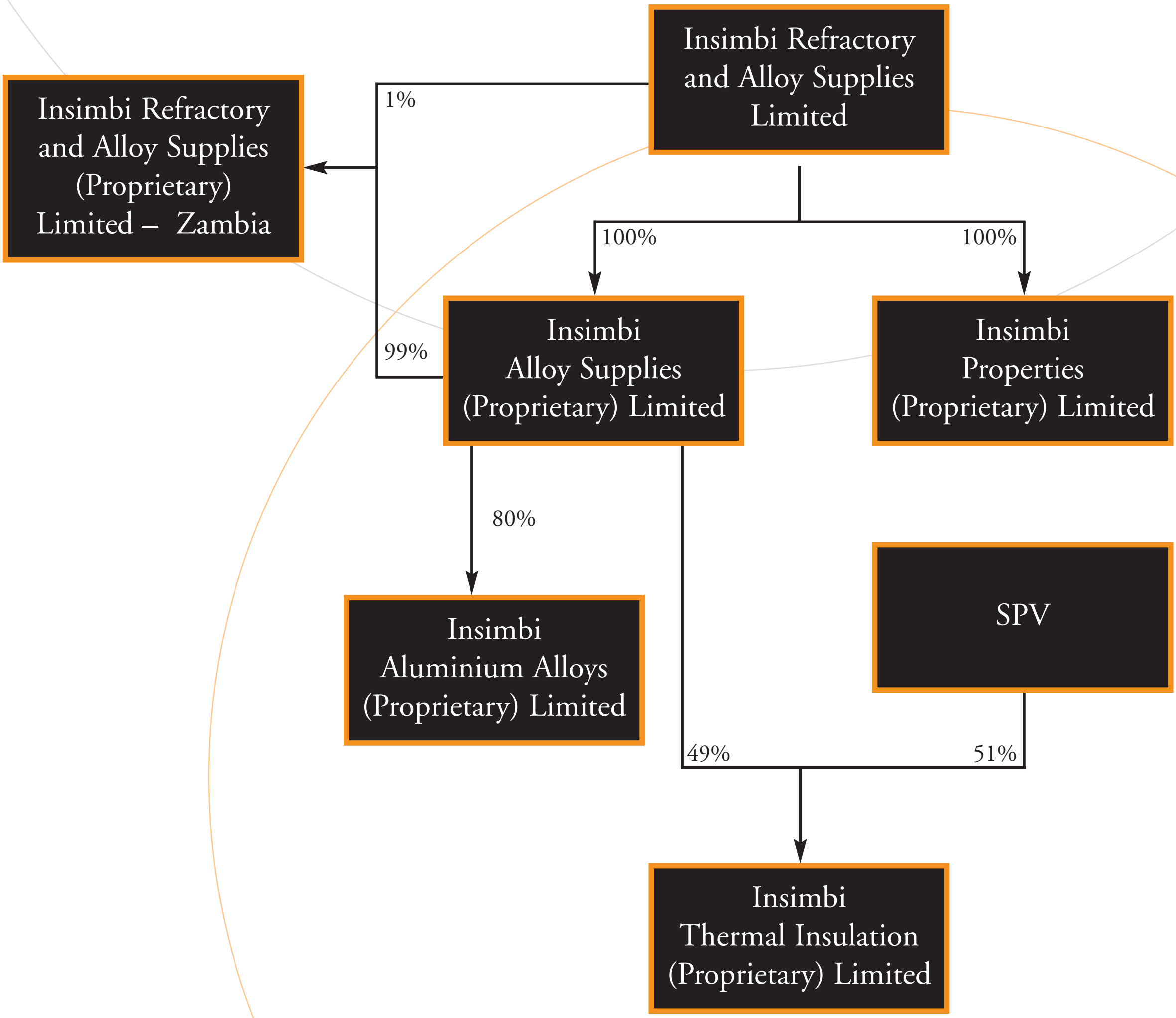
This annual report is the maiden report to the public shareholders of Insimbi Refractory and Alloy Supplies Limited ("Insimbi", the "company" or the "group") and outlines both financial and corporate issues.

"Insimbi" is the Zulu word for metal, and is taken from the saying *"Insimbi Kayigobi"*. In this context, Insimbi is seen to be strong and able to withstand the hardships of nature and, in turn, the pressures of life. Insimbi represents people that are committed, driven and deliver the best service possible.

Insimbi was converted from a private company to a public company on 12 February 2008 and listed on the Alternative Exchange ("Alt^{X}") of the JSE Limited ("JSE") on 14 March 2008.

GROUP STRUCTURE

The group structure of Insimbi is set out below:



DIRECTORATE

The profiles of the Insimbi directors are set out below:

EXECUTIVE DIRECTORS

Frederik Botha 44
Chief Financial Officer
Chartered Accountant (South Africa)

Fred has a BCom from the University of Cape Town and a BCompt (Honours) from the University of South Africa. He completed his articles with Coopers & Lybrand (now PricewaterhouseCoopers). He worked in Malawi for four years from 1993 to 1997 in a large trading operation in the role of Group Financial Controller and Group Operations Director. From 1997 to 2002 he worked in Zambia in a large basic foodstuff manufacturing and agriculture trading operation in the role of Group Commercial Director.

Fred joined Insimbi in 2002 and sits on the Pension Fund Management Committee.

Colin Francis Botha 40
Sales Director – Non-ferrous and Foundry Divisions
National Higher Diploma in Metallurgical Engineering from Witwatersrand Technikon

Colin commenced employment with Insimbi in 1992 as a Technical Sales Representative and has been promoted during his tenure to Divisional Sales. Colin sits on the Pension Fund Management Committee.

Eduard Philip Liechti 47
Sales Director – Speciality Division
National Diploma Engineering Metallurgy Witwatersrand Technikon

Prior to joining Insimbi in 1988, Eddie worked as a trainee metallurgist at Haggie Rand Germiston. Over the past 19 years, Eddie has gained extensive knowledge of Insimbi's product range and has worked in and sold products to the foundry, non-ferrous, refractory and steel industries.

Pieter Jacobus Schutte 49
Chief Executive Officer
National Diploma in Ceramic Technology

Prior to joining Insimbi in 1996, Pieter worked for Vereeniging Refractories (Proprietary) Limited in their Research Technical Department and later as a Technical Sales Representative, Vaal Potteries (Proprietary) Limited as a Technical Assistant and Cullinan Refractories (Proprietary) Limited as their Export Sales Manager.

Pieter has been appointed as Chief Executive Officer with effect from 1 March 2008. Pieter sits on the Pension Fund Management Committee and chairs the Equity Committee.

Leslie Gustav Tessendorf 64
Divisional Director – KwaZulu-Natal Division
Artisan Fitter and Turner

Prior to joining Insimbi, Les worked for Tubemakers of South Africa (Proprietary) Limited in various positions and then as a Sales Manager for Van Leeuwen Pipe and Tube (Proprietary) Limited. Les was also appointed a Sales Manager and later director of Natal Foundry Supplies (Proprietary) Limited.

After the company was divisionalised with effect from 1 August 2004, Les was appointed as Divisional Director of the Kwa-Zulu Natal Division.

Roy Derek Makkink 56
Company Secretary
CIS Intermediate, Diploma in Accounting Studies, Chartered Accountant (Zimbabwe), Chartered Accountant (South Africa), Higher Diploma in Taxation

Roy qualified as a Chartered Accountant in Zimbabwe and did his articles with Coopers & Lybrand and later joined Derry & Co., both in Zimbabwe. Prior to joining Insimbi, Roy held various financial positions with the following companies:

- Caps (Proprietary) Limited in Zimbabwe;
- SA Associated Newspapers Limited;
- Hickson Chemtech (Proprietary) Limited;
- Chamber of Mines of South Africa;
- Rand Mutual Hospital; and
- British American Tobacco South Africa.

Roy joined Insimbi in 1999, and also sits on the Pension Fund Management Committee.

NON-EXECUTIVE DIRECTORS

Daniel John O'Connor 60
Non-executive Chairman
Higher National Diploma in Metallurgy

Danny has over 33 years' experience in the metal alloy, refractory, steel and iron industry. He commenced employment with Insimbi in 1982 as a Sales Representative and was appointed Managing Director in December 2002. Danny retired in February 2008 and was subsequently appointed as non-executive Chairman on 1 March 2008. He currently chairs the Pension Fund Management Committee.

Lerato Mashologu 35
Independent Non-executive Director
Bachelor of Science (BSc) in Mathematics and Computer Science

Lerato graduated from the University of Lesotho in 1997 with a Bachelor of Science (BSc) in Mathematics and Computer Science. In 2005, she completed her Masters in Business Administration at Wits Business School. Lerato has completed a research report for her MBA on a funding model for the commercial financing of small and medium businesses. She completed her MBA electives in Finance at the Cranfield School of Management (UK). She headed the Post Investment Division at the National Empowerment and worked as an Executive Director of the CIDA Empowerment Fund.

Lerato sits on the Audit Committee.

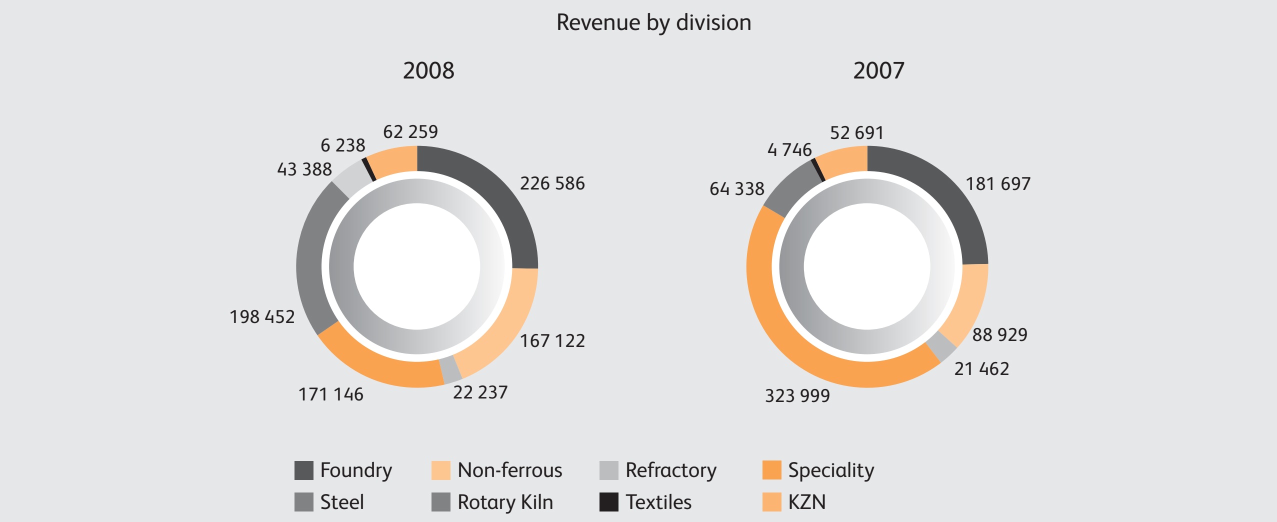
FINANCIAL HIGHLIGHTS

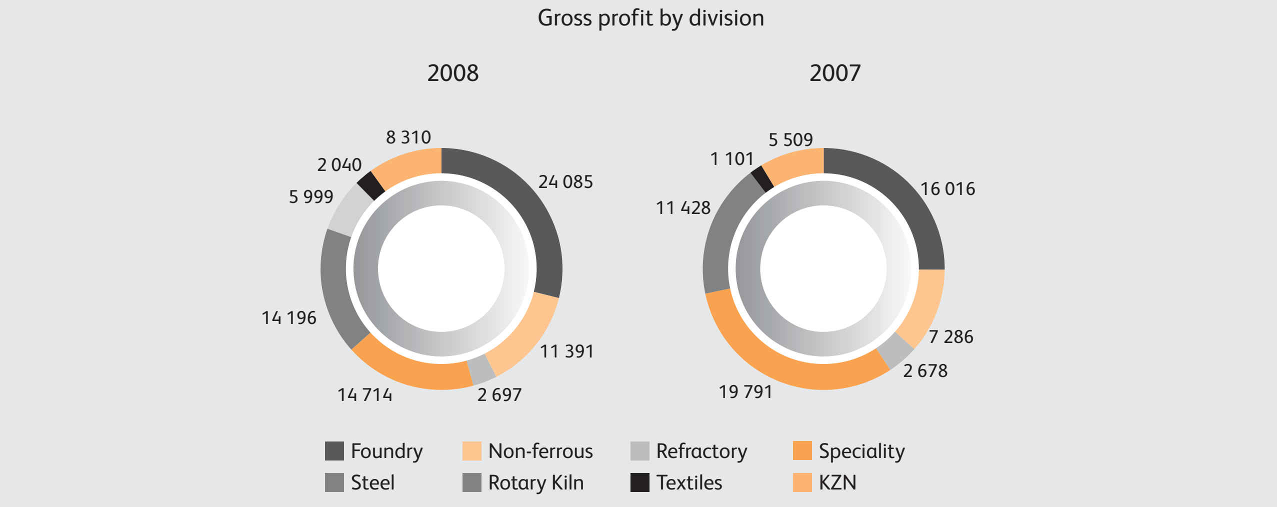
• Revenue	R897,4 million
• Operating profit	R53,5 million
• Profit before tax	R44,9 million
• Attributable earnings	R26,6 million
• Headline earnings	R22,4 million
• Earnings per share (cents)*	10,22
• Headline earnings per share (cents)*	8,61

• **Listing of Insimbi on Alt^X post year end**

*based on 260 000 000 shares in issue

SEGMENTAL REPORT – REVENUE AND GROSS PROFIT





CHAIRMAN'S REVIEW

It is with pleasure that I present our results for the year ended 29 February 2008. Subsequent to this date, we listed on Alt^{x} on 14 March 2008 and these results are, in effect, our maiden results as a listed company. The year under review was without a doubt a great success story for Insimbi. Not only did we see tremendous growth in our sphere of business due to the increased infrastructure and construction "spend" in South Africa, but we also concluded a successful Management Buy Out ("MBO") in April 2007 which facilitated our recent listing. We are encouraged by our financial results achieved and I remain equally optimistic about the upcoming years ahead and beyond 2010.

Insimbi has maintained its focus on providing reliable service and quality products to its customer base and with listing, has elevated its exposure in the market significantly. I look forward to exciting times ahead where our strategy of growth by acquisition will complement our impressive historic organic growth.

PERFORMANCE

The group's headline earnings and earnings per share amounting to 8,61 cents and 10,22 cents per share, respectively (based on a notional 260 million shares in issue for comparative purposes) was in line with our expectations and showed impressive growth on the 6,57 cents per share for HEPS and EPS achieved in the previous financial year (again based on a comparative 260 million shares in issue). This increase can be attributed to increase in demand for our products which has been driven by the infrastructure "boom" as well as continued focus on margins, overheads and our working capital cycle. This increase was especially pleasing in light of the increased finance costs of R9,8 million which arose from the funding of the MBO. Much of this debt has been paid off subsequent to year end, out of proceeds from the listing.

