BSi STEEL

Integrated Annual Report

For the year ended 31 March 2015

Scope and boundary of the report

The report includes information that is deemed to be relevant to stakeholders including shareholders, analysts, and other providers of capital and suppliers. The reporting complies with International Financial Reporting Standards for the annual financial statements as well as the requirements of the King report on Governance for South Africa 2009 and takes cognizance of the guidelines for integrated reporting.

External assurance on the annual financial statements has been provided by the External Auditor Deloitte & Touche, & the Group's BBBEEE scorecard verified by an accredited BBBEEE verification agency.

BSi Steel Limited is a steel stockist and processing group, which listed on the JSE in 2007. This integrated report provides an overview of the Group for the financial year ended March 2015. The consolidated annual financial statements have been prepared in accordance with the JSE Limited Listings requirements and the requirements of the Companies' Act 71 of 2008.In terms of the Listings Requirements, the consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

Responsibility statement

The audit committe and the board of directors acknowledge their responsibility to ensure the integrity of this report. The committee and board have applied to its mind to the report and believe that it addresses all material issues, and presents fairly the integrated performance of the organisation.

N G Payne
Chairman of the audit committee

W L Battershill
Chairman and CEO

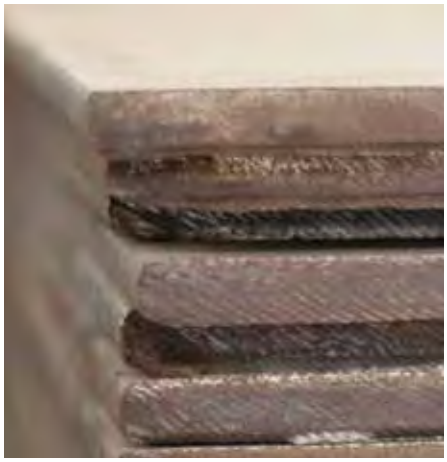
Emmerentia Vermaak
Financial Director CA(SA)

Integrated business

BSi Steel's commitment to an integrated and sustainable business approach is illustrated by its vision and mission as well as the deepening management resources in health, safety, environment, transformation and risk, aiding economic, social and environmental sustainability.

Level 7 B-BBEE contributor

BSi Steel has embraced transformation within the organisation and we are proud to have been independently rated by Empowerlogic.



Corporate governance

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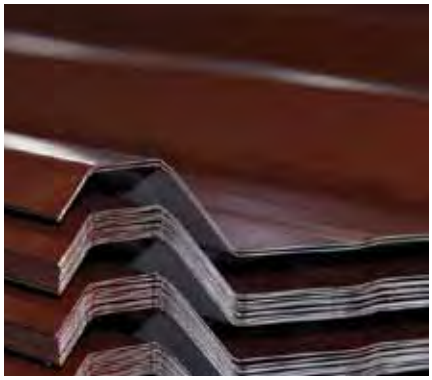
Chairman and CEO's report

The financial year was characterized by tough trading conditions in South Africa and in export markets, especially Zimbabwe and Zambia. Protracted violent strikes in the platinum and metal industries during the year, together with electricity blackouts in H2, severely impacted the demand for steel. This put pressure on margins, although BSi Steel managed to maintain tonnage output, thus increasing market share in a declining market. The entire business was restructured during the period, resulting in material one-off costs due to business closures and retrenchments. Whilst this eroded profitability, it resulted in significantly reduced operating costs.

W L Battershill
Chairman and CEO



Annual Financial Statements

BSi Steel, a leading South African processor and distributor of a wide range of steel products into sub-Saharan Africa.

BSi Steel is a South African JSE Alt-X listed company with strong ties to the greater Southern African market.

In South Africa, we have a distribution warehouse in Pietermaritzburg, serving the KZN market. Our main distribution and processing hub is in Klipriver, Gauteng, from here we service the rest of South Africa & our African branches.

Our African distribution operations are based in Lubumbashi and Kolwezi (DRC), Lusaka and Kitwe (Zambia), Maputo (Mozambique).

In addition to our African distribution warehouses, we export directly from South Africa to several other African markets.

Trading styles

In South Africa, we have two distinctly different trading styles designed to cover different market demands. Our BULK SALES operation offers large volumes to bigger steel consumers at highly competitive prices, often delivered direct ex the steel mill. Our STOCKISTS deliver a wide range of steel products ex-stock on a JIT basis to the medium and smaller consumers.

Our EXPORT operations are based on a similar model to South Africa, where we offer DIRECT BULK deals ex South Africa, with our AFRICAN STOCKISTS servicing the South African local market on a JIT basis.

We have a minority interest in a majority black-owned steel trading operation, QINISA STEEL SOLUTIONS in South Africa.

In addition to the different trading styles, we add value to the steel we sell through our PROCESSING OPERATION, SHEARCUT, based in Klipriver.

Our strength lies in our diverse product range, as well as our differing trading styles.

Our footprint in Africa

OUR VISION

To be the ***premier player*** in steel distribution in sub-Saharan Africa.

Active

Trading

Our operation structure

Our Products:
we offer a broad range of steel products to service the major consumers of steel, including the construction, mining & manufacturing industries

Flat Products
- Coils & Sheets - Hot-Rolled, Cold-Rolled, Galvanized, Colour-Coated, Aluzinc, Electro-Plated
- Plates – Structural Grades, Quenched and Tempered, Boiler Plates

Long Products
- Structural - Beams And Columns, Channels, Angles, Reinforcing Bar
- General Engineering – Light Sections, Round Bars, Square Bars, Flat Bars

Value Add Products
- Roofing – Corrugated, Ibr, Wide-Span
- Tubing – Round, Square and Rectangular
- Lipped Channels
- Slit Strip and Blanks
- Cut To Length Sheet and Plate
- Profile Cut Plate and Sheet

William Battershill
Born: 1960
Chairman and Chief Executive Officer

William left school aged 17 and commenced his working career with his father, John Battershill, at his manufacturing and agricultural supply company in Zimbabwe. William immigrated to RSA in 1981 and worked for Way Industries, a manufacturing company in Qwa Qwa, where he was appointed as a director at the age of 23. In May 1985, William resigned from Way Industries and started Discount Steel. This was the founding company from which BSi Steel was spawned.

William's strengths are his broad based understanding of business and his ability to recognize and convert business opportunities.

Kevin Paxton
Born: 1962
Chief Information Officer
BSc, Medical Biochemistry, UCT

Kevin started his working career as part of Unilever's marketing program in 1988. After working in a number of Industrial Divisions, he purchased Lever Columbus from Unilever in 1994 and established Columbus (Pty) Ltd which became the leading manufacturer and supplier of cleaning equipment and accessories within South Africa. Kevin was the managing director of Columbus until 2004 when he sold his shares and spent until 2011 consulting and investing in a number of companies. His company was appointed to consult to BSi Steel in 2011 and he was appointed as an Executive Director in September 2014. He has been responsible for improving efficiencies within the supply chain and operating systems while establishing extensive business intelligence to monitor and track performance.

Grant Mackenzie
Born: 1964
MBChB, UCT 1989

Grant started his working career at a subsidiary of Anglovaal Industries in 1995, after a five year stint as a medical doctor. In 1995 he moved to Lusaka, Zambia, where he was instrumental in starting Discount Steel Zambia in 1997. He returned to South Africa in 2006 as the managing director of the Exports division, and continued to expand the exports operations into overland Africa. Grant was appointed as the Chief Operating Officer of BSi Steel in May 2007, Joint CEO in April 2008 and Group CEO in April 2009. He stepped down as CEO in June 2014 to focus on business development opportunities for the Group. Grant resigned as a director of BSi Steel Limited on 30 June 2015 but remains involved with the BSi Group through his ongoing executive role with BSi Steel Africa and as a director of Qinisa Steel Solutions (Pty) Ltd in which BSi Steel has an investment.

Craig Parry
Born: 1969
Deputy Chief Executive Officer

Craig commenced his working career at Nampak Limited as the production planner for laminated and coated products. Craig joined Discount Steel in 1992 taking responsibility for the trading division of the Group. He has been with the Group for 22 years and has a wealth of experience in the steel industry.

Craig was appointed as executive director of the BSi Steel bulk sales in April 2008, and of overland exports and roofing division in July 2010.

In October 2014 Craig was appointed to Deputy Chief executive officer.

Jerry Govender
Born: 1973
Executive Director

Jerry began his working career in 1993 at Columbus Stainless where he completed his Electronic Engineering in-service training as an instrument technician. He gained extensive hands-on experience in both stainless continuous casting as well as hot rolling during his tenure as a senior technician before moving to join Pietermaritzburg based aluminum fabricator Hulamin in 2000. He held key positions as the Maintenance and Process Engineer at the coil processing division before being appointed as the Plate Plant manager in 2006. He moved on to join BSi Steel in 2009 as the Group's Coil Processing director and was appointed as the Chief operating officer for the Kliprivier operations in November 2011 and Group COO during 2013. Jerry resigned as a director of BSi Steel on 17 July 2015 but remains involved with the BSi Group through his ongoing executive role as a director and shareholder of Qinisa Steel Solutions (Pty) Ltd of which BSi Steel has an investment.

Emmerentia Vermaak
Born: 1980
Financial Director CA(SA)

Emmerentia started her working career and articles in 1999 within the small to medium audit sector whilst studying part time. She qualified as a CA(SA) in 2007 and joined BSi Steel as Group Accountant, in 2008, later taking over from James Waller as Financial director, in 2014.

A S R

Richard Lewis
Born: 1958
Independent non-executive
BA, LLB, MBA, DJURIS

Appointed 12 May 2008. Richard Lewis headed up Richard Lewis, Smith & Associates, where he specialized for 25 years in strategic planning, human resources, and leadership development. He is now primarily focused on Strategic Planning facilitation. He is a Chartered Member of the SA Board of Personnel Practitioners, a member of the SA Society for Labour Law, and Chairperson of the board of WESSA (Wildlife and Environment Society).

Richard Lewis is a non-executive director on the boards of six companies, (spread over diverse sectors), and chairs three remuneration committees. He consults to, and is retained by, various additional companies.

R A !

Nigel Payne
Born: 1960
Independent non-executive
BCOM (Hons), CA (SA) MBL

Nigel joined the board in 2007. Lead independent director, chairman of the audit committee and the risk committee and member of the remuneration committee. He has been appointed by BSi Steel as a director of Tower Trade Group, the trade finance business in which BSi Steel has an investment.

Nigel is an experienced independent non-executive director. He is the Chairman of the Mr. Price Group Limited and Bidvest Bank Limited, and is a director of the Johannesburg Stock Exchange Limited, Bidvest Group Limited and Vukile Property Fund Limited, where he generally chairs the audit and/or risk committees.

A

Butana Khoza
Born: 1966
Independent non-executive

Appointed 13 June 2008. Butana qualified as a chartered accountant in 1994 and has worked in various capacities in the financial services sector over the last 13 years, first within the Southern Life Group and subsequently with African Harvest. He was one of the founding members of African Harvest's investment banking subsidiary and a member of the team that led to a management buyout of African Harvest Limited's operating businesses that culminated in the establishment of the diversified financial services Group, Vunani Limited. Butana is an executive director at Vunani Limited and CEO of the Group's asset management subsidiary, Vunani Fund Managers.

James Waller
Born: 1964
Non-Executive Director
BCompt Hons

James completed his articles with KPMG Inc. before moving into commerce. He worked as financial director of Positron, Purdon Murdoch and Waller, ATM Proprietary Limited and Terrafin Management Services Property Limited. In 2003 he was appointed as financial director at BSi. James comes with a wealth of experience gained in the industry and has been instrumental in managing the Group's growth. James stepped down as Financial Director on 23 September 2014, but remained on the board as a non-executive director until 8 June 2015 when he resigned from the board. James remains involved with the BSi Group through his on-going executive role as CFO of Tower Trade Group, in which BSi has an investment.

A Audit committee

! Risk committee

R Remuneration committee

S Social and ethics committee

LEADERSHIP REPORTS

Salient features
Revenue down 1%
HEPS down 59% to 2.1 cents
NAV per share up to 96 cents
Restructure completed

Overview

The financial year was characterized by tough trading conditions in South Africa and in export markets, especially Zimbabwe and Zambia. Protracted violent strikes in the platinum and metal industries during the year, together with electricity blackouts in H2, severely impacted the demand for steel. This put pressure on margins, although BSi Steel managed to maintain tonnage output, thus increasing market share in a declining market. The entire business was restructured during the period, resulting in material one-off costs due to business closures and retrenchments. Whilst this eroded profitability, it resulted in significantly reduced operating costs.

Review of financial results

Revenue remained relatively flat in comparison to the prior year as continuing operations increased turnover to largely offset the impact of discontinued operations, but with a 7% decline in gross profit percentage, largely due to the effects of steel price decreases in March, which continued into the early parts of the 2016 financial year, and an impairment of R10 million on the iron ore held in Sentinel Bridge.

The percentage of taxation to profit before tax of 52% in comparison to 22% in the prior year is due to exceptional foreign losses suffered during the year as a result of the local currencies in Mozambique and Zambia weakening substantially. As taxes are submitted within these countries in local currencies these losses are treated as non-deductible for reporting purposes.

Various loss making operations were closed during the financial year which resulted in a projected monthly decrease of R8 million in operating expenses to come with no decline in tons sold. Non-recurring costs incurred during the 2015 financial year as follows:

	R'000
Loss on disposal of plant and equipment	4 521
Loss on contract cancellations	7 309
Retrenchments	8 953
Inventory write downs	4 046
Impairment trade receivables	1 842
Realisation of translation reserve of discontinued operations	9 090
Total restructuring adjustments	35 761
Trading losses discontinued/restructured operations	24 849
Total non-recurring costs	60 610

Tower Trade Group (TTG), in which BSi Steel has a 45% shareholding was also restructured during the year, resulting in significant non-recurring costs, and a loss for the year. BSi Steel accounted for R2.7 million of this loss, limited to it's investment. TTG has established joint venture operations with credible financial partners in a number of European countries and in South Africa, and has developed significant IT systems in support of its operations. For the coming year TTG has budgeted to make a profit roughly equal to its accumulated losses to date, and to report meaningful profits thereafter.

A weaker South African Rand to the US Dollar at year end increased equity by R52 million during the year.

Provision was made for imported inventory in transit at year end to the value of R71 million which explains the apparent increase in stock levels. Favorable payments terms were secured for these imports. Orders from local vendors were lowered in anticipation of the arrival of imported stock. We remain committed to lowering the Group stock levels substantially over the months to come, notwithstanding the fact that the Group has access to significant unutilized credit facilities.

The prior year figures have been restated due to a reclassification of R41 million from operating expenses to cost of sales which did not impact the operating profit disclosed in the prior year. This reclassification was made in order to comply with IAS1; the reclassification of losses incurred due to discontinued operations in terms of IFRS5.

Dividend

Despite the low operating profit, the Board of Directors declared that a dividend of 2 cents per ordinary share (gross) will be paid for the year ended 31 March 2015.

The decision was made on the basis that the cash-flow is in good order and the Directors are confident BSi Steel is in good shape. It would be inappropriate for us to announce a formal dividend policy in these tough times; nevertheless, we recognize the value of paying a regular annual dividend to shareholders.

Directorate

Ivan Clark resigned from the Board on 23rd Sept 2014, having served BSi Steel for two and a half years. I would like to thank Ivan for his valued input and sage advice during his service.

James Waller resigned from the Board on 8th June 2015. James has been an invaluable ally and trusted servant of the company for almost 14 years and I would like to thank him for his loyalty and commitment.

Grant Mackenzie and Jerry Govender resigned from the board on 30 June 2015 and 17 July 2015 respectively but remain with the Group though their involvement with Qinisa Steel Solutions.

I am happy we have a strong, effective and committed Board in place, with a suitable balance of skills. Nevertheless, I will be seeking to bring in some new NEDS on board during the year ahead to add further diversity and bring new ideas to the table.

Prospects

At the beginning of F2015 we announced we would be cutting costs and closing all operations that continued to suffer significant losses. This has been achieved and it is time to reap the benefits of the tough restructuring program. Our strategy for F2016 is to run a tight ship and capitalize on the more efficient platform we have in place.

The restructuring process absorbed a great deal of executive energy during the last year. We are now in a position to focus outward and reap the rewards. BSi Steel has never been better placed to deliver an optimal return to shareholders, within the constraints of market conditions. Paradoxically, the tough market provides ideal conditions for the new BSi Steel to cement and improve its position as a key player in the SA market.

Having established an efficient and effective operating platform, our focus for F2016 will be on improving margin, with less emphasis on tonnage growth. We are aiming at higher profitability and cash generation.

Note of appreciation

Despite very tough conditions, BSi Steel remains a sustainable enterprise with great promise in the long term. This is largely attributable to the support of our many stakeholders, who I would like to thank most sincerely;

To our staff who have endured the uncertainty of the restructure, you are a great team and I am proud to be your leader.

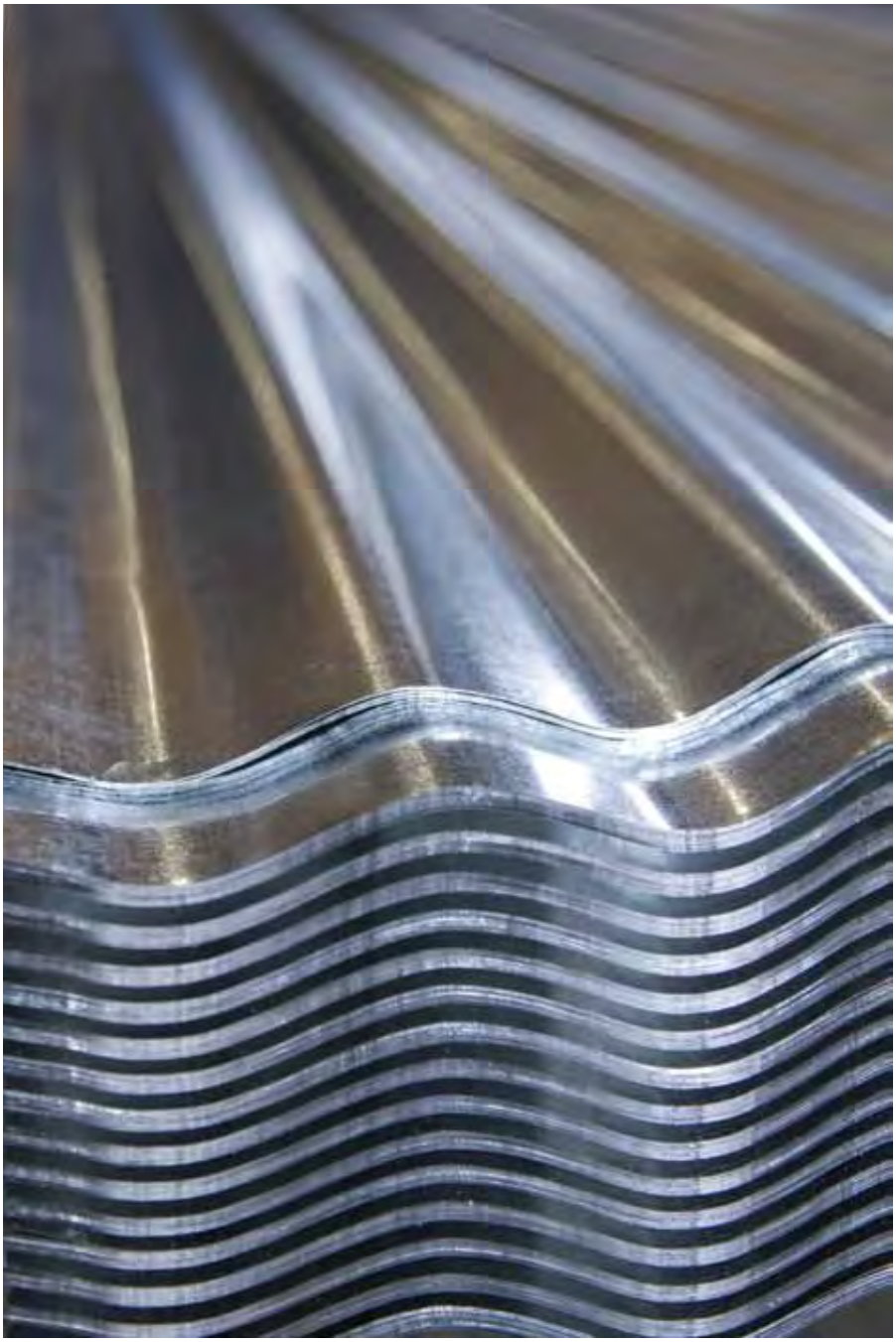
To our shareholders, we continue to do our very best to deliver you the best possible return.

I thank our funders, I thank you for supporting us through tough times, especially Nedbank, who have taken the time to truly understand our business and remain our principle funding partner.

To the BSi Steel Board, thank you for your tremendous support and dedication.

Finally, to our loyal and trusted clients who support us through thick and thin. We remain committed to delivering you quality steel, on time, at the right price. We continue to grow our product range to meet your every need.

W L Battershill
Chairman and CEO



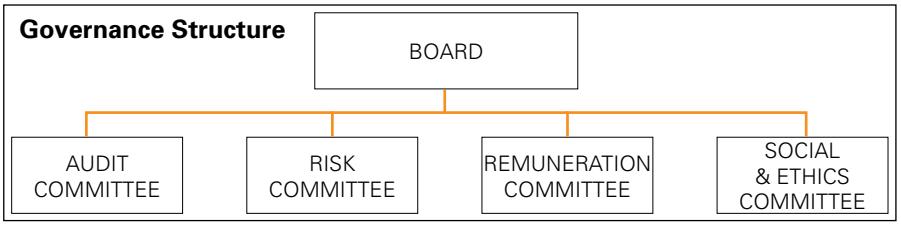
CORPORATE GOVERNANCE

The Board have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future, and accordingly the financial statements were prepared on the going concern basis. The external auditors concur with this assessment.

Introduction

BSi Steel considers good governance to be fundamental in achieving the success and sustainability of the Group. The Board is committed to maintain high standards of corporate governance and compliance and to apply the principles of the King III and the Listing Requirements of the JSE Limited. During the year, the company's compliance with the principles contained in King III was reviewed and a summary of the company's application thereof is available on the company's website www.bsisteel.com.

The Board exercises leadership based on the principles of honesty, integrity, accountability, fairness, social responsibility and transparency. The Board is the custodian of corporate governance, and is ultimately responsible for the performance and affairs of the company.



Board of Directors

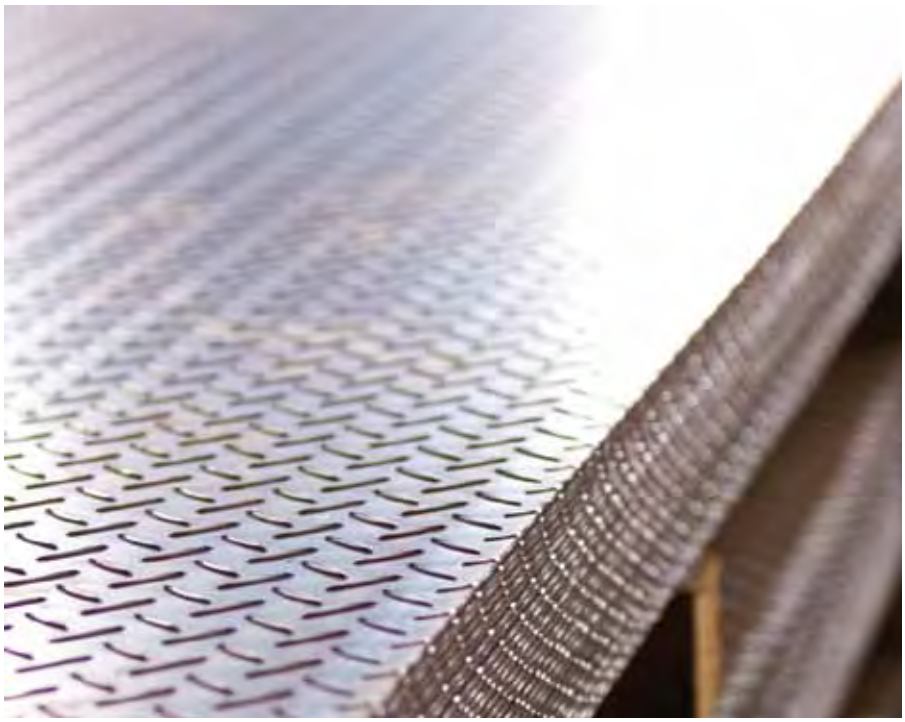
Board composition

BSi Steel has a unitary board structure comprising 6 executive directors and 4 non-executive directors, three of whom are independent non-executive directors. A brief CV of each director is contained on pages 4 to 5 of this report.