Insimbi also posted a profit on the sale of their investment in Allied Metallurgy SA (Proprietary) Limited of R5,5 million in the year under review. This disposal was made for strategic reasons and we maintain our strong relationship with them.

The shortage of skills in our sector continues to be a concern and to this end, Insimbi has embarked upon a strategy of skills development which will create a talent "pipeline".

Despite the general slowing of the economy I am confident that due to our target market, Insimbi will come through it unscathed.

PROSPECTS

In the face of the current economic climate and notwithstanding my optimism for the future, Insimbi will continue to conduct its business along the same business model it has adopted for nearly 40 years with much success. This is a focus on core business operations and a conservative approach to acquisitions. Having said this, and subsequent to our listing, Insimbi is actively looking for strategic acquisitions that will enhance our existing operations and bring synergies and diversity to the group. We remain confident that the commitment to infrastructure improvement shown by the government will continue well into the future and will continue to stimulate our business.

This, coupled with higher commodity prices and the expectation that these prices are sustainable for some time to come, places Insimbi in a very satisfying position.

Production at the recently acquired secondary aluminium smelter started in May 2008 and with the capacity increased from an expected 900 tons to approximately 1 300 tons per month of finished product, prospects look good.

BLACK ECONOMIC EMPOWERMENT

Insimbi is committed to transformation and regards the process as being essential for the long-term economic and social upliftment and stability within the country. As such, the company aligns its transformation strategy with the Codes of Good Practice and to improve on all sections of the balanced scorecard. The company has put in place transformation initiatives in order to move in the direction of achieving its long-term goal of becoming a BBBEE company.

CORPORATE GOVERNANCE AND FINANCIAL RESULTS

Corporate governance remains a key focus for Insimbi and the board strives to adhere to all of the fundamental requirements of the King Code of Corporate Practices and Conduct as well as the JSE Listing Requirements.

CONCLUSION

I believe the future for Insimbi is very exciting and that the opportunities post-listing are yet to be capitalised upon. I have no doubt that with our specialised focus, motivated staff, dynamic management and current market conditions, the company will take full advantage of all opportunities as they occur.

I thank management and staff for their continued dedication and hard work.

Finally, I thank all our new shareholders, customers and vendors for their continued support and I look forward to meeting all our shareholders at the Annual General Meeting to be held on 23 September 2008 at 359 Crocker Road, Wadeville Ext 4 at 12h00.

DJ O'Connor
Non-executive Chairman

21 August 2008

CHIEF EXECUTIVE OFFICER'S REVIEW

INTRODUCTION

'Sustainable organic growth through consistent quality and service leads to IPO in March 2008'

The financial year ended 29 February 2008 was an exceptionally exciting year for Insimbi on a number of different levels. As I write what is for me my first CEO's report subsequent to my appointment to the post in March 2008, I realise that it is in fact also the maiden CEO's report for Insimbi Refractory and Alloy Supplies Limited following our successful listing in March 2008. Much of what I am writing about in this Annual Report relates to our financial year immediately prior to our listing on the Alternative Exchange of the JSE Limited. It was our outstanding sustainable organic growth over the past decade and our consistent supply of quality goods and services, which led to a successful Management Buy Out ("MBO") in April 2007. This saw 100% control pass to management for the first time in our 38 year history and subsequently resulted in a successful Initial Public Offer ("IPO") in March 2008.

We have established ourselves as a significant player in the ferrous, non-ferrous and refractory supply industry and with our elevated status believe that our performance will no longer be only dependent on organic growth, but more excitingly, from acquisitive growth as well.

FINANCIAL REVIEW

The increase in revenue was a result of increased volumes, product lines and commodity prices world wide. Margins were slightly improved at 9,2% (2007: 8,6%) and operating costs showed a significant reduction due to excellent cost control and exemplary credit control practices which resulted in an over provision for doubtful debts being written back.

Corporate tax charge was R18,3 million for the year (2007: R7,9 million), significantly higher than the previous year's charge due to higher profits and a once-off Secondary Tax on Companies ("STC") charge of R6 million on the preference dividend declared to redeem the preference shares in issue as part of the MBO consideration.

Cash generated from operations was R10,2 million which is down when compared with the R41,2 million in 2007. As a result of the financial year end falling on a Friday, debtors' receipts only flowed in on the Monday. The honouring of our creditors took place on the Friday.

Our working capital cycle has increased due to the increased growth in the business but we still operated at a net working capital cycle of between 15 and 20 days during the year under review.

From a balance sheet perspective, the dividends totalling R87,9 million which were paid out of current profits and reserves to previous institutional shareholders to facilitate the MBO, provides a "skewed view" of the strength of our balance sheet.

OPERATIONAL REVIEW

The focus by our government on the upgrade of South Africa's infrastructure and the resultant boom in construction across the country has buoyed the steel, cement and foundry industries to new heights. This has had a tremendously positive impact on our business as volumes have increased accordingly and this, coupled with an increase in commodity prices and diversified product lines, has boosted revenue and profits and far exceeded the expectations of Insimbi.

The growth in the business has necessitated that we focus on our skills base to ensure that we continue to supply a reliable and reputable service to our customer base and as a result, we have seen our number of skilled employees increase from 80 to 105 from 2007 to 2008. Our commitment to uphold these high standards is tantamount and remains a critical ingredient to our success.

SEGMENTAL ANALYSIS

All divisions performed well during the period under review and are dealt with below:

Foundry Division had revenues of R226,6 million, 24,7% up on the R181,7 million in the previous year. This was due to the fact that the weaker currency and increased focus on infrastructure and mining, buoyed our local customer base as well as the fact that this division introduced some new product lines to its range. Margins were also higher than in the previous year and it contributed R24,1 million gross margin, making it the single biggest contributor.

The Non-Ferrous division showed significant growth in revenue and profitability due to large increases in the price of nickel and copper which traded for a portion of the year at all time highs. The generated sales of R167,1 million, 87,9% up on last year's R88,9 million revenue while gross profit was R11,4 million, 56,3% up on the previous year.

The Speciality and Steel division was split into two separate divisions in June and so for comparative purposes, I will deal with them together this year for the last time. They contributed a combined revenue of R369,6 million compared to R324,0 million in the previous year, an increase of 14,1%. These divisions also benefited from a weaker currency and the infrastructure boom. They contributed a combined gross profit of R28,9 million, 46,1% up on the previous year's R19,8 million and this was due to focus on higher margin products.
As mentioned above, they were split into two distinct divisions during the course of the year and will in future, be reported on as separate divisions.

The Rotary division did not fare as well as it did in the previous year and revenues were 32,6% down on last year at R43,4 million. This was largely due to the cyclical nature of this division and many of the large cement producers had their major shutdowns and re-lines in the previous financial year.

CHIEF EXECUTIVE OFFICER'S REVIEW
(continued)

Margins were also lower due to the weaker R/Euro exchange rate which put them under pressure and it finished the year with a gross profit of R6,0 million, 47,5% down on last year's R11,4 million.

The Refractory division also fared poorly in comparison to other divisions, this was mainly as a result of the ever worsening political and economic climate in Zimbabwe where most of its client base is located as well as a weaker rand against the Euro. The division achieved revenues of R22,2 million, marginally up (3,6%) on the R21,5 million achieved in the previous financial year. Profits were less than 1% up on last year at R2,7 million.

The KwaZulu-Natal division impressed with revenue of R62,2 million, 18,16% up on the previous year's revenues of R52,7 million. Margins showed marvellous growth and its gross profit was 50,8% up on the previous year at R8,3 million. This division has capitalised on its presence and reputation in the local KZN foundry and aluminium industries as well as successfully maintaining a strong presence in Moçambique.

The Textile division also showed strong organic growth and posted sales of R6,2 million 31,4% up on the previous year. Margins were good and it made a gross profit of R2,0 million, 85,3% up on the previous year's R1,1 million and it has developed a reputation for high quality fabricated industrial heat resistant textiles. A decision was made to sell this division to the divisional staff effective 1 March 2008 as part of our commitment to broad based black empowerment and they now own 51% of the company while Insimbi Alloy Supplies (Proprietary) Limited retains a 49% stake. The new company is called Insimbi Thermal Insulation (Proprietary) Limited and it continues to operate from our Wadeville premises with the full support of the Insimbi management and administrative team.

MARKET AND PROSPECTS

Despite the difficult economic conditions at the moment, I remain very positive for the future. If I look at the downstream project pipeline in the infrastructure sector, I believe that we will prosper despite this. It is public knowledge that the proposed spend on projects in South Africa including the upgrade of Eskom, national roads, Gautrain, dams, harbours, mining sector and airports, is between R600 billion and R1 000 billion over the next four to six years and we are well placed to benefit from this.

OUR PEOPLE

Insimbi has grown from a small private company, whose heritage dates back to 1970, to a publicly listed entity with a market capitalisation of over R230 million. Many of our staff have been with us through much of this history and we have a number of employees with in excess of 20 years tenure with the company. Our staff complement has grown to over 100 permanent employees and 50 contract employees from our humble beginnings in 1970. The growth of the company is a result of the committed and talented workforce who are our most valuable asset.

We are committed to training and upliftment of our workforce and are very excited to have implemented an employee participation scheme in March 2008, the first time in the company's history that we have had such an initiative. Insimbi is committed to providing a safe, healthy and rewarding work environment for all our employees.

ACKNOWLEDGEMENTS

I would like to take the opportunity to thank all our staff and my fellow directors for the dedication and commitment they have shown throughout the year and I look forward to their continued support and enthusiasm as Insimbi embarks on its very exciting future as a listed company.

PJ Schutte
Chief Executive Officer

21 August 2008

CORPORATE GOVERNANCE

Insimbi is committed to making corporate governance a distinguishing feature of its business. The company will endeavour to comply with the principles incorporated in the King Code of Corporate Practices and Conduct. A summary of the current compliance is as follows:

BOARD OF DIRECTORS

The board of directors of the company (the board) is based on a unitary structure and retains full and effective control and management of the group. There are six executive directors on the board and two non-executive directors, with the positions of non-executive chairperson and chief executive officer being separate. No one director has unfettered powers of decision-making and there is a policy in place to ensure a clear division of responsibilities at board level.

The non-executive directors and the executive directors do not have fixed-term service contracts. In terms of the company's articles of association, one-third of the directors (or if their number is not a multiple of three, then the number nearest to one-third but not less than one-third) shall retire from office at the annual general meeting. The directors to retire shall be those who have been longest in office since their last election. Retiring directors shall be eligible for re-election.

The board meets regularly, at least quarterly, to review the direction, strategic issues, major contracts and commitments, group policies and stakeholder reporting. In addition to the quarterly meetings, the board also meets on an *ad hoc* basis to consider specific issues.

All new directors will be given a presentation on the group's strategy, as well as a document outlining the duties and liabilities of directors.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the company at the company's expense, subject to prior approval of the chairperson, which shall not be unreasonably withheld.

BOARD COMMITTEES

Certain functions have been delegated to committees which will operate within agreed terms of reference approved by the board. The functions of these committees are described more fully below.

Audit committee

Currently, the audit committee comprises the non-executive director and the Designated Advisor. As a result of the change in legislation, Insimbi is currently in the process of seeking another suitable and reputable independent non-executive director for appointment to the board. The primary responsibility of the committee is to evaluate matters concerning accounting policies, internal controls, auditing, financial reporting, risk management and compliance and reviewing the published financial statements of the group prior to board approval. This committee also assists the board with company policies, the structure, size and effectiveness of the board and its committees and in reviewing the group's governance processes. Furthermore, it makes recommendations on the appointments of new directors and establishes the formal induction process and ensures that a training and development programme is in place for board members. The committee meets twice a year or when required for the process of nomination.

The external auditors have unlimited access to the chairperson of the committee. The audit committee is responsible for recommending the use of the external auditors for non-audit services. Auditors are appointed annually based on the recommendation of the audit committee. Risk management policies will be implemented as and when the need for such policies arises.

The committee, in carrying out its tasks, has a wide range of powers to consult both internally and externally in order to acquire the necessary resources to complete its duties.

Remuneration committee

The company currently does not have a remuneration committee as this is not an Alt^{x} requirement.

COMPANY SECRETARY

The company secretary is accountable to the board on all governance and statutory matters and in this respect all directors have access to the services of the company secretary. The appointment and removal of the company secretary is a matter for the board as a whole.

INTERNAL CONTROL

The company's internal controls are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets.

NON-FINANCIAL MATTERS

All directors and employees are required to maintain the highest ethical standards in ensuring that the group's business practices are conducted in a manner which in all reasonable circumstances is beyond reproach.

STAKEHOLDER COMMUNICATION

The board will strive to present a balanced and understandable assessment of the group's position, addressing material matters of significant interest and concern to stakeholders.

CORPORATE GOVERNANCE

(continued)

CONTINUOUS DISCLOSURE

The company has a continuous disclosure policy in place for directors and officers to ensure that timely and accurate information is provided to all shareholders. The company secretary is the nominated communication officer and is responsible for liaising with the board to ensure the company complies with its requirements.

CODE OF CONDUCT

The company has a Human Resources Policies and Procedures book which provides a code of conduct for employees and directors to ensure that the business of the company is conducted in an ethical and legal manner.

MANAGEMENT REPORTING

Insimbi's performance is monitored continuously and issues arising are addressed at monthly management meetings that have board representation present. This is supported by management reporting disciplines, which include preparation of annual budgets and monthly variance reporting. Working capital and borrowing levels are monitored on an ongoing basis.

ETHICS

All directors and employees are required to maintain the highest levels of professionalism and integrity in conducting its business and in dealing with all stakeholders. Insimbi's policies ensure free enterprise, compliance with generally accepted principles regarding ethical behaviour and ensure that all business is conducted in a manner, which, in all reasonable circumstances, is beyond reproach.

SHARE DEALINGS AND CLOSED PERIODS

Insimbi has enforced a restricted period for dealing in shares, in terms of which any dealings in shares by all directors and employees are not allowed during the time from which the financial reporting period has elapsed, to the time that results are released. This period includes any period that the company is trading under a cautionary announcement. A procedure for directors and employees to deal in shares has been implemented and Insimbi's designated advisor is available to give guidance on these matters at any time.

APPOINTMENT TO THE BOARD OF DIRECTORS

Directors' appointments are made in terms of formal and transparent procedures. The non-executive directors are evaluated based on their expertise and experience.

ATTENDANCE AT MEETINGS

The attendance at board meetings as at 29 February 2008, is indicated below:

Name	Board meetings (3)
F Botha	3
CF Botha	3
EP Liechti	3
PJ Schutte	3
LG Tessendorf	2
RD Makkink	3
DJ O Connor	3
L Mashologu*	–

*Appointed after 29 February 2008

The audit committee was formed after 29 February 2008.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group.

While operating risk control cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, control systems and ethical behaviour are applied and managed within pre-determined procedures and constraints.

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

The directors have reviewed the group's cash flow forecast for the year to 28 February 2009 and, in light of this review and the current financial position , they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of directors is primarily responsible for the financial affairs of the group, they are supported by the external auditors.

The external auditors are responsible for independently reviewing and reporting on the group's annual financial statements. The financial statements have been examined by the group's external auditors and their report is presented on page 10.