Board charter

The Board operates in terms of a formally approved charter which was reviewed during the year under review. The charter sets out the board's role and responsibilities including inter alia:

- being the custodian of sound corporate governance and ensuring that an adequate and effective process of corporate governance is established and maintained
- appreciate that strategy, risk, performance and sustainability are inseparable and giving effect to this by:
  - retaining full and effective control of the company
  - contributing to and approving the strategy of the company
  - identifying and monitoring key risk areas
  - regularly reviewing processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management
- providing effective leadership based on an ethical foundation
- ensuring that the company is a responsible corporate citizen by considering not only the financial aspects of the business but also the effect it has on the environment and society
- ensuring that the company's Code of Ethics is maintained and that the company's ethics are affectively managed
- ensuring that the company has an effective and independent audit committee
- ensuring the effective governance of risk
- ensuring the effective governance of information technology



- ensuring that the company complies with the relevant laws, regulations, and codes of business practices
- ensuring that the company has an effective internal audit function
- ensuring that the company communicates with shareholders and relevant stakeholders openly and promptly;
- ensuring the integrity of the Annual Integrated Report
- ensuring that succession is planned

The board ensures that subsidiary companies comply with sound corporate governance practices.

Changes to the Board

Mr G D G Mackenzie stepped down as CEO on 11 June 2014 but remained on the board as an executive director until 30 June 2015 when he resigned as a director.

The Chairman, Mr W L Battershill was appointed as CEO on 11 June 2014. Mr J R Waller stepped down as Financial Director on 23 September 2014, but remained on the board as a non-executive director until 8 June 2015 when he resigned as a director.

Mr I A J Clark resigned as a director on 23 September 2014.

Mrs E Vermaak was appointed as the Financial Director on 23 September 2014.

Mr K Paxton was appointed as an executive director on 23 September 2014.

Mr J Govender resigned as a director on 17 July 2015.

King III recommends that the Chairman be an independent non-executive director and that the roles of Chairman and CEO be separate. Mr Battershill oversees the strategy, policies, and processes of the Group as well as investor relations. Mr C Parry is the deputy CEO and is responsible for the day-to-day operations of the Group including sales, marketing and distribution. Mr Battershill is the founder of BSi Steel and his family trusts and company are major shareholders of the company. He has extensive knowledge of the steel industry and his position as chairman and CEO is considered appropriate. Mr N G Payne has been appointed Lead Independent non-executive director. This split is not required by the JSE for Alt-X listed companies.

In terms of the JSE Listings Requirements, directors of Alt-X listed companies are required to attend the Alt-X Directors Induction programme. All directors other than Mr K Paxton, who is scheduled to attend in August 2015, have attended. King III recommends that the majority of the Board of directors should consist of non-executive directors. The board does not meet this recommendation but is considered appropriate for a company of this size and nature.

The directors are aware of their fiduciary duties and their duty to act in the best interests of the company at all times. The company secretary identifies relevant training courses and brings these to the attention of the directors where necessary.

All directors are entitled to obtain independent professional advice regarding the company's affairs at the expense of the company.

Independence

The board has considered the independence of the non-executive directors taking cognisance of the independence criteria of King III and the JSE Limited Listings Requirements. Directors declare their interests at each board meeting, ensuring the continued monitoring of their independence. During the year none of the directors had any material interest in any contract or agreement entered into by the Group. The non-executive directors directly and indirectly hold shares in the company, but these are not material to their personal wealth. All non-executive directors other than Mr J R Waller were judged to be independent. Mr Waller was employed by the company during the past three years and is not considered independent. Mr J Waller resigned as a director on 8 June 2015. The non-executive directors are persons of substance with a wide range of financial, commercial and legal experience, and their opinions carry significant weight in board decisions.

The responsibilities of the Chairman and CEO, the deputy CEO, the executive directors and the non-executive directors are clearly separated, negating any one director from exercising unrestricted powers of decision making.

Rotation and election of Directors

In terms of the articles of association of the company, one third of the non-executive directors are required

to retire each year. Executive directors are not required to retire. Dr R G Lewis retires by rotation at the annual general meeting and will stand for re-election. Directors appointed during the year retire at the annual general meeting and may be confirmed by shareholders. Mrs E Vermaak and Mr K Paxton were appointed as directors during the year and will stand for re-election. A brief CV of the directors can be found on pages 4 to 5 of this report.

The Board from time to time assesses the skills and experience within the Board and when deemed necessary may wish to appoint new Board members. The Chairman in consultation with the non-executive directors identifies suitable candidates and makes recommendations to the Board. New appointees are subject to confirmation by shareholders at the next annual general meeting.

Board meetings

The Board meets quarterly, and if deemed necessary, ad-hoc meetings are convened. The Chairman and CEO, in consultation with the Company Secretary, set the agenda for each meeting. The agendas ensure that the board focuses inter alia on areas of corporate governance, compliance, strategy, going concern, solvency and liquidity and company performance. Board packs are circulated one week before the meetings, allowing directors sufficient time to prepare for the meetings. The Chairman presides over the board meetings ensuring that governance processes and procedures are adhered to. This includes ensuring that sufficient discussion takes place, that no one individual dominates and that appropriate decisions are taken. The Designated Advisor attends Board meetings.

The following table lists Board and Board committee meetings held and attended by the directors during the year ended 31 March 2015. The number in brackets denotes the number of meetings attended.

Directors	Board	Audit committee	Risk committee	Remuneration committee	Social and ethics committee
WL Battershill	4 (4)		4 (4)	3 (3)	
GDG Mackenzie	4 (3)	4 (2)^	4 (3)	3 (1)^	
JR Waller	4 (4)	4 (3)^	4 (3)	3 (1)@	
C Parry	4 (4)		4 (2)		
NG Payne	4 (4)	4 (4)	4 (4)	3 (2)@	
BM Khoza	4 (3)	4 (3)			
RG Lewis	4 (4)	4 (2)&		3 (3)	3 (3)
JS Govender	4 (4)		4 (4)		3 (3)
IAJ Clark	4 (2)*	4 (2)*			
E Vermaak	4 (2)#	4 (2)^			
K Paxton	4 (2)#	4 (2)^	4 (3)^		

^ Invitee to committee meetings

*Mr Clark resigned as a director on 23 September 2014

#Mrs Vermaak and Mr Paxton were appointed directors on 23 September 2014

&Mr Waller stepped down and Dr Lewis was appointed to the audit committee on 28 October 2014

@Mr Waller stepped down and Mr Payne appointed to REMCO on 11 November 2014

Performance Assessment

During the year under review, the Board conducted a self-evaluation assessment. This reviewed inter alia:

- Board composition and skills
- Board committee performance
- role of the Board
- relationship with stakeholders
- director orientation and development
- succession planning
- ethics
- board culture

Each director and the chairman and CEO completed a self-evaluation assessment and these were reviewed by the chairman and the lead independent non-executive director respectively. No significant matters of concern were noted.

The Board has assessed and is satisfied with the performance of the board committees.

Share dealings

The company has a policy dealing with directors' trading in the company's shares, and complies with the JSE Limited Listing Requirements in this regard.

Directors are required to obtain clearance from the Chairman before trading in the company's shares. The Chairman is required to obtain permission from the lead independent director. The company secretary together with the Designated Advisor ensure that these trades are published on SENS as required by the JSE Listings Requirements.

Directors, and management and staff with access to financial information and other price sensitive information, may not trade in the company's shares during closed periods and when the company is trading under a cautionary. Closed periods are from 31 March and 30 September until financial results are release. The company secretary informs directors and staff via email when these periods are in effect and when these terminate. The company secretary regularly reminds directors of their responsibilities in this regard.

Company Secretary

The Board is assisted by a suitably qualified and competent Company Secretary. In compliance with the Companies Act, the JSE Listings Requirements and the recommendations of King III, the Company Secretary is not a director of the company or its subsidiaries, and as far as practicable, maintains

an arms-length relationship with the board.

The Company Secretary's duties include:

- Providing guidance to directors regarding their duties, responsibilities and powers
- Advising the Board on corporate governance and regulatory changes
- Ensuring compliance with the JSE Listings Requirements and statutory requirements
- Assisting the Board in conducting annual evaluations of the board, board committees and individual directors
- Ensuring that all meetings of shareholders, the Board and Board committees are properly recorded and distributed
- Ensuring that Board and Board committee charters and terms of reference are updated

Where necessary, the company secretary will involve the Designated Advisor and other experts in this regard.

The Company Secretary is the secretary of all board committees. All directors have access to the advice and services of the company secretary.

The Board have assessed the performance of the company secretary and are satisfied with his qualifications, experience and competence.

Board Committees

To assist the Board in fulfilling its duties and responsibilities, the board has delegated certain responsibilities to properly constituted board committees i.e. Audit Committee, Risk Committee, Remuneration Committee and Social and Ethics Committee. Each committee has approved terms of reference which were reviewed during the year, and are chaired by independent non-executive directors. The company secretary acts as committee secretary for all committees. The committees report back to the Board at each board meeting and committee minutes are included in the Board packs.

Audit Committee

See Audit Committee report contained on page 25 of this report.

Remuneration Committee

See Remuneration Committee report on pages 21 to 22 of this report.

Risk Committee

See Risk Committee report in Risk management section below.

Social and Ethics Committee

See Social and Ethics Committee report on page 20 of this report.

Risk Management

Risk Committee

The Board is responsible for the management of risk, and has delegated this to the Risk Committee.

The Risk Committee comprises Mr W L Battershill (Group Chairman and CEO), Mr J S Govender (COO) and is chaired by Mr N G Payne (independent non-executive director).

The committee met four times during the year under review.

The terms of reference of the Risk Committee which were reviewed during the year under review include the following:

- to assist the Board in setting risk strategy policies in liaison with management
- to review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed
- to ensure that the company has implemented an effective ongoing process to identify risk, to measure its potential impact and then to activate what is necessary to pro-actively manage these risks, and to decide the company's appetite or tolerance for risk
- to oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes
- to review processes and procedures to ensure the effectiveness of internal systems control

A risk matrix recording significant risks, the probability of occurrence, potential impact on the company and steps taken to mitigate these risks is maintained on an ongoing basis. The risk committee discusses each item on the risk matrix at each meeting and amends accordingly, ensuring that management has the correct mitigating actions in place at all times. Any new risks identified are added to the matrix. Wherever possible insurance cover is obtained.

External Audit

The Audit Committee recommends the appointment of external auditors and audit partner to the Board. It considers the independence and effectiveness of the external auditors and pre-approves the use of the external auditors for non-audit services.

The external auditors, Deloitte & Touche, provide an independent assessment of internal financial controls, and are responsible for reporting whether the financial statements are fairly presented

in accordance with IFRS and the Companies Act. The preparation of the financial statements is the responsibility of the directors.

Internal Audit

Internal audit operates in terms of a formally approved charter which sets out its role and responsibilities.

Internal audit performs the following functions:

- Evaluating internal control systems and recommending improvements
- Evaluating processes for managing operational and financial risks
- Fraud investigations
- Evaluating compliance with policies, procedures and laws and regulations
- Providing assurance that financial information is reliable

Internal audit follows a risk-based internal audit plan which is developed with input from management and approved by the Audit Committee.

Internal audit is staffed by suitably qualified persons and has unfettered access to all areas of the business. The head of internal audit has direct access to the Chairman and CEO and the chairman of the Audit Committee.

The internal audit function reports to management and the Audit Committee on the effectiveness of the company's risk management processes, systems of internal control and risks that arise or may arise from weaknesses in internal controls. Internal audit findings and recommendations for improvements are reviewed by the Audit Committee and management and where necessary corrective action is taken. Follow-up audits are undertaken to ensure implementation.

The head of Internal Audit attends Audit Committee meetings as an invitee.

The Audit Committee has reviewed and is satisfied with the independence of the Internal Audit function.

IT Governance

The board is responsible for IT governance and is assisted in this by the Audit Committee and Risk Committee.

The IT department operates within the framework of an IT Charter that was reviewed and approved by the Risk Committee and the Board.

The IT Charter covers the following areas:

- Goals, responsibilities and strategic alignment
- Resource management
- Risk management including IT security and business continuity
- Performance deliverables

The Group IT manager reports to the CIO and implements the IT charter and policies and ensures that these are aligned to the Group's strategy. A business continuity and disaster recovery plan is in place.

The Board receives regular reports on IT risks.

Internal Control

The Board is responsible for the company's systems of financial and operating controls and monitoring their effectiveness. The Audit Committee and Internal Audit assist in this regard. These systems are designed to provide reasonable, but not absolute assurance as to the integrity of the financial statements, to prevent and detect fraud, and to safeguard the company's assets. The internal control systems are regularly reviewed and updated. This has been a management focus during the year and the Board is satisfied that there has been a good improvement in this area.

During the year under review, nothing has come to the attention of management to indicate any material failure of the internal control systems.

Management Reporting

Financial statements, accounts receivable and inventory reports are prepared monthly, and these are discussed each month with divisional management and compared to budget. Working capital requirements and finance facilities are monitored regularly.