The financial statements set out on pages 11 to 52, which have been prepared on the going concern basis, were approved by the board of directors on 21 August 2008 and were signed on its behalf by:

DJ O'Connor
Director

PJ Schutte
Director

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF INSIMBI REFRACTORY AND ALLOY SUPPLIES (PROPRIETARY) LIMITED

We have audited the annual financial statements and group annual financial statements of Insimbi Refractory and Alloy Supplies (Proprietary) Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 29 February 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory notes, as set out in pages 11 to 52.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The group and company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and the group at 29 February 2008, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO Spencer Steward (Jhb) Inc.

BDO Spencer Steward (JHB) Incorporated
Registered Auditors
Per Ursula van Eck
Registered Auditor
Director

21 August 2008
14 Wellington Road
Parktown
Johannesburg

DIRECTORS' REPORT

The directors submit their report for the year ended 29 February 2008.

1. REVIEW OF ACTIVITIES

With effect from 1 March 2007 the company became an investment holding company.

As a result of a second management buy out the company known as Insimbi Alloy Supplies (Proprietary) Limited disposed of the majority of its net assets to Copper Moon Trading 419 (Proprietary) Limited with effect from 1 March 2007. Copper Moon Trading 419 (Proprietary) Limited changed its name to Insimbi Alloy Supplies (Proprietary) Limited and at the same time Insimbi Alloy Supplies (Proprietary) Limited changed its name to Insimbi Refractory and Alloy Supplies (Proprietary) Limited. Insimbi Refractory and Alloy Supplies (Proprietary) Limited became the holding company of Insimbi Alloy Supplies (Proprietary) Limited and Insimbi Properties (Proprietary) Limited. Both subsidiaries are owned one hundred percent by Insimbi Refractory and Alloy Supplies (Proprietary) Limited.

The shares of Insimbi Refractory and Alloy Supplies (Proprietary) Limited are held by Insimbi Holdings (Proprietary) Limited formerly known as Central Plaza Investments 66 (Proprietary) Limited. The shares in Insimbi Holdings (Proprietary) Limited are owned at year end by the majority of the directors. Insimbi Refractory and Alloy Supplies (Proprietary) Limited became the holding company of both Insimbi Alloy Supplies (Proprietary) Limited and Insimbi Alloy Properties (Proprietary) Limited. Both subsidiaries are wholly owned by Insimbi Refractory and Alloy Supplies (Proprietary) Limited.

The main operating company of the group is Insimbi Alloy Supplies (Proprietary) Limited, which has offices in Johannesburg and Durban.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net profit of the group was R26 558 000 (2007: R17 086 000), after taxation and company net loss R1 836 000 (2007: R17 164 000 – profit).

During the year under review the following companies were incorporated in which Insimbi Alloy Supplies (Proprietary) Limited, a subsidiary company, purchased ordinary shares -

Sugar Creek Trading 199 (Proprietary) Limited (percentage of shares held 80%)
Insimbi Refractory and Alloy Supplies Limited (percentage of shares held 99%) – registered in Zambia

After year end Sugar Creek Trading 199 (Proprietary) Limited changed its name to Insimbi Aluminium Alloys (Proprietary) Limited.

2. POST BALANCE SHEET EVENTS

The company was converted from a proprietary limited company to a limited company in March 2008, and listed on the JSE Limited's Alternative Exchange ("Alt^X") on 14 March 2008.

The textile division of Insimbi Alloy Supplies (Proprietary) Limited, a subsidiary, was disposed of to Nungu Trading 109 (Proprietary) Limited with effect from 1 March 2008.

Sugar Creek Trading 199 (Proprietary) Limited, a subsidiary of Insimbi Alloy Supplies (Proprietary) Limited, purchased plant and machinery from Future Alloys (Proprietary) Limited during March 2008 for an amount of R17 000 000.

3. AUTHORISED AND ISSUED CAPITAL

There were no changes in the authorised share capital during the year under review. The issued share capital for class A convertible redeemable preference shares were redeemed during the year. There was no change to the ordinary shares in issue during the year under review.

4. DIVIDENDS

A total dividend of R87 904 000 (2007: Nil) was declared on 30 March 2007 to the shareholders of the company.

A dividend of R48 346 000 (2007: Nil) was declared payable to the holders of the class A convertible redeemable preference shares to facilitate the management buy out and a dividend of R39 558 000 (2007: Nil) was declared payable to holders of the ordinary shares to facilitate group restructuring.

DIRECTORS' REPORT

(continued)

5. DIRECTORS

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

	Nationality	Date of appointment
DJ O'Connor (Managing Director)	South African	11/6/2004
RD Makkink	South African	17/6/2004
PJ Schutte	South African	11/6/2004
EP Liechti	South African	11/6/2004
CF Botha	South African	11/6/2004
F Botha	South African	11/6/2004
LG Tessendorf (Alternate to CF Botha)	South African	29/7/2005

6. SECRETARY

The secretary of the company is RD Makkink.

7. SPECIAL RESOLUTIONS

The following special resolutions were passed during the year ended 29 February 2008:

Change of name from Insimbi Alloy Supplies (Proprietary) Limited to Insimbi Refractory and Alloy Supplies (Proprietary) Limited (dated 2 March 2007)

Amendment to Memorandum of Association (dated 11 April 2007)

Change of name from Copper Moon 419 (Proprietary) Limited to Insimbi Alloy Supplies (Proprietary) Limited, (dated 2 March 2007)

8. DIRECTORS' INTEREST IN CONTRACTS

The directors do not have any direct or indirect interest in any contracts entered into between the group and company and third parties.

Business address:
Crocker Road
Wadeville Ext 4
Germiston
1407

Postal address:
PO Box 14676
Wadeville
1422

9. AUDITORS

BDO Spencer Steward (Johannesburg) Incorporated was appointed during the year and will continue in office in accordance with section 270 (2) of the Companies Act.

10. INTEREST IN SUBSIDIARIES

The following relates to the company's interest in subsidiaries:

Company	Holding company's interest 2008 %	Holding company's interest 2007 %	Indebtedness 2008 R'000	Indebtedness 2007 R'000
Insimbi Alloy Properties (Proprietary) Limited*	**100**	100	**5 360**	5 360
Insimbi Alloy Supplies (Proprietary) Limited*	**100**	–	**(57 916)**	–

**The par value of shares in the wholly-owned subsidiaries are as follows -*
Insimbi Alloy Properties (Proprietary) Limited
10 ordinary shares of R1 each — *R10*
Insimbi Alloy Supplies (Proprietary) Limited
100 ordinary shares of R1 each — *R100*

11. INTEREST IN ASSOCIATED COMPANY

The following relates to the company's interest in its associated company:

Company	Issued capital including premium 2008	2007	Company's interest in share capital 2008	2007
Percentage holding (%)	–	49	–	49
Allied Metallurg South Africa (Proprietary) Limited (R'000)	–	729	–	357

The investment in Allied Metallurg South Africa (Proprietary) Limited was disposed of with effect from 31 December 2007.

12. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

13. DIRECTORS' INTERESTS

The interest of executive directors in the shares of the company as at 29 February 2008 were as follows:

	Direct beneficial	Indirect beneficial	Percentage
F Botha	–	**46 250 000**	**23,125**
EP Liechti	–	**46 250 000**	**23,125**
CF Botha	–	**46 250 000**	**23,125**
PJ Schutte	–	**46 250 000**	**23,125**
DJ O`Connor	–	**15 000 000**	**7,500**
Total	–	**200 000 000**	**100,00**

As at the last practicable date prior to printing these financial statements, the directors' interests were as follows:

	Direct beneficial	Indirect beneficial	Percentage
F Botha	55 000	46 500 000	17,90
EP Liechti	–	46 500 000	17,88
CF Botha	–	46 500 000	17,88
PJ Schutte	110 000	46 550 000	17,94
DJ O`Connor	–	15 000 000	5,77
L Tessendorf	187 500	–	0,07
RD Makkink (company secretary and director)	–	125 000	0,05
	352 500	201 175 000	77,51

The table below sets out the remuneration and benefits paid to the executive directors for the year ending 29 February 2008:

Name of director	Salary R'000	Vehicle allowance R'000	Medical aid contribution R'000	Pension fund contribution R'000	Thirteenth cheque R'000	Incentive bonus R'000	Total
DJ O'Connor*	1 107	108	25	126	92	270	1 728
F Botha	660	402	58	–	55	270	1 445
EP Liechti	885	173	44	–	73	270	1 445
PJ Schutte	936	148	13	–	78	270	1 445
CF Botha	851	209	44	–	71	270	1 445
RD Makkink	458	127	24	57	38	50	754
LG Tessendorf	436	90	50	45	36	24	681
	5 333	1 257	258	228	443	1 424	8 943

**DJ O'Connor was an executive director for the year ending 29 February 2008*

INCOME STATEMENT

for the year ended 29 February 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Revenue	9	897 428	737 862	–	737 862
Cost of sales		(813 996)	(674 053)	–	(674 053)
Gross profit		83 432	63 809	–	63 809
Other operating income		4 395	1 549	–	1 549
Administration expenses		(21 424)	(29 570)	(1)	(30 182)
Other operating expenses		(12 936)	(6 117)	–	(5 741)
Operating profit/(loss)	6	53 467	29 671	(1)	29 435
Interest received	8	190	158	89	158
Finance costs	7	(15 670)	(5 832)	(299)	(5 832)
Profit/(loss) before share of associated company's profit		37 987	23 997	(211)	23 761
Share of associated company's profit		1 449	993	1 449	993
Profit on disposal of associate company		5 469	–	5 469	–
Profit before taxation		44 905	24 990	6 707	24 754
Taxation	10	(18 346)	(7 904)	(8 544)	(7 590)
Profit/(loss) for the year		26 559	17 086	(1 837)	17 164
Attributable to:					
Equity holders of the parent		26 559	17 086	(1 837)	17 164
Minority interest		–	–	–	–
Number of shares on listing (000's)		–	–	260 000	260 000
Pro forma basic and fully diluted earnings per share (cents)		–	–	10,22	6,57
Headline earnings per share (cents)		–	–	8,61	6,57

BALANCE SHEET

for the year ended 29 February 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Assets					
Non-current assets					
Property, plant and equipment	11	**10 897**	9 433	**–**	3 673
Investment in subsidiary	12	**–**	–	**–**	–
Investment in associated company	13	**–**	3 438	**–**	3 438
Goodwill	14	**29 938**	29 938	**23 574**	23 574
Deferred tax	10	**717**	896	**–**	896
		41 552	43 705	**23 574**	31 581
Current assets					
Inventories	16	**74 613**	64 086	**–**	64 086
Trade and other receivables	17	**105 227**	130 747	**1 883**	130 714
Cash and cash equivalents	18	**7 469**	37 715	**–**	37 715
Other financial assets	19	**2 781**	–	**–**	–
Amount owing by group company	15	**138**	–	**–**	–
Loan to subsidiary company	12	**–**	–	**5 360**	5 360
		190 228	232 548	**7 243**	237 875
Total assets		**231 780**	276 253	**30 817**	269 456
Equity and liabilities					
Equity					
Issued capital	20	**–**	–	**–**	–
Retained income/(loss)		**4 066**	65 411	**(29 929)**	59 812
		4 066	65 411	**(29 929)**	59 812
Non-current liabilities					
Long-term loans – shareholders	21	**–**	2 863	**–**	2 863
Long-term loans – others	22	**69 310**	7 558	**–**	7 558
Nedbank loan	23	**15 200**	14 000	**–**	14 000
		84 510	24 421	**–**	24 421
Current liabilities					
Trade and other payables	24	**105 795**	163 052	**2 193**	161 927
Cash and cash equivalents	18	**575**	–	**575**	–
Loan from subsidiary company	12	**–**	–	**57 916**	–
Current portion of long-term loan	21/22	**26 322**	19 321	**–**	19 321
Taxation	10	**10 512**	4 048	**62**	3 975
		143 204	186 421	**60 746**	185 223
Total equity and liabilities		**231 780**	276 253	**30 817**	269 456

STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Share capital (ordinary)*	–	–	–	–
Retained earnings				
At beginning of year	65 411	48 325	59 812	42 648
Net profit/(loss) for the year	26 559	17 086	(1 837)	17 164
Dividends paid	(87 904)	–	(87 904)	–
At end of year	4 066	65 411	(29 929)	59 812

**Share capital is 5 364 ordinary shares of one cent each which amounts to R53,64*

CASH FLOW STATEMENT

for the year ended 29 February 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Cash flow from operating activities					
Cash generated from operations	25	10 165	41 242	33 181	40 649
Net interest paid	7/8	(15 480)	(5 674)	(210)	(5 674)
Taxation paid	10	(11 703)	(10 157)	(11 562)	(9 942)
Dividends paid		(87 904)	–	(87 904)	–
Net cash from operating activities		(104 922)	25 411	(66 495)	25 033
Cash flow from investing activities					
Purchase of property, plant and equipment		(3 960)	(2 329)	–	(1 363)
Proceeds from disposal of property, plant and equipment		752	89	–	89
Proceeds from sale of net assets		–	–	9 034	–
Proceeds from the disposal of the investment in associate		10 356	–	10 356	–
Movements in group company loans		(138)	–	52 557	–
Investment in subsidiary company		–	–	–	(588)
Net cash from investing activities		7 010	(2 240)	71 947	(1 862)
Cash flows from financing activities					
Current portion of long-term loan		7 002	8 098	(19 321)	8 098
Long-term loans – shareholders		(2 863)	(6 724)	(2 863)	(6 724)
Long-term loans – Nedbank and other		62 952	1 116	(21 558)	1 116
Net cash from financing activities		67 091	2 490	(43 742)	2 490
Net increase in cash and cash equivalents		(30 821)	25 661	(38 290)	25 661
Cash and cash equivalents at the beginning of the year		37 715	12 054	37 715	12 054
Total cash at the end of the year		6 894	37 715	(575)	37 715
Note		18	18	18	18

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008

1. GENERAL INFORMATION

Insimbi Refractory and Alloy Supplies (Proprietary) Limited is a private company incorporated in South Africa. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board and the Companies Act of South Africa.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments and incorporate the accounting policies set out below. These accounting policies are consistent with the previous period, except for those referred to in note 36.

2.3 Basis of consolidation of financial results

The consolidated financial statements reflect the financial results of the group. All financial results are consolidated with similar items on a line by line basis except for investments in associates, which are equity accounted for, these investments are included in the group's results as set out below.

2.3.1 Investments in subsidiaries

2.3.1.1 Group annual financial statements

The group annual financial statements include those of the holding company, its subsidiaries and special purpose entities. The results of the subsidiaries are included from the effective date of acquisition.

On acquisition the group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

Intra group transactions, balances and un-realised gains on intra-group transactions are eliminated. Un-realised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group.

2.3.1.2 Company annual financial statements

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

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

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

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

2.3.2 Investments in associate

2.3.2.1 Group annual financial statements

The financial results of associates are included in the group's results according to the equity method from acquisition date until the disposal date. The group has adopted the equity method in accounting for investments in an associate.