Stakeholder Communication

The company recognises that long term positive relationships with its various stakeholders are important in ensuring the sustainability of the business. The company has identified all stakeholders and is committed to open, timely and transparent communication with each stakeholder Grouping. The manner of communicating with each stakeholder Grouping is listed below.

Shareholders

- Annual report distributed to shareholders and published on company's website and SENS
- Interim financial reports published on SENS and the company's website
- The directors on occasion meet with shareholders and investment managers, and information disclosed is limited to that which is in the public domain
- Shareholders entitled to attend the AGM and ask questions of the directors

Employees

- Communication with line managers and management
- Strategy, developments, performance updates from the Chairman and CEO
- Bi-annual performance assessments and personal reviews are carried out for all salaried employees
- In-house newsletter which is published bi-annually
- All policies affecting employees are accessible to all staff on the company's IT system
- Regular information-sharing with staff via email and discussions, workers forum and team-building sessions
- Consultation with unions on relevant issues

Lenders / Providers of Capital

- Regular meetings
- Regular information flow

Customers

- Information regarding the company contained on the company's website
- Brochures

- Visits to customers' premises by representatives and management
- Advertising
- Advice on product uses

Suppliers

- Financial information available on the company's website
- Regular contact by purchasing staff
- Remittance advices & reconciliations supplied by creditors staff
- Requests for BBBEE information

Local Communities

- Enterprise development projects
- Contributions to non-profit organisations and charities
- Bursaries to under-privileged students
- Sponsorships

Government & Regulators

- BSi Steel respects the authority of Government and regulators.
- The company is committed to complying with legislative requirements and expects all employees to do likewise.

Code of Ethics

The company is committed to fair dealing, honesty and integrity in the conduct of its business. This commitment is based on the fundamental belief that business should be conducted honestly, fairly and legally. The company expects all directors and employees to share its commitment to high moral, ethical and legal standards. The Social and Ethics Committee reviews the company's ethical performance and reports to the Board.

A formal Code of Ethics which applies to all directors and employees, and which has been reviewed by the Board during the year, includes the following:

- compliance with laws and regulations
- conflicts of interest including gifts and hospitality
- anti-competitive behaviour
- employment equity
- safety, health and environment
- social responsibility
- privacy and confidentiality

All stakeholders can report ethical and other violations to the Chairman and CEO, Mr William Battershill or the Chairman of the Audit Committee Mr Nigel Payne via the Fraud tip-off system contained on the company's website www.bsisteel.com.

Legal Compliance

The company is committed to comply with all relevant laws and regulations. A Legal Compliance policy which has been approved by the Board is in place. The company secretary together with management complete compliance checklists annually and reports are made to the board in this regard. The company reports to the JSE annually that it complies with the JSE Listings Requirements. The company complies with all material laws and regulations.

Going Concern

The Board have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future, and accordingly the financial statements were prepared on the going concern basis. The external auditors concur with this assessment.

S J Hackett
Company secretary

Over the course of the last year the company undertook a major restructure of our operations in order to align all our various trading units to the new business objectives, which entail meeting minimum performance criteria.

This restructure had an impact in terms of total staff numbers, especially in the South African operations. The financial trading year closed off with staff numbers reducing by 211 people across the Group as compared to the previous period. A very small component of outsourced temporary staff was maintained in line with the latest legislation with regard to outsourced temporary employment services. The restructuring exercise continued into the early part of the new financial year and a further drop in staff numbers will be seen into the first quarter of the new financial year. Thereafter it is expected that our Group staff numbers will stabilize at around the 750 mark.

BSi Steel Group Head Count:

Region	31 March 2015	31 March 2014	31 March 2013	31 March 2012
BSi Steel Group - Total (excl. Outsourced)	**733**	940	947	709
South Africa	**479**	645	652	437
Zambia	**108**	129	135	131
Katanga (DRC)	**85**	90	77	76
Mozambique	**58**	56	60	50
Mauritius	**3**	3	4	3
Ghana	**0**	17	19	12
Temporary Outsourced Staff - South Africa	**9**	12	39	70

BSi Steel Company Culture

Our culture is the main unique element in our drive to attract the best talent into the company and remains a central aspect of our ability to meet our company objectives. The restructure was a very difficult time for all our staff, but it was necessary to reshape BSi Steel into a stronger position to secure future sustainability and success.

The cultural focus for the last trading year was to cement the concept of ONE BSi Steel and to continue to dissolve any silos within our business units and systems. There was also a large amount of organizational redesign done to make sure we were building an effective, integrated and sustainable new business platform.

For the upcoming trading year we have a formal campaign to be launched in person by the Chairman/CEO, Will Battershill, to clarify the exact company mission and behaviours. This will drive the strategic direction of the business and ensure that all staff are clear on exactly what is expected from each division to achieve the Group goals for the upcoming year.

Unfortunately BSi Steel did not have the opportunity to participate in Mandela Day in July 2014 due to a month long strike in the South African Steel/Engineering sector. We made up for this by going on extensive drives for both Casual Day in September 2014 in aid of people with impaired abilities and with our Christmas Gift collection in both our major business hubs in SA, which saw almost 250 gift parcels being collected and delivered by our staff to those most in need. BSi Steel believes in giving back to the local communities within which we trade and we look forward to continued support from all staff in this regard. These community social

investment projects have a significant impact in defining what we stand for in terms of our core values of teamwork, sharing and fun.

The annual company engagement survey was not run during the last financial year due to the extensive impact of the company restructure, but was done in June 2015. This will be a critical company engagement survey in order to get feedback from our staff on how to continue on our path as an employer of choice having concluded the bigger aspects of our restructure.

Communication

Communication across such a diverse Group is always a challenge and an area that we need to work hard at. We continue to use our company wide intranet portal to make sure that important formal and informal communication reaches all our staff across the Group. In our Kliprivier operation we have quarterly meetings attended by staff, to share ideas and new developments within the organization. Our company magazine, "Steel Talking", is published every 6 months and continues to build a united spirit of "One BSi Steel" across all our diverse trading regions, where great distance could easily divide our teams.

Our Worker Forums for the Kliprivier, and PMB bases continue to provide direct two way communication

between management, HR and operational staff. These Forums meet regularly and involve operational line managers, shop stewards, employee representatives and HR to facilitate discussions. Issues common to all parties are discussed and improvements sought to strengthen the company for all stakeholders.

The Social and Ethics Committee continues to meet each quarter. This Committee is chaired by Dr Richard Lewis, who is an independant Non-Executive Director of BSi Steel. The Committee has been mandated to look after the sustainability and compliance of the business as related to our People, Safety, Health and Environment.

Talent Management

Winning the battle to attract and secure talent is of primary importance to our future success and as such we continue to focus on our talent strategy. It is imperative that we bring the best people into the organization and make sure that we retain those with the right talent in a fiercely competitive market.

For the year ending 31 March 2015 we recruited 69 new recruits into our South African operations. Our Orientation and Induction Program focuses on time with senior members of the team during orientation, a more personal approach during on-boarding and a feedback loop of evaluation at the end of the process to gauge how we have scored as a company in terms of orientation and induction effectiveness and relevance.

New appointments in South Africa for F2015 based on Employment Equity Criteria:

	Number of Staff Recruited	Percentage of Total Recruitement
Total Staff Recruited in SA	69	100%
Total Males	46	66.7%
White Males	4	5.8%
Black Males	42	60.9%
Total Females	23	33.3%
White Females	4	5.8%
Black Females	19	27.5%

We continued with our rigorous recruitment process wherein every attempt is made to match potential recruits to the job function as well as to the culture of the business. Functioning in a global economy and having operations throughout Southern Africa, an increased focus has been applied to worker mobility and ensuring the we have the right people in the right place at the right time. This often means staff having to move from one region to another and HR is actively involved in ensuring that this process is efficiently managed.

Our graduate development program continues to provide huge value to the organization as well as to the graduates. Young talent, with a focus on black female talent, is brought into the business to gain valuable work experience and at the same time for the company to have the ideal opportunity to select those talented graduates with the most potential to fill any possible vacancies that may arise over the course of the year.

The last trading year saw 4.6% of our SA based staff participating in the graduate development programme. As anticipated this has been a win-win initiative and ensures that we build our leadership and priority skills pipeline today so that we have no shortfall in the future. We currently source our graduates for the program from the University of Johannesburg, University of the Witwatersrand and the University of Kwa-Zulu Natal (PMB). It is our intention to make sure that any students awarded with BSi Steel bursaries though Social Economic Development (SED) feed sustainably into our graduate development program where possible.

Retention of talent is as complex and difficult as sourcing talent and as such we have put in place mechanisms such as flexible work conditions, career paths, regular performance measurement and feedback, incentives, and aggressive development plans to ensure that we retain our talent and do not have them leave to join other employers in the industry.

Our voluntary staff turnover in South Africa for the last year was measured at 10.4%, which has decreased slightly from the previous year, where it was pegged at 11.32%. There has been significant organizational change and restructuring in the last year and with such change comes staff turnover as change can be unsettling to staff. There continues to be an emphasis on staff performance, which can also result in staff turnover as staff can sometimes resign during our intensive performance management process.

Talent continues to be a strategic imperative and our drive for the year ahead will be to attract, develop and retain key talent into the right roles. We will continue to focus on building our leadership pipeline, especially into the African Operations.

Leadership Development

In order for our staff to have a meaningful, fulfilling experience working at BSi Steel we need to ensure that they have the best leaders possible. All our leaders from middle management level and above are continually evaluated on the impact of their leadership effectiveness through our strong focus on leadership in our performance management system.

The Company Engagement Survey done in June 2015 also formally measured the effectiveness of our leaders and gives feedback and improvement plans in this regard to each line manager. We need to develop best in class leaders if we want to achieve the company goals and retain the best talent.

Performance Driven Culture

BSi Steel is a high energy, high performance company. Everything we do must be measured to determine degree of success and alignment to overall company goals. Where results

are not achieved as expected, we take swift action to correct performance and enable future delivery so that the end objective is reached. This last year has been a difficult year as we have taken extensive corrective action to right size the company to meet our new strategic focus.

In spite of all the restructuring, all staff still had a face to face annual "career guide" performance reviews of all their key performance areas. In the past year we worked hard on revitalizing this performance measurement system to ensure it aligns to our goal of a smart, simple and accurate mechanism to review staff and manager performance.

In addition to the above review of key performance areas there is also an annual "personal review". The personal review is a one on one intimate conversation between manager and individual staff member to unpack the personal aspects of the job, employee/employer relationship and most importantly a focus on career development.

Performance Management is one of the most important leadership functions in BSi Steel and in order to help our line managers to proactively manage performance the HR team run through a Performance Matrix every year with all line managers. This matrix looks at the level of performance of the entire team as well as the suitability of all staff members to their current positions. If people need extra training, re-deployment to an alternative position, coaching/mentoring or performance counseling it is addressed through this process. At the same time those staff members who are marked as "high potentials" are highlighted through this process to ensure that the right mechanisms are put in place to retain their services within the company.

This last year has seen a renewed focus on performance management due to all the structural changes within the company and in order to bed down the discipline of delivering results as per targets set across the Group.

Employment Equity

As an organization we subscribe to the unique, dynamic richness of a diverse workforce equitably representative of the national demographic profiles of the countries we operate in. We believe in employing the best person for the job, irrespective of race, gender, age or any other area of classification. Our BSi Steel behaviors guide us in selecting people with a positive attitude and the strength of character to suit our performance demands.

Our strong EE focus areas for the last year have been to recruit and develop Black Managers, Black Females and Disabled employees across all levels. When it came to the recruitment of African Females the Group made definite progress in this area – largely due to the intern graduate development program. An area we still need further continued focus on is the introduction of Black Top and Senior management employees across both genders and introducing more disabled staff into our divisions.

Current Workforce Profile for South African Operations as at 31 March 2015:

Staff Employment Equity Profile for SA Operations	Number of Staff	Percentage
Total Staff – SA Ops	479	100%
African Females	44	9.2%
Coloured Females	6	1.3%
Indian Females	28	5.8%
White Females	50	10.4%
Foreign National Females	0	0%
Total Females	128	26.7%
African Males	274	57.2%
Coloured Males	5	1%
Indian Males	22	4.6%
White Males	44	9.2%
Foreign National Male	6	1.3%
Total Males	351	73.3%
Staff with Disabilities (included in numbers above)	7	1.5%

We have an Employment Equity Committee, which meets quarterly to give feedback to top management on the progress made towards the EE Plan targets, as well as to discuss any attitudes/perceptions/barriers in the workplace regarding employment equity.

Our current Employment Equity Plan runs through to the end of September 2015. It was decided to run with a 1 year EE plan each year as it is easier to project forward by only a year rather than having to project where the company will be in 5 years' time when trading conditions are so volatile and where there is so much change within the Group.

Transformation & Broad Based Black Economic Empowerment

A stable, demographically representative economic market in South Africa is fundamental to the sustainability of the business and our future growth within the SA market. BSi Steel has embraced transformation within the organization and we are proud to have been independently rated as a Level 6 Contributor. A recent BBBEE audit undertaken at the end of April 2015 resulted in a drop to a Level 7 Contributor due to various changes within the business structure.

In order to achieve an improved BBBEE rating we are prioritizing skills development initiatives (learnerships, internships, experiential learning and disabled training) and have undertaken more synergistic enterprise/supplier development initiatives that feed directly into the business synergies.

Our major Enterprise Development projects are

- Thandani Catering (BSi Steel offers financial support and business assistance to a Catering Company)

- PMB Business Support Centre (BSi Steel offers financial support, board representation, administration assistance and marketing assistance to this NGO for black SMME entrepreneur development)

BSi Steel is a community focused business and we have always contributed extensively to non-profit organizations across our operating regions.

Social Economic Development (SED) beneficiaries include

- Msunduzi Hospice
- Little Eden – Caring for the Intellectually Disabled
- Rehlokomeleng Nursery School
- Rena Le Lona – Creative Centre for Children
- SA Red Cross
- PMB Community Chest
- Vuka Ark
- White Cross Home for the Disabled
- Cerebral Palsy
- CANSA
- Meals on Wheels
- Sunflower Fund
- Kidney Beanz Trust

Most important to us is that Transformation is not a stand-alone strategy and therefore we have woven our Transformation and BBBEE strategic plan into our overall company Strategic Plan so that the alignment of the two strategies is guaranteed to make business sense at all times.

Skills Development and Training

In order to remain competitive, stay abreast with current technology and be seen as an employer of choice, BSi Steel has recognized the utmost importance of strategically aligned skills development and training for all our staff. Of primary focus within our training and development strategy is to ensure that we facilitate the advancement of staff to reach their own personal stretch goals of developing within the company over a long term career.

Much of our training budget is spent on the training of interns, bursaries and learners, on leadership development, ERP systems training and on staff in the lower echelons of the business who need basic education and skills training (ABET) in order to improve their quality of life.

Our Skills Development Committee meets once a quarter to ensure that all training is approved by line management, employee representatives and our trade union representatives in order to offer meaningful, relevant training to uplift all levels of the organization.

Occupational Health and Safety

Our health and safety procedures are in full swing across all operational regions being run by various health and safety committees. Health and Safety is a priority for our executive committee and regular quarterly updates are taken to the Risk Committee as well as the Social and Ethics Committee.

All staff continue to receive a full safety induction and are proactively trained on a regular basis about behaviours that put safety first. In addition we take care of employee wellbeing by offering wellness campaigns, medical testing, stress management, trauma counseling, HIV and AIDS awareness and advice on matters of personal finance. Tool Box Talks conducted each week are a primary driver of safe behaviours by keeping safety at the forefront of our daily operations.

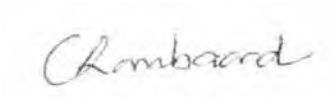
Our Occupational Clinic in Kliprivier ensures that staff receive professional healthcare, medical surveillance and annual medicals free of charge. The aim is to enjoy improved productivity, better employee health and safety and increased job satisfaction. There is an onsite dedicated Occupational Health Nurse assisted by a medical Doctor who sees patients weekly.

The Health and Safety focus for the upcoming year will be to conduct independent Health and Safety audits across South Africa to identify and address any areas of concern and to cement full compliance to all Health and Safety legislation, which is likely to undergo change in the upcoming year.

The year ahead

For the year ahead we anticipate a clear change of focus for BSi Steel. A renewed energy from all levels of the business will ensure the profitability and sustainability of each of our divisions. The structure of the business, the systems and the people will need to deliver on the new strategic objectives and the HR team will be heavily invested in ensuring the success of the change management and organizational redesign initiatives undertaken in 2014.

As always the solid foundation of the company culture and our dynamic leadership will support our journey towards our ultimate vision of becoming the PREMIER Player in Steel Distribution in Sub-Saharan Africa.



C Lombaard
HR Executive SA Operations

Social and ethics committee report

The Social and Ethics Committee is a formal sub-committee of the Board which was established in April 2012 as required by Section 72 (4) of the Companies Act, 2008 and regulation 43 (2).

The Committee assists the Board in discharging its duties relating to its legal obligations and/or prevailing codes of good practice pertaining to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, compliance with consumer protection laws; and labour and employment.

Composition

The Committee is chaired by Dr. Richard Lewis, an independent non-executive director, who is a human resources specialist and environmentalist.

The current members are:

- Dr. Richard Lewis – independent non-executive director – Chairman
- Mr. Jerry Govender – Executive director
- Mr. Sam McIlwaine – Group Warehouse and Logistics Executive.
- Ms. Chantal Lombaard – Group HR Executive
- Mr. Steve Hackett – Committee Secretary – Group Secretary

The Committee met three times during the year under review and there was full attendance at all the meetings.

Responsibilities

The responsibilities of the Committee are, inter alia –

a. To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
   i. Social and economic development,
   ii. Good corporate citizenship,
   iii. The environment, health and public safety,
   iv. Consumer relationships, and
   v. Labour and employment
b. To draw matters within its mandate to the attention of the Board as occasion requires; and;
c. To report, through one of its members, to shareholders at the company's annual general meeting on the matters within its mandate.

In meeting its responsibilities, the Committee is expected to –

- monitor the company's activities having regard for the relevant legislation, legal and best practices broadly in the following areas:
  - o Ethics
  - o Stakeholder management - specifically employees, communities, consumers and the environment.
- draw these matters to the attention of the Board and report on these matters to the shareholders at the annual general meeting.
- interact with the Audit and Risk Committees to ascertain areas of concern or risk that may have to be considered by the Social and Ethics Committee for attention by the relevant company departments.
- conduct Ethical Climate Surveys – measures adherence to ethical standards. These include corporate behaviour and practices towards customers, employees, suppliers and legal requirements
- monitor adherence to at least the following laws:
  - o Basic Conditions of Employment Act No. 75 of 1997
  - o Employment Equity Act No. 55 of 1998
  - o Environment Conservation Act Extension No. 73 of 1989 and the Extension Act of 1996
  - o National Building Regulations and Building Standards Act No. 103 of 1977
  - o National Environmental Management Act No. 107 of 1998
  - o National Water Act No. 36 of 1998
  - o Occupational Health and Safety Act No. 85 of 1993
  - o Unemployment Insurance Act No. 63 of 2001 and the Contributions Act No. 4 of 2002.

Progress

With the initial emphasis of the Committee over the past two years having been to focus on company compliance to the above-mentioned legislation, over the past year, it has initiated and monitored progress and implementation of, inter alia:

- An Energy Management Policy was developed and a Plan is now in place.
- Energy and water saving practices implemented
- An energy usage audit to monitor progress – this revealed real savings on energy and water with meaningful financial savings as well.
- A reduction of Carbon Footprint audit by Simbalism
- Kept a closer track of injuries and ailments in the work place
- The monitoring of employment practices in the non-south African operations
- Health and Safety issues and reporting both in South Africa and the non-South African operations
- Human Resources and industrial relations issues
- Employment Equity and BBBEE
- Development of measurement graphs iro BBBEE, EE, Company Climate Surveys, Staff Turnover, Absenteeism, Injuries and Training which allows the Board to easily assess the status and progress of these aspects.

The Social and Ethics Committee has an independent role, operating as an overseer and maker of recommendations to the board for its consideration and approval. All recommendations are communicated to the Board at the earliest meeting following the Social and Ethics Committee meeting.

As the Chairman of this Committee, I continue to enjoy the support and commitment to the objectives as laid out in the Terms of Reference by the executive members of the committee, and to see the progress that has been made.

R G Lewis
Independant non-executive director
Chairman: Social and Ethics Committee

REMCO has over the past year had to ensure that the Company has a remuneration strategy and policy that supports the company strategy and to ensure within the new strategy to make sensible decisions around remuneration, retention and reward.

The Remuneration Committee, which is a Board committee with approved Terms of Reference, has made every effort to ensure that BSi Steel remains on track to secure and retain the right people to ensure its sustainability. The Committee has continued to ensure that the company's directors, and senior executives, are fairly rewarded for their individual contributions to the company's overall performance.

Remuneration Policy and Philosophy

The remuneration philosophy of BSi Steel is to attract, develop and retain high performing individuals while also reinforcing, encouraging and promoting superior performance. Remuneration policies are aligned with the strategic direction and operational objectives of the business and align them with shareholders' interests.

During the past year, we continued to align base pay to the market median per position in the company on an annual basis prior to fixing the new base pay rate per individual. We also sought to ensure that the actual pay per individual and survey median pay for the same position were closely aligned. Going forward, however, to support the new company strategy, we have chosen to move towards a higher base pay linked to individual and team targets which if achieved unlock tiers of bonus payments. This policy is in the process of being developed.

Directors and senior executives, excluding the Executive Chairman and the Executive Director: African Ops, are on permanent contracts and these executives have a 9 month restraint of trade clause in their contracts restraining them from being directly or indirectly involved in any enterprise that competes in the markets traded or targeted by the Group within the Republic of South Africa. The senior African operations employment contracts contracts have a 3 month notice period with RSA having a 1 month notice period.

Remuneration Committee

The Remuneration Committee is chaired by Dr. Richard Lewis, an independent non-executive director, who is a strategy and human resources specialist.

The current members are:

Dr. Richard Lewis – independent non-executive director – Chairman
Mr. Nigel Payne – independent non-executive director
Mr. William Battershill – Group Executive Chairman and CEO
Ms. Chantal Lombaard – Group HR Executive
Mr. Steve Hackett – Committee Secretary – Group Secretary

In attendance by invitation:

Mr. Kevin Paxton – Executive Director – African Ops
Ms Rentia Vermaak - CFO
Mr Craig Parry - Deputy CEO

King 111 recommends that the Remuneration Committee should comprise of a majority of non-executive directors. The Board is satisfied that the Remuneration Committee meets the requirements of the company. In order to ensure good governance, the Chairman of the Committee together with the other non-executive directors reviews and approves the remuneration of the executive directors.

The committee met three times during the year under review.

The Remuneration Committee has an independent role, operating as an overseer and maker of recommendations to the Board for its consideration and approval. The Committee does not assume the functions of management which remains the responsibility of the executive directors, officers and other members of management. All recommendations are communicated to the Board at the earliest meeting following the Remuneration Committee meeting.

The Remuneration Committee has, inter alia, the following responsibilities:

1. Implement a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance.
2. Oversee the setting and administering of remuneration at all levels of the company.
3. Ensure that the company's directors and senior executives are fairly rewarded for their individual contributions to the company's overall performance, and that the disclosure of directors' remuneration is accurate, complete and transparent.
4. Assist the directors to formulate and agree an acceptable and fair annual salary increase percentage for all permanent staff and will also review performance incentive schemes and other benefits from time to time.
5. Regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules.
6. Ensure that there is due compliance with the King Code of Corporate Practice and Conduct as pertaining to remuneration and reward, and for reporting thereon to the Board.

During the course of the year, the Committee addressed, inter alia, the following:

- A revision of the Remuneration Policy
- The adjustment of the reward systems, ensuring a clearer 'line of sight' between reward and performance. Most notable was the removal of the profit Share scheme and its replacement with an individual and team-based target driven bonus scheme.
- The review of the Sales Staff remuneration policy
- The determination of the annual staff salary and wage increases
- The consideration of executive increases
- The consideration of the non-executive fees increase
- The application of the BSi Steel Share Appreciation Rights Scheme
- Review of the Committee's performance over the year In terms of King III

Non-executive directors' remuneration

Non-executive directors' remuneration for year ending March 2015 was as follows:

	Meet p.a	N. Payne	B. Khosa	R. Lewis	I. Clark
Lead independent board member	4	99 600			
Main Board - Member	4		75 000	75 000	37 500
REMCO - Chair				31 400	
REMCO - Member	3	12 300			
Audit - Chair	4	70 000			
Audit - Member	4		36 300	9 075	18 150
Risk - Chair	4	42 400			
Social & Ethics - Chair	3			31 400	
Social & Ethics - Member	3				
		224 300	111 300	146 875	55 650
New Rates F2015/16 Total		239 500	113 200	160 400	

Remuneration Disclosure of Prescribed Officers

The Companies Act 2008 requires that the remuneration of the prescribed officers of the company be disclosed and is as follows:

	Basic remuneration R	Performance bonus R	Retirement, medical and other benefits R	Total R
Executive no 1	534 789	102 248	157 077	794 115
Executive no 2	1 191 659	328 597	178 904	1 699 160
Executive no 3	796 715	255 738	178 285	1 230 738
Executive no 4	1 484 524	125 000	297 476	1 907 000
Executive no 5*	849 032	519 845	150 968	1 519 845
Executive no 6*	886 352	74 040	113 648	1 074 040
Executive no 7*	865 510	228 687	121 646	1 215 843

* from 1 October 2014

Senior Management Incentive and Retention Scheme

Share Appreciation Rights (SAR) Scheme

Shareholder approval was obtained on 27 March 2009 for the SAR Scheme for senior managers and key staff as a retention and incentive scheme and to create better alignment with the shareholders. Employees receive annual grants of share appreciation rights, which are conditional rights to receive shares equal to the value of the difference between the exercise price and the grant price. Vesting of the SAR is subject to performance conditions.