Under this method, subsequent to the acquisition date, the group's share of profits or losses of associates is charged to the income statement as equity accounted earnings and its share of movements in equity reserves is recognised in the Statement of Changes in Equity. All cumulative post-acquisition movements in the equity of associates are adjusted against the cost of the investment. When the group's share of losses in associates equals or exceeds its interest in those associates, the group does not recognise further losses, unless the group has incurred a legal or constructive obligation or made payments on behalf of those associates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation of financial results (continued)

2.3.2 Investments in associate (continued)

2.3.2.1 Group annual financial statements (continued)

The share of retained earnings and reserves of associates is generally determined from the latest audited financial statements of the associate.

Where a group entity transacts with an associate of the group, un-realised profits and losses are eliminated to the extent of the group's interest in the respective associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss. Any impairment of goodwill relating to associates is charged to the income statement as part of equity accounted earnings of those associates and the carrying value of the group's share of the underlying assets of associates is written down to its estimated recoverable amount in accordance with the accounting policy on impairment. An investment in an associate is carried at cost less any accumulated impairment.

2.3.2.2 Company annual financial statements

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

Distributions received from the associate reduce the carrying amount of the investment.

2.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised if, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

2.5 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequently goodwill is carried at cost less any accumulated impairment.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised is not reversed in a subsequent period.

The excess of the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss. Internally generated goodwill is not recognised as an asset.

The group's policy for goodwill arising on the acquisition of an associate is described under "Basis of consolidation".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Impairment of assets

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

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

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period;
- tests goodwill acquired in a business combination for impairment annually. (Refer to accounting policy on goodwill as stated above)

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

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

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

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

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

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

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

2.7 Property, plant and equipment

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Subsequent costs are included in the assets' carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial reporting period in which they are incurred.

The cost of self-constructed assets includes expenditure on materials, direct labour, and an allocated proportion of project overheads. Cost also includes the estimated costs of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

When plant and equipment comprises major components with different useful lives or depreciation methods, these components are accounted for as separate items if they have a cost that is significant in relation to the cost of the remainder of the asset. Expenditure incurred to replace or modify a significant component of plant is capitalised and any remaining book value of the component replaced is written off in the income statement.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost. Depreciation on buildings is charged to profit or loss. Land is not depreciated. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Assets held under instalment sales agreement are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant agreement.

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually and adjusted if appropriate. Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives as follows:

Item	Average useful life
Buildings	25 years
Plant and machinery	6 years
Furniture, fittings and equipment	3 to 7 years
Motor vehicles	4 years

2.8 Inventories

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

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first in, first out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use.

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

Redundant and slow moving stock older than 365 days is identified and written down to one cent.

2.9 Share capital and equity

Issued share capital is stated in the Statement of Changes in Equity at the amount of the proceeds received less directly attributable issue costs.

2.10 Provisions and contingencies

Provisions are recognised when:

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Provisions and contingencies (continued)

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

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

Provisions are not recognised for future operating losses.

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

Contingent assets and liabilities are not recognised.

Contingencies are disclosed in note 27.

A constructive obligation to restructure arises only when an entity:

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

2.11 Leases

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

2.11.1 Finance leases – lessee

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

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

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

2.11.2 Operating leases – lessee

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

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

2.12 Foreign currency translation

Items included in the financial results of each entity are measured using the functional currency of that entity. The consolidated financial results are presented in Rand, which is Insimbi Refractory and Alloy Supplies (Proprietary) Limited's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Foreign currency translation (continued)

2.12.1 Foreign currency transactions

Income and expenditure transactions are translated into the functional currency of the entity at the rate of exchange ruling at the transaction date.

Monetary assets and liabilities are translated into the functional currency of the entity at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the translation and settlement of monetary assets and liabilities are charged to the income statement.

2.12.2 Foreign operations

The financial results of all entities that have a functional currency that is different from the presentation currency of their parent entity are translated into the presentation currency. Income and expenditure transactions of foreign operations are translated at the rate of exchange on the date of the transaction or the average rate where it approximates this. All assets and liabilities, including fair value adjustments arising on acquisition, are translated at the rate of exchange ruling at the balance sheet date. Differences arising on translation are recognised in the Statement of Changes in Equity as a foreign currency translation reserve.

On consolidation, differences arising from the translation of the net investment in a foreign operation are recognised in the Statement of Changes in Equity.

On disposal of part or all of the investment, the proportionate share of the related cumulative gains and losses previously recognised in the foreign currency translation reserve in the Statement of Changes in Equity are included in determining the profit or loss on disposal of that investment.

2.13 Employee benefits

2.13.1 Defined contribution plans

The group contributes towards retirement benefits of employees by means of a defined contribution pension fund. A defined contribution plan is a plan under which the group pays fixed contributions into a separate fund. The group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees. The contributions that are due to defined contribution pension plans in respect of service in a particular period are recognised as an expense in that period.

2.14 Financial instruments

Initial recognition

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

Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial Assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise trade receivables, cash and cash equivalents, other receivables and loans.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial instruments (continued)

The group's financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset has been impacted.

Trade receivables that are assessed not to be individually impaired are subsequently assessed for impairment on a collective basis. Objective evidence for impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Loans receivable

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised. The group does not make use of an allowance account for loans receivable. Impairments are processed directly to the loan receivable.

Cash and cash equivalents

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

Financial liabilities

At amortised cost

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Long-term borrowings

Long-term borrowings are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial instruments (continued)

Derivative financial instruments

Held for trading

Forward exchange contracts are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the asset and substantially all the risk and rewards of ownership of the asset to another entity.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

2.15 Revenue

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

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

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

Interest income is recognised on a time proportionate basis, taking into account the principal amount outstanding and using the effective interest rate over the period to maturity.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

Commission income is recognised when earned.

2.16 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

2.17 Taxation

Current tax assets and liabilities

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

Current tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities

Deferred tax is provided for using the liability method, on temporary differences between the carrying value of assets and liabilities for accounting purposes and the amounts used for tax purposes. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. However, no deferred tax is provided on temporary differences relating to:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Taxation (continued)

- the initial recognition of goodwill;
- the initial recognition (other than in a business combination) of an asset or liability at the time of the transaction affects neither accounting profit nor taxable profit (tax loss); and
- investments in subsidiaries to the extent they will probably not reverse in the foreseeable future.

The provision for deferred tax is calculated using enacted or substantively enacted tax rates at balance sheet date that are expected to apply when the asset is realised or liability settled. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised.

The provision for deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of its assets and liabilities.

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

Tax expenses

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

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

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

Secondary taxation on companies ("STC") is recognised as part of the current tax charge in the income statement when the related dividend is declared. When dividends received in the current year can be offset against future dividend payments to reduce the STC liability, a deferred tax asset is recognised to the extent of the future reduction in STC.

2.18 Earnings per share

The group presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Headline earnings per ordinary share are calculated using the weighted average number of ordinary shares in issue during the period and are based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 8/2007 issued by the South African Institute of Chartered Accountants ("SAICA").

2.19 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographic segment is engaged in providing products or services within a particular economic environment that is subject to risk and rewards that are different from those of segments operating in other economic environments.

The group's primary format for segment reporting is based on business segments. This basis of segment reporting is representative of the internal structure used for management reporting.

2.20 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the group's financial statements in the period in which the dividends are declared.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Critical accounting judgements and key sources of estimation uncertainty

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

Trade receivables and loans receivable

The group assesses its trade receivables and loans receivable for impairment at each balance sheet date. In determining whether an impairment loss should be recorded in the income statement, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

Inventory is assessed on a continuous basis in order to ensure that it is correctly valued at the lower of cost or net realisable value. An allowance is made against stock to write stock down to the lower of cost or net realisable value when it is determined to be incorrectly valued as a consequence of changes in market conditions or it is considered to be damaged or unsaleable. Management's policy in regard to slow moving stock is that stock older than 365 days be written down to one tenth of a cent. The write down is included in cost of sales.

Impairment testing

Management used their judgement and applied the internal and external impairment indicators to investments and property, plant and equipment. No impairment indicators were identified and as such the recoverable amounts of the aforementioned assets were not calculated.

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including but not limited to entity specific variables, i.e. production estimates, supply and demand, together with economic factors such as exchange rates, inflation, interest and metal prices.

Property, plant and equipment

The group depreciates its assets over their estimated useful lives taking into account residual values, where appropriate. Following the adoption of IAS 16 – Property, Plant and Equipment of which the impact has been assessed as immaterial, the appropriateness of its assets' estimated useful lives, residual values and their depreciation methods are re-assessed on an annual basis. The actual lives of these assets and their respective residual values may vary depending on a variety of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. During the current year no changes were made to the estimated useful lives, residual values and depreciation methods as management currently consider their assumptions to be appropriate under current circumstances. Future reviews of estimated useful lives are not expected to result in a significant adjustment to future depreciation charges and are limited to the extent of changes to the abovementioned factors, namely technological innovation, product life cycles and maintenance programmes.

Deferred taxation

Deferred tax is provided for on a basis that is reflective of management's intention at year end relating to the expected manner of recovery of the carrying amount of the asset, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

Income taxes

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

3. NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE, COMPRISES:

IFRS 8 – Operating segments

This standard requires an entity to report financial and descriptive information about its reportable segments or aggregation of operating segments that meet specified criteria. This standard is effective for annual periods beginning on or after 1 January 2009. The group does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the consolidated financial statements.

4. NEW INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE, COMPRISES:

IFRIC 12 – Service Concession Arrangements

This Interpretation addresses the accounting by private sector operations involved in the provision of public sector infrastructure and services, such as schools and roads. This interpretation is effective for annual periods beginning on or after 1 January 2008. The group does not intend to adopt this standard early Management is of the opinion that the adoption of this standard will not have an impact on the consolidated financial statements.

IFRIC 13 – Customer Loyalty Programmes

This interpretation addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem award credits. This interpretation requires the allocation of some of the proceeds of the initial sale to the award credits and recognises these proceeds as revenue only when they have fulfilled their obligations. They may fulfil their obligations by supplying awards themselves or engaging (and paying) a third party to do so. This interpretation is effective for annual periods beginning on or after 1 July 2008. The group does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have an impact on the consolidated financial statements.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This Interpretation provides general guidance on how to assess the limit in IAS 19 – Employee Benefits on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement. No additional liability need be recognised by the employer under this Interpretation unless the contributions that are payable under the minimum funding requirement cannot be returned to the company. IFRIC 14 is likely to have the most impact in countries that have a minimum funding requirement and where there are restrictions on a company's ability to get refunds or reduce contributions. This interpretation is effective for annual periods beginning on or after 1 January 2008. The group does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have an impact on the consolidated financial statements.

IFRIC 15 –Agreements for the Construction of Real Estate

This Interpretation addresses the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. Agreements within the scope of IFRIC 15 are described as 'agreements for the construction of real estate', and may include the delivery of other goods or services. IFRIC 15 addresses two (related) issues being determining whether an agreement for the construction of real estate is within the scope of IAS 11 – Construction Contracts or IAS 18 – Revenue and when revenue from the construction of real estate should be recognised. The interpretation is effective for annual periods beginning on or after 1 January 2009. The group does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have an impact on the consolidated financial statements.

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

This Interpretation provides guidance on net investment hedging, including: which foreign currency risks qualify for hedge accounting, and what amount can be designated; where within the group the hedging instrument can be held; and what amount should be reclassified to profit or loss when the hedged foreign operation is disposed of. The interpretation is effective for annual periods beginning on or after 1 October 2008. The group does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have an impact on the consolidated financial statements.

5. AMENDMENTS TO EXISTING STANDARDS ISSUED, BUT NOT YET EFFECTIVE COMPRISES:

Management does not intend to adopt any of the amendments detailed below prior to their effective date. Management is still in the process of estimating the impact the following amendments will have on the consolidated annual financial statements.

IFRS 1 – First-time Adoption of International Financial Reporting Standards

This amendment deals with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IFRS 2 – Share based Payment

This amendment deals with vesting conditions and cancellations. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IFRS 3 – Business Combinations

This amendment deals with the accounting for business combinations. This amendment to the standard is effective for annual periods beginning on or after 1 July 2009.

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations

This amendment deals with plans to sell the controlling interest in a subsidiary. This amendment to the standard is effective for annual periods beginning on or after 1 July 2009.

IFRS 7 – Financial Instruments: Disclosures

This amendment deals with presentation of finance costs. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 1 – Presentation of Financial Statements

This amendment deals with amendments to Structure of Financial Statements and current/non-current classification of derivatives. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment deals with the status of implementation guidance. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 10 – Events after the Reporting Period

This amendment deals with dividends declared after the end of the reporting period. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 16 – Property, Plant and Equipment

This amendment deals with the recoverable amount and sale of assets held for rental. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 18 – Revenue

This amendment deals with costs of originating a loan. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 19 – Employee Benefits

This amendment deals with curtailments and negative past service cost, plan administration costs, replacement of term ‘fall due’ and guidance on contingent liabilities. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance

This amendment deals with government loans with a below-market rate of interest and consistency of terminology with other IFRSs. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 23 – Borrowing Costs

This amendment only allows the capitalisation model and components of borrowing costs. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

5. AMENDMENTS TO EXISTING STANDARDS ISSUED, BUT NOT YET EFFECTIVE COMPRISES: (continued)

IAS 27 – Consolidated and Separate Financial Statements

This amendment deals with the measurement of the cost of investments when adopting IFRS for the first time, consequential amendments from changes to Business Combinations and measurement of a subsidiary held for sale in the separate financial statements. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 28 – Investments in Associates

This amendment deals with consequential amendments from changes to Business Combinations, required disclosures when investments in associates are accounted for at fair value through profit or loss and impairment of investment in associates. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 29 – Financial Reporting in Hyperinflationary Economies

This amendment deals with description of measurement bases in financial statements and consistency of terminology with other IFRSs. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 31 – Interests in Joint Ventures

This amendment deals with consequential amendments from changes to Business Combinations and required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 32 – Financial Instruments: Presentation

This amendment deals with certain financial instruments that will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 34 – Interim Financial Reporting

This amendment deals with earnings per share disclosures in interim financial reports. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 36 – Impairment of Assets

This amendment deals with disclosure of estimates used to determine the recoverable amount. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 38 – Intangible Assets

This amendment deals with advertising activities, promotional activities and unit of production method of amortisation. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 39 – Financial Instruments: Recognition and Measurement

This amendment deals with reclassification of derivatives into or out of the classification of, at fair value, through profit or loss, designating and documenting hedges at the segment level and applicable effective interest rate on cessation of fair value hedge accounting. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 40 – Investment Property

This amendment deals with property under construction or development for future use as investment property, consistency of terminology with IAS 8 and investment property held under lease. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

IAS 41 – Agriculture

This amendment deals with discount rate for fair value calculations, additional biological transformation, examples of agricultural produce and products and point-of-sale costs. This amendment to the standard is effective for annual periods beginning on or after 1 January 2009.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008 (continued)