As at 31 March 2014 a total of 15 949 999 SAR were granted. During the year under review, a further 19 050 000 SAR were granted and 8 099 999 SAR lapsed, leaving a total of 26 900 000 SAR granted to date. In terms of the SAR scheme rules, a maximum of 73 000 000 shares may be allotted As at 31 March 2015, assuming that every two SAR awards result in the allotment of one share, a total of 13 450 000 shares are reserved, leaving a balance of 59 550 000 shares available to be allotted. In terms of IFRS 2 Share-based payments this scheme is treated as an equity-settled share based payment, which requires management to assess annually the date of vesting in order to determine the period charge of the scheme to BSi. A valuation of the cost of this scheme was performed by the directors at 31 March 2015.

A reversal of (R662 182) total provision R1 784 636 in respect of this scheme has been raised during the year under review.

R G Lewis
Independant non-executive director
Chairman of Remuneration Committee

AUDITED ANNUAL FINANCIAL STATEMENTS

Directors' responsibilities and approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the audited annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the audited annual financial statements.

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

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

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

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

W L Battershill
Chairman and CEO

C Parry
Director / Deputy CEO

Pietermaritzburg
11 June 2015

Company secretary's certificate

I certify, to the best of my knowledge and belief, that the company has, in respect of the period under review, lodged with the Registrar of Companies all returns that are required by a Public Company, and that all returns are true, correct and up to date.

S J Hackett
Company Secretary

11 June 2015

The Audit Committee is pleased to present its report for the financial year ended 31 March 2015.

In terms of the Companies Act 2008, the Audit Committee has certain statutory responsibilities. This report details compliance with these as well as those duties delegated by the Board.

Composition and Meetings

The Audit Committee comprises:

Mr N G Payne (Chairman)

Mr B M Khoza

Mr I A J Clark (resigned 23 September 2014)

Mr J R Waller (appointed 23 September 2014, resigned 28 October 2014)

Dr R G Lewis (appointed 28 October 2014)

In terms of S 94 of the Companies Act, the members of the committee were elected by shareholders at the Annual General Meeting. Dr Lewis' appointment will be voted on by shareholders at the next annual general meeting. Messrs Payne and Khoza are Chartered Accountants, and all Committee members have wide-ranging experience in audit, accounting, corporate governance, and commerce, are non-executive directors and act independently.

The Committee met four times during the year under review, and a summary of attendance is set out on page 12 of this report. The CEO, Financial Director, external Auditor, and Internal Auditor attend Audit Committee meetings by invitation. The Designated Advisor attends the year-end Audit Committee meeting held in June each year.

The board has assessed and is satisfied with the performance of the audit committee.

Terms of Reference

The Audit Committee has approved terms of reference which were reviewed and updated during the year and cover the following areas:

- Composition
- Statutory responsibilities as contained in section 97 of the Companies Act 2008
- Integrated reporting
- Internal audit
- External audit
- Combined assurance
- Finance Function and Financial Director
- Financial Risk Management
- Ethics and Whistleblowing
- Going concern
- Corporate governance

Duties

For the year ended 31 March 2015 the audit committee carried out the following:

Statutory requirements

External auditor

- Recommended the appointment of Deloitte and Touche and designated partner Mrs Camilla Howard-Browne as external auditor for the year ending 31 March 2016
- Ensured that the appointment of Deloitte and Touche and Mrs Camilla Howard- Browne complied with the provisions of the Companies Act
- Is satisfied that the external auditor Deloitte and Touche is independent
- Agreed the fees to be paid to the external auditor and the external auditor's terms of engagement
- Approved the nature and extent of any non-audit services that the external auditor provided to the company or related company

Financial statements and accounting practises

- Reviewed the Annual Financial Statements for the year ended 31 March 2015, is satisfied that these comply with International Financial Reporting Standards, that accounting policies are appropriate and have been consistently applied, and recommended these to the board for approval. The board has subsequently approved the Annual Financial Statements.
- Noted that no complaints or concerns were received regarding the accounting practices, internal audit, content or auditing of the Annual Financial Statements, internal financial controls of the company or any other matter.
- Made submissions to the Board regarding the company's accounting policies, financial control, records and reporting.

Internal financial controls

- Reviewed internal audit is assessment of internal controls and confirmed that nothing has come to their attention to indicate any material failure of the internal control systems.

Other

- Reviewed the Committee's report to shareholders describing how the committee carried out its duties which is included in the Annual Financial Statements.

Duties assigned by the board

External Audit

- Is satisfied that at the external auditors and registered auditor are accredited with the JSE
- Considered the external audit scope and plan
- Reviewed the quality and effectiveness of the external audit
- Considered the report of the external auditor to the committee and made relevant recommendations to the Board in this regard

Internal Audit

- Approved the annual risk-based internal audit plan
- Reviewed the internal audit reports and management's response to matters raised
- Reviewed and is satisfied with the quality and effectiveness of internal audit
- Is satisfied that the internal auditor is independent

Internal controls and risk management

- Reviewed financial risk management and controls
- Reviewed financial reporting risks
- Reviewed fraud risk relating to financial reporting
- Is satisfied with the effectiveness of the company's internal control systems, including IT controls and risk management
- Reviewed the Whistleblower policy and recommended it to the board for approval

- Reviewed the reports from Whistleblowers hot-line and noted no matters of concern
- Reviewed tax risk
- Reviewed legal compliance

Integrated report

- Reviewed the Annual Integrated report and recommended it to the board for approval
- Ensured that statements made in the Annual Integrated report relating to sustainability do not conflict with the financial information

Other

- Considered whether the external auditor should perform assurance procedures on the interim results and decided this would not add any value
- Reviewed the interim financial results and announcement of trading statements and other price-sensitive information
- Reviewed and is satisfied with the combined assurance model adopted by the company
- Is satisfied that the company is a going concern
- Reviewed and is satisfied with the expertise of the finance function and the Financial Director, Mrs E Vermaak
- Reviewed the Code of Ethics and management's monitoring of ethics compliance
- Reviewed the company's corporate governance compliance

The committee is satisfied that it has met all its statutory responsibilities and has discharged its function in terms of its terms of reference.

N G Payne
Chairman Audit committee

Independent auditor's report

To the shareholders of BSi Steel Limited

We have audited the consolidated and separate financial statements of BSi Steel Limited set out on pages 28 to 72, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 March 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per: C Howard-Browne
Partner

11 June 2015

National executive
LL Bam (Chief Executive), AE Swiegers (Chief Operating Officer), GM Pinnock (Audit), DL Kennedy (Risk Advisory), NB Kader (Tax), TP Pillay (Consulting), K Black (Clients & Industries), JK Mazzocco (Talent & Transformation), MJ Jarvis (Finance), M Jordan (Strategy), S Gwala (Managed Services), TJ Brown (Chairman of the Board), MJ Comber (Deputy Chairman of the Board)

Regional leader
GC Brazier

Directors' report

The directors have pleasure in submitting their report on the audited annual financial statements of BSi Steel Limited and the Group for the year ended 31 March 2015.

Nature of business

BSi Steel Limited was incorporated in South Africa with interests in sale, processing, warehouse and distribution of steel and allied products, financing and insurance industry. The activities of the Group are undertaken through the company and its principal subsidiaries and joint ventures. The Group operates in South Africa, and the rest of Africa and Europe.

Review of financial results and activities

The consolidated audited annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The Group recorded a net profit after tax for the year ended 31 March 2015 of R 2 250 432. This represented a decrease from the net profit after tax of the prior year of R36 812 871.

Share capital

Refer to the special resolutions section of the Directors' Report and note 18 of the annual financial statements for details of the changes in the above during the year.

Dividends

A dividend of 2 cents per share was declared in South African currency on 06 November 2014 and paid on 08 December 2014. This dividend equated to a total of R 14 397 100 (2014: R -).

The local dividends tax rate is 15%. The company has no STC credit available.

Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality	Designation	Changes
WL Battershill	South African	Executive Chairman and CEO	
GDG MacKenzie	South African	Executive	
IAJ Clark	South African	Non-Executive	Resigned 23 September 2014
JS Govender	South African	Executive	
BM Khoza (alternate NM Anderson)	South African	Independent Non-executive	
RG Lewis	South African	Independent Non-executive	
C Parry	British	Executive	
NG Payne	South African	Lead Independent Non-executive	
JR Waller	British	Non-executive	Resigned 08 June 2015
E Vermaak	South African	Financial director	Appointed 23 September 2014
KL Paxton	South African	Executive	Appointed 23 September 2014

Directors' interests and shares

Interests in shares

Director	2015 Direct	2015 Indirect	2014 Direct	2014 Indirect
WL Battershill	307 130	316 175 214	-	316 075 214
GDG MacKenzie	9 255 937	81 331 349	9 255 937	81 331 349
NM Anderson	86 000	-	86 000	-
RG Lewis	270 975	-	210 000	-
C Parry	-	23 968 445	-	32 413 598
NG Payne	17 563 326	-	15 118 616	-
JR Waller	313 479	1 899 990	6 313 479	1 899 990
	27 796 847	423 374 998	30 984 032	431 720 151

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Interests in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the consolidated audited annual financial statements in notes 8 and 9.

Special resolutions

At the annual general meeting of shareholders on 23 September 2014 it was resolved that the directors of the company be authorised to acquire the company's own shares, upon such terms and conditions and in such amounts as the directors may from time to time decide and may do so until the next annual general meeting of the company.

BSi Steel Limited has a number of subsidiary companies and the funding of the Group is done on a Group basis and the subsidiaries contribute to the Group securities. Group expenses, sundry purchases, working capital and fixed capital funding is controlled via intercompany loan accounts. The Board recorded that BSi Steel Limited and its subsidiaries are solvent and liquid, confirmed the intercompany loan balances contained in note 36 to the Annual Financial Statements and authorised the Group expenses, sundry purchases, working capital and fixed capital funding transactions between the companies until 31 March 2015.

The directors' remuneration for the year ended 31 March 2015 was approved. The board of directors were authorised to provide financial assistance, and specifically for subscription of securities, to inter-related companies within the BSI Group of companies as well as to directors or prescribed officers of the company.

Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Going Concern

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated audited annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

Auditors
Deloitte & Touche
Registered Auditor

Secretary
S J Hackett

Postal address
P.O. Box 101096
Scottsville
Pietermaritzburg
3209

Business address
Eden Park Drive
Murrayfield Park
Mkondeni
Pietermaritzburg
3201

Statements of financial position

As at 31 March 2015

Figures in Rand thousand	Note(s)	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Assets					
Non-current assets					
Property, plant and equipment	5	**378 879**	392 746	**258 517**	269 900
Goodwill	6	**14 706**	14 706	**1 500**	1 500
Intangible assets	7	**12 866**	15 316	**12 818**	15 234
Investments in subsidiaries	8	**-**	-	**39 468**	64 468
Investment in joint ventures	9	**10 831**	1 584	**-**	-
Other financial assets	11	**6 986**	-	**6 986**	-
Deferred tax	13	**8 799**	13 052	**-**	-
		433 067	437 404	**319 289**	351 102
Current assets					
Inventories	14	**483 356**	450 350	**387 518**	301 479
Loans to Group companies	10	**127**	10 498	**16 627**	5 518
Other financial assets	11	**7 757**	-	**7 757**	-
Current tax receivable		**6 936**	8 592	**-**	3 251
Trade and other receivables	15	**755 840**	728 660	**580 250**	584 377
Cash and cash equivalents	16	**55 822**	65 689	**1 809**	14 152
		1 309 838	1 263 789	**993 961**	908 777
Total assets		**1 742 905**	1 701 193	**1 313 250**	1 259 879
Equity and liabilites					
Equity					
Equity attributable to equity holders of Parent					
Share capital and share premium	18	**110 580**	110 580	**124 301**	124 301
Reserves		**162 442**	95 826	**8 093**	2 447
Accumulated profit		**401 798**	413 638	**196 140**	179 959
		674 820	620 044	**328 534**	306 707
Non-controlling interest		**(143)**	(143)	**-**	-
		674 677	619 901	**328 534**	306 707
Liabilities					
Non-current liabilities					
Other financial liabilities	21	**71 847**	83 092	**55 512**	65 392
Deferred tax	13	**16 463**	11 130	**13 410**	5 972
		88 310	94 222	**68 922**	71 364
Current liabilities					
Loans from Group companies	10	**-**	-	**20 587**	37 258
Other financial liabilities	21	**41 989**	39 017	**36 573**	32 410
Current tax payable		**10 120**	6 899	**2 868**	-
Trade and other payables	23	**496 263**	488 159	**453 635**	390 022
Bank overdraft	16	**431 546**	452 995	**402 131**	422 118
		979 918	987 070	**915 794**	881 808
Total liabilities		**1 068 228**	1 081 292	**984 716**	953 172
Total equity and liabilities		**1 742 905**	1 701 193	**1 313 250**	1 259 879

Statements of profit and loss

For the year ended 31 March 2015

Figures in Rand thousand	Note(s)	Group 2015 R'000	Group 2014 (restated) R'000	Company 2015 R'000	Company 2014 (restated) R'000
Continuing operations					
Revenue	25	**3 248 046**	3 290 269	**2 714 775**	2 735 056
Cost of sales	26	**(2 772 593)**	(2 770 042)	**(2 394 333)**	(2 395 661)
Gross profit		**475 453**	520 227	**320 442**	339 395
Other income		**4 058**	5 406	**2 136**	2 431
Operating expenses		**(380 224)**	(400 251)	**(244 130)**	(269 472)
Operating profit	27	**99 287**	125 382	**78 448**	72 354
Investment income	28	**8 175**	5 331	**4 980**	3 309
(Loss)/profit from equity accounted investments		**(2 669)**	945	**-**	-
Finance costs	29	**(59 964)**	(59 937)	**(39 317)**	(40 336)
Profit before taxation		**44 829**	71 721	**44 111**	35 327
Taxation	30	**(23 341)**	(15 754)	**(13 533)**	(10 531)
Profit from continuing operations		**21 488**	55 967	**30 578**	24 796
Discontinued operations					
Loss from discontinued operations	17	**(19 238)**	(19 154)	**-**	-
Profit for the year attributable to BSi Steel Limited shareholders		**2 250**	36 813	**30 578**	24 796
Basic and diluted earnings per share (cents) - continued operations	40	**3.06**	7.99		
Basic and diluted loss per share (cents) - discontinued operations	40	**(2.74)**	(2.73)		
Dividends per share (cents)		**2.00**	-		
Non-controlling interest:					
Loss for the year from continuing operations		**-**	(133)	**-**	-

Statements of other comprehensive income

For the year ended 31 March 2015

Figures in Rand thousand	Note(s)	Group 2015 R'000	Group 2014 (restated) R'000	Company 2015 R'000	Company 2014 (restated) R'000
Profit for the year		**2 250**	36 813	**30 578**	24 796
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gain on property revaluation		**14 263**	-	**-**	-
Income tax relating to items that will not be reclassified		**(4 992)**	-	**-**	-
Total items that will not be reclassified to profit or loss		**9 271**	-	**-**	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		**51 699**	37 458	**-**	-
Effects of cash flow hedges		**6 308**	-	**6 308**	-
Total items that may be reclassified to profit or loss		**58 007**	37 458	**6 308**	-
Other comprehensive income for the year net of taxation		**67 278**	37 458	**6 308**	-
Total comprehensive income for the year		**69 528**	74 271	**36 886**	24 796
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**69 528**	74 404	**36 886**	24 796
Non-controlling interest		**-**	(133)	**-**	-
		69 528	74 271	**36 886**	24 796

Statements of changes in equity

For the year ended 31 March 2015

Figures in Rand thousand	Share capital R'000	Share premium R'000	Foreign currency translation reserve R'000
Group			
Balance at 01 April 2013	**7**	**111 688**	**55 921**
Profit for the year	-	-	-
Other comprehensive income	-	-	37 458
Total comprehensive income for the year	**-**	**-**	**37 458**
Share based payment provision	-	-	-
Purchase of treasury shares	-	(1 115)	-
Non-controlling interest buy back	-	-	-
Total contributions by and distributions to owners of Company recognised directly in equity	**-**	**(1 115)**	**-**
Balance at 01 April 2014	**7**	**110 573**	**93 379**
Profit for the year	-	-	-
Other comprehensive income	-	-	51 699
Total comprehensive income for the year	**-**	**-**	**51 699**
Share based payment provision	-	-	-
Dividends paid	-	-	-
Total contributions by and distributions to owners of Company recognised directly in equity	**-**	**-**	**-**
Balance at 31 March 2015	**7**	**110 573**	**145 078**
Company			
Balance at 01 April 2013	7	124 294	-
Profit for the year	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**
Share based payment provision	-	-	-
Total contributions by and distributions to owners of Company recognised directly in equity	**-**	**-**	**-**
Balance at 01 April 2014	**7**	**124 294**	**-**
Profit for the year	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**
Share based payment provision	-	-	-
Dividends paid	-	-	-
Total contributions by and distributions to owners of Company recognised directly in equity	**-**	**-**	**-**
Balance at 31 March 2015	**7**	**124 294**	**-**
Note(s)	18	18	20

Hedging reserve R'000	Revaluation reserve R'000	Equity compensation reserve R'000	Total reserves R'000	Accumulated profit R'000	Non-controlling interest R'000	Total shareholders equity R'000
-	**-**	**1 491**	**57 412**	**376 692**	**252**	**546 051**
-	-	-	-	36 946	(133)	36 813
-	-	-	37 458	-	-	37 458
-	**-**	**-**	**37 458**	**36 946**	**(133)**	**74 271**
-	-	956	956	-	-	956
-	-	-	-	-	-	(1 115)
-	-	-	-	-	(262)	(262)
-	**-**	**956**	**956**	**-**	**(262)**	**(421)**
-	**-**	**2 447**	**95 826**	**413 638**	**(143)**	**619 901**
-	-	-	-	2 250	-	2 250
6 308	9 271	-	67 278	-	-	67 278
6 308	**9 271**	**-**	**67 278**	**2 250**	**-**	**69 528**
-	-	(662)	(662)	-	-	(662)
-	-	-	-	(14 090)	-	(14 090)
-	**-**	**(662)**	**(662)**	**(14 090)**	**-**	**(14 752)**
6 308	**9 271**	**1 785**	**162 442**	**401 798**	**(143)**	**674 677**
-	-	**1 491**	**1 491**	**155 163**	-	**280 955**
-	-	-	-	24 796	-	24 796
-	-	-	-	**24 796**	-	**24 796**
-	-	956	956	-	-	956
-	-	**956**	**956**	-	-	**956**
-	-	2 447	2 447	179 959	-	306 707
-	-	-	-	30 578	-	30 578
6 308	**-**	**-**	**6 308**	**30 578**	**-**	**36 886**
-	-	(662)	(662)	-	-	(662)
-	-	-	-	(14 397)	-	(14 397)
-	-	**(662)**	**(662)**	**(14 397)**	-	**(15 059)**
6 308	**-**	**1 785**	**8 093**	**196 140**	**-**	**328 534**

Statements of cash flows

For the year ended 31 March 2015

Figures in Rand thousand	Note(s)	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Cash flows from operating activities					
Cash receipts from customers		3 220 865	3 289 551	2 718 902	2 677 448
Cash paid to suppliers and employees		(3 111 227)	(3 129 196)	(2 629 309)	(2 569 175)
Cash generated from operations	31	109 638	160 355	89 593	108 273
Interest income		8 350	5 474	1 413	2 282
Dividends received		-	-	-	1 027
Finance costs		(56 412)	(57 625)	(35 758)	(37 458)
Tax (paid) / refunded	32	(15 105)	(15 115)	24	(3 251)
Net cash from operating activities		**46 471**	93 089	**55 272**	70 873
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(33 016)	(34 189)	(24 056)	(61 453)
Disposal of property, plant and equipment	5	37 425	1 387	14 058	1 250
Purchase of other intangible assets	7	(150)	(115)	(150)	(115)
Disposal of other intangible assets	7	149	184	149	184
Business combinations	33	-	(12 000)	-	-
Loans to Group companies repaid		10 371	(10 498)	(27 780)	21 731
Recognition of financial assets		(14 743)	-	(14 743)	-
Dividends received		-	-	28 567	-
Investment in subsidiaries / joint ventures		(11 916)	(502)	-	-
Net cash used in investing activities		**(11 880)**	(55 733)	**(23 955)**	(38 403)
Cash flows from financing activities					
Reduction of share capital or buy back of shares	18	-	(1 115)	-	-
Other net financial liabilities (repaid)		(8 273)	(24 638)	(5 717)	(7 307)
Repayment of shareholders' loan		-	(100)	-	-
Finance lease repaid		(3 559)	(2 879)	(3 559)	(2 879)
Non-controlling interest buy back		-	(262)	-	-
Dividends paid		(14 090)	-	(14 397)	-
Net cash used in financing activities		**(25 922)**	(28 994)	**(23 673)**	(10 186)
Total cash movement for the year		8 669	8 362	7 644	22 285
Cash at the beginning of the year		(387 306)	(399 101)	(407 966)	(430 251)
Effect of exchange rate movement on cash balances		2 913	3 433	-	-
Total cash at end of the year	16	**(375 724)**	(387 306)	**(400 322)**	(407 966)

1. Presentation of annual financial statements

The Group and company audited annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008, on a basis consistent with the prior year, except for the adoption of the new or revised standards and interpretations with effective dates on or after 1 April 2014. They incorporate the principal accounting policies set out below.

1.1 Consolidation

Basis of consolidation

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

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

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

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

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

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

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

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

Business combinations

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

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

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

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

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

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

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity

1. Presentation of annual financial statements (continued)

1.1 Consolidation (continued)

In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.2 Significant judgements and the sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited 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 audited annual financial statements. Significant judgements include:

Trade receivables and loans and receivables

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

The impairment for trade receivables and loans and 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

An allowance for stock is held in order to write stock down to the lower of cost or net realisable value. Management reviews the stock ageing report regularly, with the policy that stock should always be sold. There are limited circumstances where stock is sold below cost. Stock obsolescence is reviewed on a stock item basis with any unrealisable stock being written off in the relevant period. The write down is included in the operating profit note.

Fair value estimation

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Impairment testing

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

Contingencies on business combinations

Contingencies recognised in the current year required estimates and judgements.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of varying legislation in various countries. 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.

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

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add or replace part of 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.

Land and buildings is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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

Item	Average useful life
Land and buildings	50 years
Leasehold property	2 to 3 years
Plant and machinery	1 to 12 years
Furniture and fixtures	4 years
Motor vehicles	1 to 5 years
Office equipment	3 years
IT equipment	3 years

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

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

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

1.4 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Average useful life
Computer software	2 to 10 year

1.5 Investments in subsidiaries

Company audited 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

1. Presentation of annual financial statements (continued)

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

1.6 Investment in joint ventures

Company audited annual financial statements

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the company recognises in its audited annual financial statements:

- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

1.7 Financial instruments Classification

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

- Financial assets at fair value through profit or loss - designated
- Loans and receivables
- Financial liabilities at fair value through profit or loss - designated
- Financial liabilities measured at amortised cost

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

Initial recognition and measurement

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

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

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Trade and other payables are classified as financial liabilities at amortised cost.

Cash and cash equivalents

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

Bank overdraft and borrowings

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

Derivatives

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Hedging activities

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge);
- hedges of a net investment in a foreign operation (net investment hedge).

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

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

Cash flow hedge

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

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

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets) the gains and losses previously accumulated in equity are released to the income statement when the non-financial item affects profit or loss.

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

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

1.8 Tax

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

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 difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

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

1. Presentation of annual financial statements (continued)

1.8 Tax (continued)

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, to other comprehensive income, or
- a business combination.

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

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 in equity.

1.9 Leases

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

Finance leases – lessee

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

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

The lease payments are apportioned between the finance 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 on the remaining balance of the liability.

Operating leases – lessee

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

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

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

The cost of inventories 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 weighted average cost formula.

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

1.11 Impairment of assets

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

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

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

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

in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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.

1.12 Share capital and equity

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

If the Group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.13 Share based payments

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

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

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

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

Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

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

If the share based payments vest immediately the services received are recognised in full.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

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

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

1.15 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;

1. Presentation of annual financial statements (continued)

1.15 Provisions and contingencies (continued)

- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

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

Provisions are not recognised for future operating losses.

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

A constructive obligation to restructure arises only when an entity:

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

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

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

A contingent asset or contingent liability is a possible asset or possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

1.16 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.