	Group		Company	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
6. OPERATING PROFIT				
The following have been taken into account in arriving at operating profit:				
Profit on disposal of property, plant and equipment	**200**	9	**–**	9
Auditors' remuneration				
– audit fees	**89**	270	**–**	270
– over provision prior year	**–**	(20)	**–**	(20)
Operating lease charges				
– premises	**407**	404	**–**	1 016
Depreciation	**1 944**	1 668	**–**	1 292
– buildings	**385**	332	**–**	–
– machinery and equipment	**816**	672	**–**	670
– furniture and fittings	**153**	141	**–**	98
– motor vehicles	**425**	290	**–**	290
– computer equipment	**165**	233	**–**	234
Exchange loss				
– realised	**(434)**	(364)	**–**	(364)
– unrealised	**(2 781)**	–	**–**	–
Contributions to Pension Fund	**1 409**	1 731	**–**	1 731
Repairs and maintenance	**497**	344	**–**	344
Staff costs	**18 202**	16 367	**–**	16 367
Directors' emoluments	**2 273**	6809	**–**	6 809
Summary of directors' emoluments				
Paid by company				
Executive directors				
Salaries	**–**	4 795	**–**	4 795
Vehicle allowance	**–**	1 248	**–**	1 248
Medical aid contribution	**–**	254	**–**	254
Pension fund contribution	**–**	512	**–**	512
Bonus	**–**	–	**–**	–
Non-executive directors				
Paid by subsidiary	**–**	–	**–**	–
Executive directors				
Salaries	**1 554**	–	**–**	–
Vehicle allowance	**391**	–	**–**	–
Medical aid contribution	**106**	–	**–**	–
Pension fund contribution	**143**	–	**–**	–
Bonus	**79**	–	**–**	–
Non-executive directors	**–**	–	**–**	–
	2 273	6 809	**–**	6 809

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008 (continued)

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
7. FINANCE COSTS				
Finance cost paid on financial liabilities classified as loans at amortised cost				
Finance costs by institution				
Nedbank leases and overdrafts	(3 317)	(1 517)	(299)	(1 517)
Nedbank term loan	(1 280)	(2 054)	–	(2 054)
Corvest Finance	(81)	(1 194)	–	(1 194)
Shareholder's loans	(887)	(1 067)	–	(1 067)
Nedbank loan 2	(7 080)	–	–	–
Nedbank loan 3	(3 025)	–	–	–
	(15 670)	(5 832)	(299)	(5 832)
8. INTEREST RECEIVED				
Finance income received on financial assets classified as loans and receivable and held at amortised cost				
Mercantile Bank	3	–	–	–
Nedbank	187	158	89	158
	190	158	89	158
9. REVENUE				
Sale of goods	895 204	734 363	–	734 363
Commission received	2 224	3 499	–	3 499
	897 428	737 862	–	737 862
10. INCOME TAXES				
10.1 Income tax recognised in profit or loss				
Current	10 675	7 862	156	7 724
Prior year under provision	–	204	–	220
Deferred tax – current year	179	(354)	896	(354)
Deferred tax – prior year	–	192	–	–
Secondary Tax on Companies	6 043	–	6 043	–
Capital Gains Tax	1 449	–	1 449	–
	18 346	7 904	8 544	7 590
The tax on the company's profit differs from the theoretical amount that would arise using the basic tax rate as follows:				
Tax calculated at a rate of 29% (2007: 29%)	13 022	7247	1 945	7 179
Prior year under provision	–	204	–	220
Disallowed expenses	1 150	741	1 550	479
Deferred tax – current year	–	–	875	–
Income not subject to tax	(420)	(288)	(420)	(288)
Secondary Tax on Companies	6 043	–	6 043	–
Capital Gains Tax	(1 449)	–	(1 449)	–
Income tax expense recognised in profit/loss	18 346	7 904	8 544	7 590
Tax paid				
Amounts unpaid at beginning of year	4 048	6 140	3 975	5 974
Income statement charge	18 166	8 066	7 649	7 944
Amounts unpaid at end of year	(10 511)	(4 048)	(62)	(3 975)
Tax paid	11 703	10 158	11 562	9 943

The effect of change in the effective tax rate from 29% to 28% is immaterial.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008 (continued)

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
10. INCOME TAXES (continued)				
10.2 Deferred tax balances				
Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 29% (2007: 29%). The movement of the deferred income tax account is as follows:				
Income statement (debit)/credit	(179)	162	(896)	354
Deferred tax assets are attributable to the following items:				
Deferred tax liabilities				
– Prepayments	(30)	(50)	–	(50)
	(30)	(50)	–	(50)
Deferred tax assets				
– Doubtful debts allowance	447	603	–	603
– Property, plant and equipment	90	–	–	–
– Provisions	210	343	–	343
	717	896	–	896

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Owned R'000	Fixtures and fittings Owned R'000	Motor vehicles Owned/leased R'000	Computer equipment Owned R'000	Machinery and equipment Owned/leased R'000	Total R'000
2008						
Group						
Cost						
Cost at 28 February 2007	8 177	2 116	2 089	1 684	4 189	18 255
Additions	1 594	172	1 607	165	422	3 960
Disposals	–	(2)	(946)	–	(93)	(1 041)
Cost at 29 February 2008	9 771	2 286	2 750	1 849	4 518	21 174
Accumulated depreciation						
Accumulated depreciation at 28 February 2007	2 558	1 640	843	1 684	2 097	8 822
Charge for the year	385	153	425	165	816	1 944
Disposals	–	(1)	(475)	–	(13)	(489)
Accumulated depreciation at 29 February 2008	2 943	1 792	793	1 849	2 900	10 277
Carrying amount at 29 February 2008	6 828	494	1 957	–	1 618	10 897

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Fixtures and fittings R'000	Motor vehicles R'000	Computer equipment R'000	Machinery and equipment R'000	Total R'000
Company					
Cost					
Cost at 28 February 2007	1 382	2 133	1 684	4 144	9 343
Additions	–	–	–	–	–
Disposals	(1 382)	(2 133)	(1 684)	(4 144)	(9 343)
Cost at 29 February 2008	–	–	–	–	–
Accumulated depreciation					
Accumulated depreciation at 28 February 2007	1 048	843	1 684	2 095	5 670
Charge for the year	–	–	–	–	–
Disposals	(1 048)	(843)	(1 684)	(2 095)	(5 670)
Accumulated depreciation at 29 February 2008	–	–	–	–	–
Carrying amount at 29 February 2008	–	–	–	–	–

	Land and buildings Owned R'000	Fixtures and fittings Owned R'000	Motor vehicles Owned/leased R'000	Computer equipment Owned R'000	Machinery and equipment Owned/leased R'000	Total R'000
2007						
Group						
Cost						
Cost at 28 February 2006	7 259	1 994	1 529	1 602	3 664	16 048
Additions	918	122	564	82	643	2 329
Disposals	–	–	(4)	–	(118)	(122)
Cost at 28 February 2007	8 177	2 116	2 089	1 684	4 189	18 255
Accumulated depreciation						
Accumulated depreciation at 28 February 2006	2 226	1 499	557	1 451	1 462	7 195
Charge for the year	332	141	290	233	672	1 668
Disposals	–	–	(4)	–	(37)	(41)
Accumulated depreciation at 28 February 2007	2 558	1 640	843	1 684	2 097	8 822
Carrying amount at 28 February 2007	**5 619**	**476**	**1 246**	**–**	**2 092**	**9 433**

	Fixtures and fittings R'000	Motor vehicles R'000	Computer equipment R'000	Machinery and equipment R'000	Total R'000
Company					
Cost					
Cost at 28 February 2006	1 308	1 573	1 602	3 619	8 102
Additions	74	564	82	643	1 363
Disposals	–	(4)	–	(118)	(122)
Cost at 28 February 2007	1 382	2 133	1 684	4 144	9 343
Accumulated depreciation					
Accumulated depreciation at 28 February 2006	950	557	1 450	1 462	4 419
Charge for the year	98	290	234	670	1 292
Disposals	–	(4)	–	(37)	(41)
Accumulated depreciation at 28 February 2007	1 048	843	1 684	2 095	5 670
Carrying amount at 28 February 2007	**334**	**1 290**	**–**	**2 049**	**3 673**

Land and buildings are situated at Stand 359, Wadeville Extension 4. The directors' valuation of land and buildings has been assessed at R24 100 000.

Certain property, plant and equipment are pledged as security for a term loan (Note 22)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008 (continued)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying amount of leased assets as at 29 February 2008 is detailed below -

	Group		Company	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
Cost	**2 087**	1 302	**–**	1 302
Accumulated depreciation	**(608)**	(343)	**–**	(343)
Carrying amount	**1 479**	959	**–**	959

12. INVESTMENT IN SUBSIDIARIES

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Insimbi Alloy Properties (Proprietary) Limited				
– Shares at cost*			**–**	–
– Loan account	**–**	–	**5 360**	5 360
	–	–	**5 360**	5 360
Insimbi Alloy Supplies (Proprietary) Limited				
– Shares at cost *	**–**	–	**–**	–
– Loan account	**–**	–	**(57 916)**	–
	–	–	**(57 916)**	–

The loans are unsecured, interest free and have no fixed date of repayment.

**The par value of shares held in subsidiaries is as follows –*

Insimbi Alloy Properties (Proprietary) Limited	
10 ordinary shares of R1 each	*R10*
Insimbi Alloy Supplies (Proprietary) Limited	
100 ordinary shares of R1 each	*R100*

13. INVESTMENT IN ASSOCIATES

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Allied Metallurg South Africa (Proprietary) Limited				
– Shares at cost	**–**	357	**–**	357
– Loan account	**–**	3 081	**–**	3 081
	–	3 438	**–**	3 438
Beginning of year	**3 438**	2 445	**3 438**	2 445
Share of profit	**1 449**	993	**1 449**	993
Disposal of investment	**(4 887)**	–	**(4 887)**	–
End of year	**–**	3 438	**–**	3 438

The investment in Allied Metallurg South Africa (Proprietary) Limited was disposed of with effect from 31 December 2007.

The loans are unsecured, interest free and have no fixed date of repayment.

Set out below is a summary of financial information in regard to the associate for the December year ends 2006 and 2007.

	2007 R'000	2006 R'000
Revenue	32 589	28 377
Gross profit	9 419	8 348
Administration and other operating costs	5 549	5 413
Other operating income	59	8
Net interest receivable	218	127
Profit before taxation	4 147	3 068
Taxation	1 205	856
Retained income for year	2 942	2 212
Total assets	24 397	21 268
Share capital	729	729
Total liabilities	4 170	3 984

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
14. GOODWILL				
2008				
Opening carrying amount	29 938	29 938	23 574	23 574
Additions	–	–	–	–
Amortisation	–	–	–	–
Closing carrying amount	29 938	29 938	23 574	23 574
Cost	29 938	29 938	23 574	23 574
Accumulated amortisation	–	–	–	–
Net carrying amount	29 938	29 938	23 574	23 574

14.1 Annual test for impairment

During the financial year, the group assessed the recoverable amount of goodwill, and determined that goodwill was not impaired.

14.2 Allocation of goodwill to cash-generating unit

Goodwill has been allocated for impairment testing to the following cash-generating unit:

- Insimbi Alloy Supplies (Proprietary) Limited

The carrying amount of goodwill was allocated to the following cash-generating unit:

- Insimbi Alloy Supplies (Proprietary) Limited

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
15. AMOUNTS OWING BY GROUP COMPANY				
Loans carried at amortised cost				
Insimbi Holdings (Proprietary) Limited	138	–	–	–

The group company loan is interest free, has no fixed term of repayment and is unsecured.

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
16. INVENTORIES				
Merchandise	73 025	53 314	–	53 314
Inventory write down	(1 899)	(3 496)	–	(3 496)
	71 126	49 818	–	49 818
Goods in transit	3 487	14 268	–	14 268
	74 613	64 086	–	64 086

Inventories are pledged as securities for term loans (note 22)

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
17. TRADE AND OTHER RECEIVABLES				
Trade receivables	103 041	132 620	–	132 620
Doubtful debts provision	(17)	(2 680)	–	(2 680)
Sundry debtor	3	337	–	304
Deposits and prepayments	2 200	470	1 883	470
	105 227	130 747	1 883	130 714
18. CASH AND CASH EQUIVALENTS				
Current accounts – Nedbank	3 649	32 649	(575)	32 649
Petty cash	43	6	–	6
Foreign currency accounts – Nedbank	3 185	5 060	–	5 060
Foreign currency account – Stanbic Zambia	17	–	–	–
	6 894	37 715	(575)	37 715

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008 (continued)

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
19. OTHER FINANCIAL ASSETS				
Held for trading				
Forward exchange contract asset	2 781	–	–	–
The group holds various foreign exchange contracts in US Dollars, British Pounds and Euro with various financial institutions at variable maturity dates (note 32).				
20. ISSUED CAPITAL				
Authorised				
300 000 ordinary shares of 1 cent each	3	3	3	3
350 000 Class A convertible or redeemable preference shares of 1 cent each	3	3	3	3
350 000 Class B variable rate redeemable preference shares of 1 cent each	4	4	4	4
	10	10	10	10
Issued				
5 364 ordinary shares of 1 cent each	–	–	–	–
3727 Class A convertible or redeemable preference shares of 1 cent each	–	–	–	–
The Class A convertible or redeemable preference shares were redeemed during March 2007.				
21. LONG-TERM LOANS – SHAREHOLDERS				
Shareholders	5 352	9 639	–	9 639
Less: Transferred to current portion of long-term loans	(5 352)	(6 776)	–	(6 776)
	–	2 863	–	2 863
Interest is charged on loans at the prime overdraft rate.				
The shareholders' loans are unsecured and have no fixed terms of repayment. These loans could not be repaid without the permission of Nedbank Limited.				
Shareholders' loans amounting to R5 352 038 were repaid during March 2008.				
22. LONG-TERM LOANS – OTHERS				
Nedbank Limited – term loan	8 042	13 090	–	13 090
Nedbank Limited – loan number two	67 339	–	–	–
Nedbank Limited – loan number three	13 131	–	–	–
Corvest Finance (Proprietary) Limited	–	5 881	–	5 881
Nedbank instalment sale	1 769	1 132	–	1 132
	90 281	20 103	–	20 103
Less: Transferred to current portion of long-term loans	(20 971)	(12 545)	–	(12 545)
	69 310	7 558	–	7 558

Nedbank Limited – term loan – interest rate fixed at 12,65% (2007: 12,65%)

Loan secured by general notarial bond of R70.0 million (2007: R28,0 million) over inventories, plant and equipment and limited suretyships from shareholders/management of R25 million (2007: R3 million) as detailed hereunder -

	2008 R'000	2007 R'000
F Botha	5 000	520
CF Botha	5 000	520
EP Liechti	5 000	520
PJ Schutte	5 000	520
DJ O'Connor	5 000	620
LJ Carter	–	300

The loan is repayable monthly at a rate of R635 912 (2007: R635 912) for the period March 2008 to February 2009 with the last repayment of R194 890 due in March 2009.

22. LONG-TERM LOANS – OTHERS (continued)

The fire insurance policy entered into between Insimbi Alloy Supplies (Proprietary) Limited and Alexander Forbes Risk Services has been endorsed in respect of Nedbank Limited's interest in regard to the general notarial covering bond of R70 million.

The shareholders of Insimbi Holdings (Proprietary) Limited have ceded their rights, title and interests in and to the ordinary shares of Insimbi Holdings (Proprietary) Limited to Nedbank Limited in regard to the overall banking facilities.

The carrying amount of assets pledged as security for the term loan is detailed below.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Property, plant and equipment	10 897	9 433	–	3 673
Inventories	74 613	64 086	–	64 086
	85 510	73 519	–	67 759

Nedbank Limited – loan number two (interest rate fixed at 12,03%)
Interest is serviced on a monthly basis.

A payment of R12 339 000 was made against this loan subsequent to year end.

Nedbank Limited – loan number three (JIBAR plus 5% – 2008: 16% (2007: 14%))
The monthly repayments on this loan amount to R472 000.

Corvest Finance (Proprietary) Limited – interest rate prime plus 2% – 2008: 16,5% (2007: 14,5%)
Secured by limited suretyships of management and shareholders of the company as detailed hereunder -

	2008 R'000	2007 R'000
F Botha	–	520
CF Botha	–	520
EP Liechti	–	520
PJ Schutte	–	520
DJ O'Connor	–	620
LJ Carter	–	300

Corvest Finance (Proprietary) Limited has subordinated its debt in favour of Nedbank Limited. The loan to Corvest Finance (Proprietary) Limited was repaid in March 2007.

Nedbank instalment sale agreements – interest rates vary between 12,50% and 14,5%
Secured by vehicle and plant with a net book value of R1 479 318 (2007: R959 143) and repayable in monthly instalments of R60 750 (2007: R36 101).

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
23. LONG-TERM LOAN – NEDBANK				
Nedbank	15 200	14 000	–	14 000

Interest is charged on the loan at prime less 1,25% – 2008: 13,25% (2007: 11,25%).

The maximum amount that the group and company is permitted by Nedbank to have as a balance on the loan is R18 000 000. The balance varies from month to month depending on the cash flow of the group and company and there are no fixed repayment terms.

This loan forms part of the overall facility approved by Nedbank Limited – refer note 22 in regard to security held.

	Group		Company	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
24. TRADE AND OTHER PAYABLES				
Trade payables	**98 840**	154 193	**2 183**	153 082
South African Revenue Services – VAT	**3 454**	6 521	**10**	6 507
Accrued leave pay	**700**	1 234	**–**	1 234
Accrued bonus	**2 801**	1 104	**–**	1 104
	105 795	163 052	**2 193**	161 927

The group has financial risk management policies in place to make sure that all payables are paid within the credit timeframe which is generally 30 days in respect of local suppliers and 90 to 180 days in respect of foreign suppliers.

Accrued leave pay

Employee benefits in form of annual leave are provided for when they accrue to employees with reference to services rendered to balance sheet date.

Accrued bonus

Bonuses are paid to all employees on the basis of current year profits.

	Group		Company	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
25. CASH GENERATED FROM OPERATIONS				
Profit before tax and share of associate income	**47 984**	23 997	**9 788**	23 761
Adjusted for:				
Net interest paid (note 7/8)	**15 480**	5 674	**210**	5 674
Profit on disposal of property, plant and equipment	**(200)**	(9)	**–**	(9)
Profit on disposal of investment in associate	**(9 999)**	–	**(9 999)**	–
Fair value adjustments/FEC	**(2 781)**	–	**–**	–
Depreciation	**1 944**	1 668	**–**	1 292
Changes in working capital:				
Trade and other receivables	**25 518**	(75 084)	**128 831**	(75 067)
Trade and other payables	**(57 254)**	107 356	**(159 735)**	107 358
Inventories	**(10 527)**	(22 360)	**64 086**	(22 360)
Cash generated from operations	**10 165**	41 242	**33 181**	40 649

26. FOREIGN CURRENCY EXPOSURE

The group entered into forward exchange contracts to buy specified amounts of foreign currency in the future at predetermined rates. The contracts are entered into to manage the group's exposure to fluctuations in foreign currency exchange rates on specific transactions.

Contracts entered into but not matured at year end were valued as follows:

	Group		Company	
	2008 Foreign amount '000	**2008 Rand '000**	2007 Foreign amount '000	2007 Rand '000
Currency				
US Dollars	**1 723**	**12 706**	1 936	14 009
British Pounds	**68**	**973**	105	1 494
Euro	**1 362**	**14 312**	2 713	25 839
		27 991		41 342

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2008 (continued)

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
27. CONTINGENCIES				
Guarantees	**350**	2 092	**–**	2 092
All guarantees are performance guarantees held for Insimbi Alloy Supplies (Proprietary) Limited on behalf of various government beneficiaries.				
Tax consequences of undistributed reserves:				
STC on remaining reserves	**370**	7 268	**–**	6 646

28. EMPLOYEE BENEFITS

Pension obligations

The group employees are members of a defined contribution plan which is administered by Alexander Forbes Retirement Fund.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due.

29. SEGMENTAL REPORTING

Set out below is the revenue and gross margins by division.

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Revenue by division				
Foundry	**226 586**	181 697	**–**	181 697
Non ferrous	**167 122**	88 929	**–**	88 929
Refractory	**22 237**	21 462	**–**	21 462
Speciality	**171 146**	–	**–**	–
Steel	**198 452**	323 999	**–**	323 999
Rotary Kiln	**43 388**	64 338	**–**	64 338
Textiles	**6 238**	4 746	**–**	4 746
KZN	**62 259**	52 691	**–**	52 691
	897 428	737 862	**–**	737 862
Gross margin by division				
Foundry	**24 085**	16 016	**–**	16 016
Non ferrous	**11 391**	7 286	**–**	7 286
Refractory	**2 697**	2 678	**–**	2 678
Speciality	**14 714**	–	**–**	–
Steel	**14 196**	19 791	**–**	19 791
Rotary Kiln	**5 999**	11 428	**–**	11 428
Textiles	**2 040**	1 101	**–**	1 101
KZN	**8 310**	5 509	**–**	5 509
	83 432	63 809	**–**	63 809

The Speciality division was split into two divisions during the year – Speciality and Steel. Other operating income, administration expenses and other operating expenses are not allocated to divisions.

30. CAPITAL AND LEASE COMMITMENTS

Capital commitments

Capital commitments relating to the acquisition in March 2008 of the secondary Aluminium Smelter pending at the balance sheet date were R17 000 000 (2007: R1 291 144).

Lease commitment

Commitments in terms of the lease agreements are as follows:

	R'000
Haggie Fibre Products	
Rental payable for period March 2008 to February 2009 – due within 1 year	316
Rental payable for period March 2009 to October 2009 – due within 2 – 5 years	224
	540

The lease with Haggie Rand Fibre expires on 31 October 2009 but there is an option to renew for a further five year period.

	R'000
Insimbi Alloy Properties (Proprietary) Limited	
Insimbi Alloy Properties (Proprietary) Limited– leases premises to Insimbi Alloy Supplies (Proprietary) Limited	
Rental payable for period March 2008 to February 2009	714

In terms of the lease, rentals increase by 8% with effect from March of each year.

	Group		Company	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
Instalment sale agreement				
Minimum lease payment due				
Within one year	**730**	495	–	495
In second to fifth year inclusive	**1 459**	835	–	835
	2 189	1 330	–	1 330
Less future finance charges	**(420)**	(198)	–	(198)
Present value of minimum lease payments due	**1 769**	1 132	–	1 132

31. RELATED PARTY TRANSACTIONS

Set out below are the relationships of related parties in regard to the group and company financial statements for the year ended 29 February 2008:

Insimbi Holdings (Proprietary) Limited – holding company of Insimbi Refractory and Alloy Supplies (Proprietary) Limited

Insimbi Alloy Supplies (Proprietary) Limited – subsidiary of Insimbi Refractory and Alloy Supplies (Proprietary) Limited

Sugar Creek Trading 199 (Proprietary) Limited – subsidiary of Insimbi Alloy Supplies (Proprietary) Limited

Insimbi Refractory and Alloy Supplies Limited (incorporated in Zambia) – subsidiary of Insimbi Alloy Supplies (Proprietary) Limited

Insimbi Alloy Properties (Proprietary) Limited – subsidiary of Insimbi Refractory and Alloy Supplies (Proprietary) Limited

Allied Metallurg South Africa (Proprietary) Limited – associate company of Insimbi Refractory and Alloy Supplies (Proprietary) Limited

Directors of the group as per the directors' report meet the definition of key management personnel. Key management personnel consists of directors only.

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
31. RELATED PARTY TRANSACTIONS (continued)				
(a) **The following transactions were carried out with related parties:**				
Purchases of goods and services				
Allied Metallurg South Africa (Proprietary) Limited (Associate)	4 258	4 477	–	4 477
Sales of goods and services				
Allied Metallurg South Africa (Proprietary) Limited (Associate)	39	96	–	96
Rent (receivable)/payable				
Insimbi Alloy Properties (Proprietary) Limited (100% subsidiary)	–	–	–	(612)
Insimbi Alloy Supplies (Proprietary) Limited (100% subsidiary)	–	–	–	612
Administration fee receivable				
Allied Metallurg South Africa (Proprietary) Limited (Associate)	980	1 176	–	1 176
Administration fee payable				
Insimbi Holdings (Proprietary) Limited	5 390	–	–	–
Dividends payable				
Insimbi Holdings (Proprietary) Limited	39 558	–	39 558	–
Current holding company of Insimbi Refractory and Alloy Supplies (Proprietary) Limited				
Corvest 5 Investments (Proprietary) Limited	48 346	–	48 346	–
Former shareholder of Insimbi Refractory and Alloy Supplies (Proprietary) Limited				
	87 904	–	87 904	–
(b) **Key Management compensation**				
Salaries and other short-term employee benefits	2 273	6 809	–	6 809
	2 273	6 809	–	6 809
(c) **Year-end balances arising from sales/purchases of goods/services**				
Receivables from related parties				
Allied Metallurg South Africa (Proprietary) Limited (Associate)	2	2	2	2
Insimbi Alloy Properties (Proprietary) Limited (100% subsidiary)			5 360	5 360
Insimbi Holdings (Proprietary) Limited	138	–	–	–
Payables to related parties				
Allied Metallurg South Africa (Proprietary) Limited (Associate)	360	781	–	781

The receivables and payables to related parties arise mainly from sales and purchases and inter company transactions. The balances are unsecured and bear no interest.

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

The group's overall risk management programme seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to mitigate foreign risk exposures. Risk management is carried out by management under policies approved by the board. Management evaluates financial risks in close co-operation with the group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the use of derivative financial instruments.

The group is exposed to risks from its use of financial instruments. This note describes the group's objective, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. The group is currently exposed to credit risk, liquidity risk and market risk, which comprises of currency risk, cash flow interest rate risk and price risk. Directors are of the opinion that the carrying amounts of all group and company financial assets and financial liabilities approximate their fair values except fixed rate loans. The carrying amount of current financial instruments approximate their fair values due to the short-term maturities of these financial instruments. Remaining long-term borrowings bear interest at market related interest rates which results in the current carrying amount to be equivalent to its current fair value.

There have been no substantive changes to the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Information disclosed has been disaggregated, where the financial instruments used by the company have different economic characteristics and market conditions.

Principal financial instruments

The principal financial instruments used by the group, from which financial risk arises, are as follows -

Trade receivables
Cash and cash equivalents
Forward exchange assets
Loans receivable

Long-term borrowings
Variable rate instalment sale liabilities
Trade payables

The directors have an overall responsibility for the determination of the group's risk management, objectives and policies, and whilst retaining ultimate responsibility for them, they ensure that excess cash as generated from the operations is invested with recognised financial institutions, finance is provided by recognised financial institutions and customers of substantial credit quality are accepted. The main purpose of financial liabilities is to raise finance to fund the acquisition of property, plant and equipment, working capital and future acquisitions. The directors on a monthly basis monitor their collections from the company's debtors, movement in prime lending rates, movements in exchange rates and the risks that the group is exposed to based on current market conditions. Currency risks are hedged directly through the use of foreign exchange contracts. Risks are managed as described above. The group does not speculate with derivative financial instruments.

The overall objective of the board is to set policies that seek to reduce risk that the group is exposed to directly as far as possible without unduly affecting the company's general business operation. Further details regarding these policies are set out below:

Procedures for mitigating risk

Procedures for mitigating risk include -

Performing credit checks on potential customers

The preparation of cash flow forecasts. Cash flow forecasts are prepared regularly for three month periods and are reviewed daily.

Forward exchange contracts are entered into with financial institutions in order to minimise the group's exposure to exchange rate fluctuations. Forward exchange contracts are taken for both import of material as well as the export of material. These contracts are reviewed on a regular basis and where necessary are extended due to changes in business conditions.

When a customer is identified as having cash flow problems the credit manager will take the following steps –

- Confirm the situation with the customer.
- Advise the divisional director of the situation during the monthly meeting at which outstanding debtors balances are reviewed.
- Place customer on hold, request customer be changed to a cash on delivery basis and request owner or directors of customer to agree to sign a surety for amount due.
- Request customer to issue post dated cheques which are held by credit control until due date.

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)

Procedures for avoiding excessive concentration of risk

Procedures for avoiding excessive concentration of risk include -

- Maintaining a wide customer base.
- Offering a wide range of material to the market.
- Continually looking for opportunities to expand both customer and material base.
- Identifying opportunities to invest in other companies.
- Reviewing current material base in order to identify any product line which does not result in margins which are not in line with budgets and plans.

	Held for trading R'000	Loans and receivables R'000	Held to maturity R'000	Available for sale R'000	Total R'000
Financial assets by category					
Group					
2008					
Forward exchange contract assets	2 781	–	–	–	2 781
Inter company loans	–	138	–	–	138
Trade and other receivables					
– Local	–	90 954	–	–	90 954
– Foreign	–	14 176	–	–	14 176
Cash and cash equivalents	–	6 894	–	–	6 894
	2 781	112 162	–	–	114 943
2007					
Trade and other receivables					
– Local	–	115 585	–	–	115 585
– Foreign	–	14 248	–	–	14 248
Cash and cash equivalents	–	37 715	–	–	37 715
	–	167 548	–	–	167 548
Financial assets by category					
Company					
2008					
Loan to subsidiary company	–	5 360	–	–	5 360
Trade and other receivables					
– Local	–	1 883	–	–	1 883
– Foreign	–	–	–	–	–
Cash and cash equivalents	–	(575)	–	–	(575)
	–	6 668	–	–	6 668
2007					
Loan to subsidiary company		5 360	–	–	5 360
Trade and other receivables		–	–	–	
– Local		115 552	–	–	115 552
– Foreign		14 248	–	–	14 248
Cash and cash equivalents	–	37 715	–	–	37 715
	–	172 875	–	–	172 875

	Held for trading R'000	At amortised cost R'000	Total R'000
32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)			
Financial liabilities by category			
Group			
2008			
Long-term loans – shareholders	–	5 352	5 352
Long-term loans – other	–	90 281	90 281
Nedbank loan	–	15 200	15 200
Trade payables			
– Local	–	82 132	82 132
– Foreign	–	8 687	8 687
	–	201 652	201 652
2007			
Long-term loans – shareholders	–	9 639	9 639
Long-term loans – other	–	20 103	20 103
Nedbank loan	–	14 000	14 000
Trade payables			
– Local	–	108 964	108 964
– Foreign	–	45 243	45 243
	–	197 949	197 949
Financial liabilities by category			
Company			
2008			
Loan from subsidiary company	–	57 916	57 916
Trade payables			
– Local	–	2 192	2 192
	–	60 108	60 108
2007			
Long-term loans – shareholders	–	9 639	9 639
Long-term loans – others	–	20 103	20 103
Nedbank loan	–	14 000	14 000
Trade payables			
– Local	–	107 839	107 839
– Foreign	–	45 243	45 243
	–	196 824	196 824

Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, trade receivables and loans to group entities. With respect to cash and cash equivalents, cash is only invested with recognised and reputable financial institutions. The credit quality of customers is assessed by taking into account their financial position, past experience and other factors. Individual risk limits are set internally and are regularly monitored. Sales to retail customers are settled in cash.

The group sells material to customers who are considered to be credit worthy. It is the group's policy that all customers be subjected to a credit verification procedure before material is sold. In addition, the age analysis is reviewed monthly with the intention of minimising the group's exposure to bad debts. The maximum exposure of financial assets to credit risk is the carrying value of related financial assets as reflected on the face of the balance sheet.

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)

Credit risk (continued)

Should the need arise it is the group's policy to take collateral. To date no collateral has been taken nor obtained. Trade receivables that are neither past due nor impaired are considered to be of high credit quality accompanied by an insignificant default rate.

At each balance sheet date, the group determines on a case-by-case basis whether there is objective evidence of an impairment loss. The following factors are considered in determining whether an impairment loss should be provided for:

- The number of days that the debt is in arrears
- Whether the debtor has been liquidated or has closed down the business
- If provisional liquidation has been sought against the debtor
- Any litigation proceedings against the debtor and the likely outcomes
- Any communication from the debtor indicating an inability to pay within the agreed credit terms
- Any evidence of liquidity difficulties experienced by the debtor
- Adverse credit reports

Reconciliation of movement of doubtful debt provision for individually assessed trade receivables:

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Balance brought forward	(2 680)	(1 173)	(2 680)	(1 173)
Increase in provision	–	(1 514)	–	(1 514)
Decrease in provision	2 647	–	2 680	–
Debts written off against provision	16	7	–	7
Balance carried forward	(17)	(2 680)	–	(2 680)

	Carrying amount R'000	Of which neither impaired nor past due on the reporting date R'000	Of which is not impaired on the reporting date but past due: Current R'000	Greater than 30 days R'000	Greater than 60 days R'000	Greater than 90 days R'000	Greater than 120 days R'000
Group							
2008							
Trade receivables	103 041	80 983	–	15 779	4 463	1 816	–
– Foreign	14 176	8 641	–	3 515	880	1 140	–
– Local	88 865	72 342	–	12 264	3 583	676	–
2007							
Trade receivables	132 620	88 603	–	41 978	667	1 192	–
– Foreign	14 428	5 901	–	7 374	467	506	–
– Local	118 192	82 702	–	34 604	200	686	–
Company							
2008							
Trade receivables	–	–	–	–	–	–	–
– Foreign	–	–	–	–	–	–	–
– Local	–	–	–	–	–	–	–
2007							
Trade receivables	132 620	88 603	–	41 978	667	1 192	–
– Foreign	14 428	5 901	–	7 374	467	506	–
– Local	118 192	82 702	–	34 604	200	686	–

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)

Credit risk (continued)

The group provides for impairment losses on an individual and collective basis. Debts that are past due are impaired based on evidence of the factors cited above. Impairment losses on individually impaired trade receivables are as follows:

	Carrying amount before impairment R'000	Impairment loss R'000	Fair value of collateral R'000
Group			
2008			
Trade receivables	16	16	NIL
– Foreign	–	–	NIL
– Local	16	16	NIL
2007			
Trade receivables	7	7	NIL
– Foreign	–	–	NIL
– Local	7	7	NIL
Company			
2008			
Trade receivables	–	–	–
– Foreign	–	–	–
– Local	–	–	–
2007			
Trade receivables	7	7	NIL
– Foreign	–	–	NIL
– Local	7	7	NIL

The debtor's book of Insimbi Alloy Supplies (Proprietary) Limited amounting to R102,0 million (2007: R134,0 million) has been ceded as security in respect of overdraft facilities amounting to R35,0 million (2007: R30,0 million).

Liquidity risk

Liquidity risk arises from the group's management of trade payables, lease payments, overdrafts and principal repayments on its debt instruments. It is the risk that the group will experience financial difficulty in meeting financial obligations as they fall due. The group's policy is to ensure that it will always have sufficient cash to allow it to meet its obligations when they fall due. To achieve this it seeks to maintain agreed facilities with reputable financial institutions. This is also achieved by monitoring the economy to ensure that necessary price increases are effected. There have been no defaults or breaches on long-term loans, instalment sale liabilities and trade payables during the course of the financial year. Furthermore, security has been provided for long-term loans and instalment sale liabilities. This is further described in Note 22.

Contractual maturity analysis

	Payable within one year/on demand	Payable within 2 to 5 years	Payable after 5 years
Group			
2008			
Undiscounted cash flows arising from financial liabilities due			
Trade payables			
– Local	82 132	–	–
– Foreign	8 687	–	–
Bank overdraft facility	30 000	–	–
Nedbank Limited – term loan	7 847	195	–
Nedbank Limited – loan number two	12 339	55 000	–
Nedbank Limited – loan number three	13 131	–	–
Nedbank Limited – instalment sale	535	1 234	–
Shareholder's loans	5 352	–	–
	160 023	56 429	–

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)

Contractual maturity analysis (continued)

	Payable within one year/on demand R'000	Payable within 2 to 5 years R'000	Payable after 5 years R'000
Group			
2007			
Undiscounted cash flows arising from financial liabilities due			
Trade payables			
– Local	108 964	–	–
– Foreign	45 243	–	–
Bank overdraft facility	30 000	–	–
Nedbank Limited – term loan	6 320	6 770	–
Corvest Finance (Proprietary) Limited	5 881	–	–
Nedbank Limited – instalment sale	344	788	–
Shareholder's loans	6 776	2 863	–
	203 528	10 421	–
Company			
2008			
Undiscounted cash flows arising from financial liabilities due			
Bank overdraft	**1 000**	**–**	**–**
2007			
Undiscounted cash flows arising from financial liabilities due			
Trade payables			
– Local	108 964	–	–
– Foreign	45 243	–	–
Bank overdraft facility	30 000	–	–
Nedbank Limited – term loan	6 320	6 770	–
Corvest Finance (Proprietary) Limited	5 881	–	–
Nedbank Limited – instalment sale	344	788	–
Shareholder's loans	6 776	2 863	–
	203 528	10 421	–

Management of liquidity risk

Management of liquidity risk in regard to financial liabilities includes:

Regular meetings are held with the group's bankers to discuss facilities required to meet the group's financial obligations and where agreed overdraft and loan facilities are amended. A summary of the group's and company's bank accounts are prepared daily which are reviewed and based on these summaries decisions are made to transfer excess funds from the main current account to other facilities in order to reduce the interest cost to the group and company. The group monitors the maturity date of all open forward exchange contracts.

Market risk

Interest rate risk

Market risk arises from the group's use of variable interest rate instalment sale liabilities and fixed and variable long-term borrowings and bank accounts that are carried at amortised cost. Future changes to the prime lending rates will have a direct impact on the future cash payments towards the settlement of the financial obligation. The risk remains un-hedged at the reporting date. Exposure to cash flow interest rate risk on financial assets and liabilities is monitored on a continuous basis. The benefits of fixing or capping interest rates on the group's various financing activities is considered on a case-by-case basis and project-by-project basis, taking the specific and overall risk profile into consideration.

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rates on certain loans are fixed for the period of the loan while the interest rates on other loans are linked to the overdraft rate. The prime rate as at year end was 14,5%. The Reserve Bank increased the rate on 14 April 2008 and 12 June 2008 by 0,5% respectively. Prime rate as at 17 June 2008 is 15.5%.

Detailed below are the interest rates applicable to interest bearing liabilities:

Shareholder's loans (prime plus 2%)

Corvest Finance (Proprietary) Limited (prime plus 2%)

Nedbank instalment sale
Interest rates vary from 12,5% to 14,5%

Nedbank loan number three (JIBAR plus 5%)
Initially rate was 14,08% but at February 2008 was 16,05%

Nedbank loan (prime less 1,25%)
Interest rate at February 2008 13% – but at May 2008 13,75%

The group also holds cash and cash equivalents, which earns interest at variable rates and has variable rate debt in issue. Consequently, the group is exposed to cash flow interest rate risk.

Cash and cash equivalents comprise cash in hand and bank balances. Excess funds are deposited with reputable financial institutions on a rate quotation basis. This ensures that the group earns the most advantageous rates of interest available.

Sensitivity analysis

The group is sensitive to the movements in the ZAR interest rates which are the primary interest rates to which the group is exposed. The group has used a sensitivity analysis technique that measures the estimated change to the income statement of an instantaneous increase or decrease, as detailed in the table below, in market interest rates on financial liabilities from the applicable rate as at year end, for each class of financial instrument with all other variables remaining constant. It has been established by management that interest rate fluctuations on cash denominated in British pounds and Euro is immaterial. The calculations were determined with reference to the outstanding financial liability and financial asset balances. This represents no change from the prior period in the method and assumptions used. This analysis is for illustrative purposes only and represents management's best estimate of reasonably possible changes in interest rates.

	2008		2007	
Group (Rands)	After tax effect on profit and loss		After tax effect on profit and loss	
South African lending rate	2% increase	1% decrease	2% increase	1% decrease
Variable rate instalment sale liabilities	(24 421)	12 054	(15 627)	7 713
Variable rate long-term loans	(258 883)	127 791	(173 943)	105 603
Cash and cash equivalents – Local	49 259	(24 629)	463 615	(231 807)
United States of America lending rate	3% increase	3% decrease	2,5% increase	2,25% decrease
Cash and cash equivalents – US Dollar	80 254	(80 254)	57 573	(64 770)

	2008		2007	
Company (Rands)	After tax effect on profit and loss		After tax effect on profit and loss	
South African lending rate	2% increase	1% decrease	2% increase	1% decrease
Variable rate instalment sale liabilities	–	–	(15 627)	7 713
Variable rate long-term loans	–	–	(173 943)	105 603
Cash and cash equivalents – Local	(8 165)	4 082	463 615	(231 807)
United States of America lending rate			2,5% increase	2,25% decrease
Cash and cash equivalents – US Dollar			57 573	(64 770)

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)

Foreign exchange risk

Foreign exchange risk arises when recognised assets and liabilities or future commercial transactions are denominated in a currency that is not the entity's functional currency. The group trades internationally and is therefore directly exposed to foreign exchange risk through its foreign currency denominated trade receivables, trade payables and forward exchange contracts.

Currency risk

Foreign currency monetary items are restated at each reporting date to incorporate the underlying foreign exchange movements, as prescribed by IAS 21,' The Effects of Changes in Foreign Exchange Rates'. The group is predominantly exposed to currency risk that arises from US Dollar, Euro and British Pound denominated financial instruments. The following table indicates the group's sensitivity at year end to the indicated movements in the US Dollar, Euro and British Pound on financial instruments excluding forward exchange contracts.

Sensitivity analysis

The group has used a sensitivity analysis technique that measures the estimated change to the profit or loss of an instantaneous strengthening or weakening in the Rand, as detailed in the table below, against the US Dollar, Euro and British Pound with reference to the closing exchange rates and foreign currency balances outstanding as at year end, for each class of financial instrument with all other variables remaining constant. This represents no change from the prior period in the method and assumptions used. This analysis is for illustrative purposes only and represents management's best estimate of reasonably possible changes in foreign currency exchange rates. This analysis considers the impact of changes in foreign exchange rates on profit or loss.

	After tax effect on profit and loss arising from US Dollar		After tax effect on profit and loss arising from Euro		After tax effect on profit and loss arising from British Pound	
Group (Rands)/*nominal amount						
2008	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
Foreign trade payables	(1 322 410)	1 322 410	(108 414)	108 414	55 905	(55 905)
Foreign trade receivables	736 510	(736 510)	(13 586)	13 586	–	–
Foreign bank	275 620	(275 620)	(55 129)	55 130	–*	–*
2007	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
Foreign trade payables	(386 867)	386 867	(330 619)	330 619	–	–
Foreign trade receivables	4 665 810	(4 665 810)	805 994	(805 994)	–	–
Foreign bank	311 370	(311 370)	37 060	(37 060)	–*	–*
Company (Rands)/*nominal amount						
2007	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
Foreign trade payables	(386 867)	386 867	(330 619)	330 619	–	–
Foreign trade receivables	4 665 810	(4 665 810)	805 994	(805 994)	–	–
Foreign bank	311 370	(311 370)	37 060	(37 060)	–*	–*

Forward exchange contracts

The group operates in the global business environment and many transactions are priced in a currency other than the South African Rand. Accordingly the group's is exposed to the risk of fluctuating exchange rates and manages this exposure through the use of financial instruments. These instruments typically comprise forward exchange contracts. Forward exchange contracts are entered into in respect of both imports and exports in order to minimise the effect of fluctuations in exchange rates. Fair value foreign exchange risk arises upon mark to marketing of the forward exchange contracts.

Sensitivity analysis

The group is predominantly exposed to the currency of the European Union (Euro), the currency of the United States (Dollar) and the British Pound when taking out forward exchange contracts. All other currencies do not result in significant foreign exchange risk. The table below details the group's sensitivity to a fluctuation in the Rand against the US Dollar, fluctuation in the Rand against the Euro and in the Rand against the British Pound. This represents no change from the prior period in the method and assumptions used. This analysis is for illustrative purposes only and represents management's best estimate of reasonably possible changes in foreign currency exchange rates.

32. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (continued)

	US Dollar		Euro		British Pound	
Group (Rands)						
2008	5% increase	2% decrease	6% increase	2% decrease	7% increase	2% decrease
After tax effect on profit and (loss)	474 053	(189 621)	450 819	(444 300)	52 105	(14 887)
Financial assets	474 053	(189 621)	450 819	(444 300)	52 105	(14 887)
Financial liabilities	–	–	–	–	–	–

Metal price risk

The purchase price of certain material purchased is influenced by the prices quoted on the London Metal Exchange (LME). Before orders are placed with an overseas supplier the group's division dealing with the placement of orders will compare the supplier's quoted price to the LME. Based on the supplier's quote a purchase order is produced which is then counter signed by a director in terms of the company's ISO requirements.

Sensitivity analysis

The group is predominantly exposed to the metal price risk. Fluctuations in the metal price as quoted on the LME will have an insignificant net effect on profit as any fluctuations in the metal price are effectively passed on to the consumer immediately. This represents no change from the prior period in the method and assumptions used. This analysis represents management's best estimate of the effect on profit.

33. CAPITAL MANAGEMENT

The capital structure of the group consists of debt which includes interest bearing borrowings, cash and cash equivalents, equity attributable to equity holders of the group which comprises issued share capital and accumulated earnings. The group's capital management objective is to achieve an effective weighted average cost of capital while continuing to safeguard the group's ability to meet its liquidity requirements, repay borrowings as they fall due and continue as a going concern, whilst concurrently ensuring that at all times its credit worthiness is considered to be at least investment grade. This policy is consistent with that of the comparative period. The group is not subject to any external capital requirements.

	Company	
	2008 R'000	2007 R'000
34. EARNINGS AND HEADLINE EARNINGS PER SHARE		
Headline earnings have been computed as follows:		
Profit attributable to ordinary shareholders	**26 559**	17 086
Adjusted for profit on sale of property, plant and equipment	**(142)**	(6)
Adjusted for profit on disposal of investment in associate company	**(4 019)**	–
Headline earnings	**22 398**	17 080
Dividend per ordinary share (Rands)	**7 374,72**	
Dividend per Class A convertible redeemable preference share (Rands)	**12 971,83**	
Earnings per share (Rands)	**4 951,34**	3 185,31
Headline earnings per share (Rands)	**4 175,62**	3 184,18
Basic attributable earnings per share are calculated by dividing the net profit attributable to shareholders by the number of shares in issue during the year.		
The calculation of earnings per ordinary share is based on a profit for the group of R26 559 (2007: R17 086).		
The calculation of headline earnings per ordinary share is based on a profit of R22 398 (2007: R17 080).		
There are no instruments in issue or other obligations that have a dilutive effect on earnings.		
Number of shares on listing (000's)	**260 000**	260 000
Pro forma basic and fully diluted:		
Earnings per share (cents)	**10,22**	6,57
Headline earnings per share (cents)	**8,61**	6,57

35. COMPARATIVES

The liabilities for leave pay and bonus have been reclassified to accruals with the intention of achieving fairer presentation.

The value of leave pay and bonus provisions are disclosed in note 24.

36. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The financial statements of the group and the company were prepared in accordance with IFRS for the first time. The group and company previously prepared its financial statements under South African Statements of Generally Accepted Accounting Practice. The date of transition to IFRS is 1 January 2004 and accordingly comparative information has been restated. The impact of IFRS on the group's financial statements is immaterial. In the current year, the group has adopted IFRS 7 – Financial Instruments: Disclosures, which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments for IAS 1 – Presentation of Financial Statements.

37. BORROWING POWERS

In terms of the Articles of Association article 12.1, the borrowing powers of the company are unlimited.

SHAREHOLDER ANALYSIS

Analysis of ordinary shareholders as at date of listing

Range	Number of shareholders	Number of shares	% of issued capital
1 000 0001 and over	11	221 243 990	85,10
500 001 to 1 000 000	11	8 448 500	3,24
250 001 to 500 000	22	7 491 699	2,88
100 001 to 250 000	85	13 514 268	5,20
50 0001 to 100 000	46	3 212 918	1,24
5001 to 50 000	271	5 738 857	2,21
1 to 5 000	124	329 768	0,13
Total	570	260 000 000	100,00

Public and non-public shareholders as at date of listing

	Number of shareholders	Number of shares	% of issued capital
Public			
Non-public			
– directors and associates	15	202 187 500	77,76
– persons interested (other than directors), directly or indirectly, in 10% or more	–	–	
– other non-public shareholders	–	–	

Analysis of ordinary shareholders by category

Category	Number of shareholders	Number of shares	% of issued capital
Investment trusts, pension funds, banks and nominees	5	12 316 650	4,73
Companies and other corporates	–	–	–
Individuals	565	247 683 350	95,27
Total	570	260 000 000	100,00

Substantial interests as at date of listing (5% and more)- except as disclosed under directors' interests on page 13, no shareholder has an interest of 5% or more in the share capital of the company.

NOTICE OF ANNUAL GENERAL MEETING

INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED

(formerly Insimbi Alloy Supplies (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2002/129821/06)
Share code: ISB ISIN: ZAE 000116828

NOTICE is hereby given That the annual general meeting of Insimbi Refractory and Alloy Supplies Limited Limited will be held at 359 Crocker Road, Wadeville ext.4, Germiston on Tuesday,23 September 2008 at 12:00 for the following purposes:

1. To receive and adopt the auditors' report in respect of the year ended 29 February 2008.
2. To receive and adopt the annual financial statements of the company for the year ended 29 February 2008.
3. To re-appoint DJ O'Connor, L Mashologu, RD Makkink, PJ Schutte, EP Liechti, CF Botha, F Botha, LG Tessendorf (as alternative) as directors.
4. To confirm the directors' emoluments.
5. To appoint the company's auditors for the ensuing year.
6. To consider and, if deemed fit, to pass, with or without modification, the following resolutions.

SPECIAL RESOLUTION

Special resolution number 1

General share repurchases

"Resolved, as a special resolution, that the directors be authorised pursuant *inter alia* to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the company or any subsidiary of the company to acquire shares of the company, subject to the Listings Requirements of JSE Limited (JSE), provided that:

- the company must be authorised thereto by its articles of association;
- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter-party;
- the company may only appoint one agent to effect any repurchases on its behalf;
- the number of shares which may be acquired pursuant to this authority in any financial year (which commenced 1 March 2008) may not in the aggregate exceed 10% (ten percent) of the company's issued share capital as at the date of passing of this special resolution;
- repurchases of shares may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was effected;
- repurchases may not be undertaken by the company or one of its wholly owned subsidiaries during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE);
- repurchases may only take place if, after such repurchase, the shareholder spread of the company still complies with the Listings Requirements of the JSE;
- after the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time; and
- the company's Designated Advisor shall confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of shares in writing to the JSE prior to entering the market to proceed with the repurchase

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of securities of the company, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors, after considering the maximum number of securities which may be purchased and the price at which the repurchases may take place pursuant to the repurchase general authority, are of the opinion that for a period of 12 months after the date of notice of this annual general meeting:

- the company and the group will be able to pay their debts in the ordinary course of business;
- the consolidated assets of the company and of the group, fairly valued in accordance with generally accepted accounting practice, will exceed the consolidated liabilities of the company and of the group after the repurchase;
- the share capital and reserves of the company and of the group will be adequate for the purposes of the business of the company and its subsidiaries; and
- the working capital available to the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of the Listings Requirements of the JSE for purposes of this general authority:

- Directors – page 2;
- Major beneficial shareholders – page 13;
- Directors' interests in ordinary shares – page 13; and
- Share capital of the company – page 16.

Litigation statement

The directors, whose names appear on page 2 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened that may have or have had in the recent past (being at least the previous 12 (twelve) months) a material effect on the group's financial position.

Directors' responsibility statement

The directors whose names appear on page 2 of the annual report collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the Listings Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the year ended 29 February 2008 and up to the date of this notice.

Reasons for and effects of special resolution number 1

The reason for special resolution number 1 is to afford directors of the company or a subsidiary of the company a general authority to effect a repurchase of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE, to effect a repurchase of the company's shares on the JSE.

Ordinary resolutions

Ordinary resolution number 1

The general authority to issue un-issued, but authorised shares for cash

"Resolved that the directors be authorised pursuant *inter alia* to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company provided that it shall not extend beyond 15 months, to allot and issue any ordinary shares for cash subject to the Rules and Requirements of the JSE Limited (JSE) on the following bases:

- the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE;
- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- the number of shares issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen percent) of the company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued

during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;

- the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the company; and
- after the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 days prior to the date that the price of the issue is determined or agreed to by the directors and the effect of the issue on net asset value and earnings per share), or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time."

In terms of the Listings Requirements of the JSE a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting must be cast in favour of ordinary resolution number 1 for it to be approved.

Ordinary resolution number 2

Unissued ordinary shares

"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the Rules and Regulations of the JSE Limited (JSE) and the provisions of section 221 and 222 of the Companies Act, 1973 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

Ordinary resolution number 3

Re-election of directors

3.1 Re-election of DJ O'Connor

"Resolved that DJ O'Connor be re-elected as director of the company."

3.2 Re-election of L Mashologu

"Resolved that L Mashologu be re-elected as director of the company."

3.3 Re-election of PJ Schutte

"Resolved that PJ Schutte be re-elected as director of the company."

3.4 Re-election of EP Liechti

"Resolved that EP Liechti be re-elected as director of the company."

3.5 Re-election of CF Botha

"Resolved that CF Botha be re-elected as director of the company."

3.6 Re-election of F Botha

"Resolved that F Botha be re-elected as director of the company."

3.7 Re-election of L Tessendorf

"Resolved that L Tessendorf be re-elected as alternate director of the company."

Ordinary resolution number 4

Directors' remuneration

"Resolved that the remuneration of the directors, as set out on page 13 of the annual report of which this notice forms part, be and is hereby confirmed and ratified."

Ordinary resolution number 5

Signature of documentation

"Resolved that any director or the company secretary of the company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of special resolutions numbers 1 and ordinary resolutions numbers 1, 2, 3, 4 and 6 which are passed by the members in accordance with and subject to the terms thereof."

Ordinary resolution number 6

Appointment of auditors

"Resolved that BDO Spencer Steward (JHB) Inc be re-appointed as auditors of the company."

NOTICE OF ANNUAL GENERAL MEETING

(continued)

Action required

Certificated shareholders and "own name" dematerialised shareholders

If you are unable to attend the annual general meeting of the company to be held at Insimbi's offices at 359 Crocker Road, Wadeville ext.4, Germiston on 23 September 2008 at 12:00, and wish to be represented thereat, you must complete and return the attached form of proxy in accordance with the instructions contained therein and lodge it with, or post it to, the transfer secretaries, namely Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown 2017), so as to be received by them by no later than 12:00 on 19 September 2008.

Dematerialised shareholders

If you hold dematerialised shares in the company through a CSDP or broker and do not have an "own name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the Annual General Meeting in person but wish to be represented thereat, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the annual general meeting.

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the annual general meeting. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

A form of proxy, which sets out the relevant instructions for use, is attached for those members who wish to be represented at the annual general meeting of members. Duly completed forms of proxy must be lodged with the transfer secretaries of the company, namely Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown 2017), to be received by not later than 12:00 on 19 September 2008.

By order of the board

Roy Makkink
Company Secretary

Germiston
21 August 2008

ADMINISTRATION

Directors

F Botha
CF Botha
EP Liechti
PJ Schutte
LG Tessendorf
RD Makkink
DJ O' Connor*
L Mashologu*

**Non-executive*

Company Secretary and registered office

RD Makkink, IS

359 Crocker Road,Wadeville, ext.4
Germiston 1422
(PO Box 14676, Wadeville 1422)
Telephone: (011) 902-6930
Facsimile: (011) 902-5749

Transfer secretaries

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

Ground Floor
70 Marshall Street
Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

Attorneys

Routledge Modise in association with Eversheds
(Registration number 1992/006150/21)
(PO Box 78333, Sandton 2146)

Designated adviser

PricewaterhouseCoopers Corporate Finance (Pty) Limited
(Registration number 1970/003711/07)
2 Eglin Road
Sunninghill 2157
(Private Bag x 36, Sunninghill 2157)

Auditors and reporting accountants

BDO Spencer Steward (JHB) Inc.
BDO Place
457 Rodericks Road, Lynnwood 0081
(PO Box 95436, Waterkloof 0145)

Commercial banker

Nedbank Limited
(Registration number 1951/00009/06)

SHAREHOLDERS' DIARY

Annual general meeting	23 September 2008
Reports and financial statements	
Provisional results announcements	26 May 2008
Publication of annual report (mailed to shareholders)	29 August 2008
Interim results announcements	30 September 2008
Financial year-end	28 February

FORM OF PROXY

INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED

(formerly Insimbi Alloy Supplies (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2002/129821/06)
Share code: ISB ISIN: ZAE 000116828

(for use by certificated shareholders and own name dematerialised shareholders)

Form of proxy for the annual general meeting of Insimbi's to be held at their offices at 359 Crocker Road, Wadeville ext.4, Germiston on 23 September 2008 at 12:00, (the annual general meeting).

For use by certificated shareholders, nominee companies of Central Securities Depository Participants (CSDP), brokers' nominee companies and shareholders who have dematerialised their shares and who have elected own-name registration, who wish to vote on the ordinary and special resolutions per the Notice of the Annual General Meeting to which this form is attached.

Shareholders who have dematerialised their shares through a CSDP or broker must not complete this form of proxy and must provide their CSDP or broker with their voting instructions, except for shareholders who elected own name registration in the sub-register through a CSDP, which shareholders must complete this form of proxy and lodge it with Computershare Investor Services (Proprietary) Limited. Holders of dematerialised shares other than with own name registration, wishing to attend the annual general meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the necessary authorisation to attend.

I/We(name in block letters) ____________________

Of (Address) ____________________

Being the holder/s of __________ ordinary shares in the Company, do hereby appoint

1. ____________________ or failing him/her

2. ____________________ or failing him/her

3. The chairperson of the annual general meeting

As my/our proxy to act for me/us and on my/our behalf at the annual general meeting of the Company which will be held for the purpose of considering and, if deemed fit, of passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote in favour of and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see notes):

	Number of votes on a poll (one vote per ordinary share)		
	In favour	Against	Abstain
Special resolution To effect general share buy-backs			
To pass ordinary resolutions 1. The general authority to issue unissued shares for cash			
2. To place the unissued shares under the control of the directors			
3. To re-elect the following directors			
3.1 DJ O'Connor			
3.2 L Mashologu			
3.3 PJ Schutte			
3.4 EP Liechti			
3.5 CF Botha			
3.6 F Botha			
3.7 LG Tessendorf			
4. To ratify the directors' remuneration			
5. To authorise the signature of documentation			
6. To appoint BDO Spencer Steward as auditors			

Signed at on __________ 2008

Signature ____________________

Assisted by (if applicable) ____________________

NOTES TO THE FORM OF PROXY

1. A shareholder may insert the name(s) of one or more proxies (none of whom need be a Company shareholder) in the space provided, with or without deleting the words "the Chairperson of the annual general meeting of the ordinary shareholders". The person whose name stands first on the form of proxy and has not been deleted and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairperson.

2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above, will be deemed to authorise the proxy to vote as he/she deems fit, where the proxy is the Chairperson, such failure shall be deemed to authorise the Chairperson to vote in favour of the ordinary and special resolutions in respect of all the shareholders' votes exercisable thereat.

3. The completion and lodging of this form of proxy shall in no way preclude the shareholder from attending, speaking and voting in person at the annual general meeting to the exclusion of any proxy appointed in terms hereof.

4. Should this form of proxy not be completed and/or received in accordance with these notes, the Chairperson may accept or reject it, provided that, in respect of its acceptance, the Chairperson is satisfied as to the manner in which the shareholder wishes to vote.

5. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairperson of the meeting.

6. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Company.

7. Where shares are held jointly, all joint holders are required to sign.

8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the transfer secretaries of the Company.

9. Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatories.

10. This form of proxy must be lodged with, or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) so as to be received by no later than 12:00 on 19 September 2008.

11. The completion and lodging of this form of proxy by the shareholders holding certificated shares, nominee companies of CSDPs or brokers and the shareholders who have dematerialised their shares and who have elected own name registration, will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof. The shareholders who have dematerialised their shares, other than with own name registration, and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

INSIMBI
Insimbi Refractory and Alloy Supplies Ltd
Reg. No. 2002/023821/06

Designed by motiv
Printed by INCE

INSIMBI

Insimbi Refractory and Alloy Supplies Ltd
Reg. No. 2002/028821/06

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