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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

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

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

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.17 Cost of sales

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

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

1.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

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

Capitalisation is suspended during extended periods in which active development is interrupted.

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

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous audited annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the various month end exchange rates; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

1. Presentation of annual financial statements (continued)

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the month end dates of the cash flows.

1.20 Segment reporting

A business segment report is a Group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments.

For management purposes, the Group is currently organised into four main segments, namely stockists, bulk sales, exporting and other.

This is the basis on which the Group reports its primary segment information. The geopraphical split is a secondary segment, with the major geographical segments being South Africa and the balance of the African continent. Segment information is presented in Note 4.

1.21 Related parties

Parties are considered related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions or is a member of key management personnel of the reporting entity or its parent. The Group enters into various related party transactions in the ordinary course of business. The terms and conditions of those related party transactions are no more favourable than those granted to third parties in arm's length transactions.

1.22 Financial guarantee contracts

Financial guarantee contracts are accounted for in terms of IFRS 4: Insurance Contracts and consequently are measured initially at cost and thereafter in accordance with IAS 37: Provisions, Contingent liabilities and contingent assets.

2. Changes in accounting standards

The audited annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards and with effective dates on or after 1 April 2014.

- IFRS 10: Consolidated financial statements (amendments)
- IFRS 12: Disclosure of interests in other entities (amendments)
- IAS 27: Separate financial statements (amendments)
- IAS 32: Financial instruments: presentation (amendments)
- IAS 36: Impairment of assets (amendments)

The Group is in the process of assessing the impact of the new and revised standards and, whilst they are not yet adopted and do not expect to have significant impact on the Group's results, additional disclosures may be required. The following new standards and amendments have been issued, and will be adopted in accordance with the International Financial Reporting Standards.

- IFRS 2: Share-based payment (amendments), 1 July 2014
- IFRS 3: Business combinations (amendments), 1 July 2014
- IFRS 5: Non-current assets held for sale and discontinued operations (amendments), 1 January 2016
- IFRS 7: Financial instruments: disclosures (amendments), 1 January 2015
- IFRS 8: Operating segments (amendments), 1 July 2014
- IFRS 9: Financial instruments (amendments), 1 January 2018
- IFRS 10: Consolidated financial statements (amendments), 1 January 2016
- IFRS 11: Joint arrangements (amendments), 1 January 2016
- IFRS 12: Disclosure of interests in other entities (amendments), 1 January 2016
- IFRS 13: Fair value measurement (amendments), 1 July 2014
- IFRS 15: Revenue from contracts with customers (amendments), 31 December 2017
- IAS 19: Employee benefits (amendments), 31 December 2016
- IAS 1: Presentation of financial statements (amendments), 1 January 2016
- IAS 16: Property, plant and equipment (amendments), 1 July 2014
- IAS 24: Related party disclosures (amendments), 1 July 2014
- IAS 27: Separate financial statements (amendments), 1 January 2016
- IAS 28: Investments in associates and joint ventures (amendments), 1 January 2016
- IAS 34: Interim financial reporting (amendments), 1 January 2016
- IAS 38: Intangible assets (amendments), 1 July 2014
- IAS 39: Financial instruments: recognition and measurement (amendments), 1 January 2014
- IAS 40: Investment property (amendments), 1 July 2014

3. Risk management

Foreign exchange risk

Foreign currency exposure at statement of financial position date

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Current assets				
Trade debtors ZAR (exposure to USD)	**42 696**	123 343	**21 690**	36 354
Exchange rates used for conversion of foreign items were:				
USD	**12,20**	10,60	**12,20**	10,60

3. Risk management (continued)

Forward exchange contracts which relate to future commitments

Amount in foreign currency purchased	Forward exchange rate	Maturity date
USD 205,300	1USD = R11,72	02 April 2015
USD 1,000,000	1USD = R11,94	07 April 2015
USD 313,026	1USD = R11,85	16 April 2015
USD 36,200	1USD = R12,12	22 April 2015
USD 454,902	1USD = R11,56	28 April 2015
USD 613,775	1USD = R12,01	15 June 2015
USD 401,603	1USD = R11,93	22 June 2015
USD 49,991	1USD = R11,71	17 July 2015
USD 313,027	1USD = R12,14	20 July 2015
USD 1,516,943	1USD = R12,01	29 July 2015
USD 1,849,590	1USD = R11,73	30 July 2015
USD 179,773	1USD = R12,31	14 August 2015
USD 939,080	1USD = R11,53	20 August 2015
USD 808,569	1USD = R12,31	15 September 2015
USD 1,689,225	1USD = R11,96	28 September 2015
USD 2,835,548	1USD = R11,94	07 October 2015
USD 1,818,177	1USD = R12,03	28 October 2015
USD 1,098,000	1USD = R12,04	02 November 2015

The financial instruments are classified as level 2 in terms of the requirements of IFRS 13.

The Group reviews its foreign currency exposure, including commitments on an ongoing basis.
The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

Price risk

The Group is exposed to commodity price risk to a limited extent.

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Interest rate profile of the Group

Financial instruments

	2015		2014	
	%	**R'000**	%	R'000
Cash in current banking institutions	**3,75**	**55 822**	2,98	65 689
Overdraft facilities used	**9,25**	**431 546**	9,11	452 995
Bond over property - floating rate	**8,75**	**76 752**	8,50	59 738
Finance leases	**10,00**	**28 846**	9,75	50 270

Sensitivity analysis

At year-end the sensitivity on the exposure to floating interest rates on the operating profit is as follows:

	2015 R'000	2014 R'000
+10%	**(4 743)**	(4 929)
-10%	**4 743**	4 929

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity Groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year R'000	**Between 1 and 2 years R'000**	**Between 2 and 5 years R'000**	**Over 5 years R'000**
Group				
At 31 March 2015				
Borrowings	**41 989**	**38 108**	**33 739**	**-**
Trade and other payables	**496 263**	**-**	**-**	**-**
Bank overdraft	**431 546**	**-**	**-**	**-**
At 31 March 2014				
Borrowings	39 017	33 245	47 216	2 632
Trade and other payables	488 159	-	-	-
Bank overdraft	452 995	-	-	-
Company				
At 31 March 2015				
Borrowings	**36 573**	**28 112**	**27 400**	**-**
Trade and other payables	**453 635**	**-**	**-**	**-**
Bank overdraft	**402 131**	**-**	**-**	**-**
Loans from Group companies	**20 587**	**-**	**-**	**-**
At 31 March 2014				
Borrowings	32 410	26 147	36 614	2 631
Trade and other payables	390 022	-	-	-
Bank overdraft	422 118	-	-	-
Loans from Group Companies	37 258	-	-	-

4. Segmental Reporting

Primary reporting format - primary business segments

The Group complies with IFRS 8 Operating Segments. This results in the identification of the four main business segments, namely Stockists, Bulk sales, Exporting and Other. Other Group operations mainly comprise of the rental of property and steel processing. These divisions are the basis on which the Group reports it is primary segment information.

The segment results for the year ended 31 March 2015 are as follows:

	Stockists R'000	Bulk sales R'000	Exporting R'000	Other R'000	Total R'000
2015					
Total segment revenue	**749 190**	**1 285 846**	**1 457 793**	**21 683**	**3 514 512**
Revenue - internal	**-**	**-**	**(266 466)**	**-**	**(266 466)**
Revenue - external	**749 190**	**1 285 846**	**1 191 327**	**21 683**	**3 248 046**
Operating profit	**13 629**	**44 774**	**39 734**	**1 150**	**99 287**
2014					
Total segment revenue	985 257	947 120	1 507 991	100 339	3 540 707
Revenue - internal	-	-	(250 438)	-	(250 438)
Revenue - external	985 257	947 120	1 257 553	100 339	3 290 269
Operating profit	30 102	39 002	79 207	(22 929)	125 382

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would have been available to unrelated third parties.

The segment assets at 31 March 2015 for the year then ended are as follows:

Segment assets consist primarily of property, plant and equipment inventories, trade and other receivables and cash and cash equivalents.

	Stockists R'000	Bulk sales R'000	Exporting R'000	Other R'000	Elimina-tions R'000	Total R'000
2015						
Assets	**138 419**	**502 287**	**530 553**	**591 304**	**(19 658)**	**1 742 905**
2014						
Assets	287 966	232 886	524 255	667 664	(11 578)	1 701 193

Unallocated assets comprise deferred taxation, intangible assets and other financial assets.

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise items such as taxations and borrowings.

4. Segmental Reporting (continued)

Secondary reporting format - geographical segments

The Group's four biggest segments operate in two main geographical areas. The home country of the Company is the Republic of South Africa. The areas of operation are principally merchandising and trading in steel.

	RSA R'000	Rest of Africa R'000	Total R'000
2015			
Total segment revenue	**2 056 719**	**1 457 793**	**3 514 512**
Revenue - internal	**-**	**(266 466)**	**(266 466)**
Revenue - external	**2 056 719**	**1 191 327**	**3 248 046**
Operating profit	**59 553**	**39 734**	**99 287**
2014			
Total segment revenue	2 032 716	1 507 991	3 540 707
Revenue - internal	-	(250 438)	(250 438)
Revenue - external	2 032 716	1 257 553	3 290 269
Operating profit	46 175	79 207	125 382

Revenue is allocated based on the country in which the customer is located.

The segment assets at 31 March 2015 for the year then ended are as follows:

	RSA R'000	Rest of Africa R'000	Elimina-tions R'000	Total R'000
2015				
Assets	**1 232 009**	**530 554**	**(19 658)**	**1 742 905**
2014				
Assets	1 188 517	524 255	(11 579)	1 701 193

5. Property, plant and equipment

	2015 Cost / valuation R'000	**2015 Accumulated depreciation R'000**	**2015 Carrying value R'000**	2014 Cost / valuation R'000	2014 Accumulated depreciation R'000	2014 Carrying value R'000
Group						
Land and Buildings	**251 709**	**(1 920)**	**249 789**	231 941	(3 944)	227 997
Leasehold property	**600**	**(450)**	**150**	600	(225)	375
Plant and machinery	**121 143**	**(26 537)**	**94 606**	140 414	(23 599)	116 815
Furniture and fixtures	**6 056**	**(4 360)**	**1 696**	7 251	(4 448)	2 803
Motor vehicles	**59 531**	**(29 849)**	**29 682**	62 427	(24 483)	37 944
Office equipment	**3 356**	**(2 687)**	**669**	3 093	(2 351)	742
IT equipment	**12 750**	**(10 463)**	**2 287**	14 894	(8 824)	6 070
Total	**455 145**	**(76 266)**	**378 879**	460 620	(67 874)	392 746
Company						
Land and buildings	**147 618**	**-**	**147 618**	146 866	-	146 866
Leasehold property	**600**	**(450)**	**150**	600	(225)	375
Plant and machinery	**108 253**	**(19 608)**	**88 645**	108 545	(16 319)	92 226
Furniture and fixtures	**3 056**	**(2 749)**	**307**	3 416	(2 612)	804
Motor vehicles	**35 237**	**(14 571)**	**20 666**	38 581	(12 283)	26 298
Office equipment	**1 714**	**(1 701)**	**13**	1 830	(1 721)	109
IT equipment	**9 261**	**(8 143)**	**1 118**	9 732	(6 510)	3 222
Total	**305 739**	**(47 222)**	**258 517**	309 570	(39 670)	269 900

Reconciliation of property, pland and equipment - Group

	Opening balance R'000	Additions R'000	Additions through business combina-tions R'000	Disposals R'000	Revalua-tions R'000	Foreign exchange move-ments R'000	Deprecia-tion R'000	Total R'000
2015								
Land and buildings	**227 997**	**4 569**	**-**	**(1 078)**	**14 263**	**4 715**	**(677)**	**249 789**
Leasehold property	**375**	**-**	**-**	**-**	**-**	**-**	**(225)**	**150**
Plant and machinery	**116 815**	**23 553**	**-**	**(34 433)**	**-**	**567**	**(11 896)**	**94 606**
Furniture and fixtures	**2 803**	**504**	**-**	**(829)**	**-**	**216**	**(998)**	**1 696**
Motor vehicles	**37 944**	**3 797**	**-**	**(4 677)**	**-**	**1 348**	**(8 730)**	**29 682**
Office equipment	**742**	**239**	**-**	**(32)**	**-**	**87**	**(367)**	**669**
IT equipment	**6 070**	**354**	**-**	**(897)**	**-**	**231**	**(3 471)**	**2 287**
	392 746	**33 016**	**-**	**(41 946)**	**14 263**	**7 164**	**(26 364)**	**378 879**
2014								
Land and buildings	219 333	5 522	-	-	-	3 743	(601)	227 997
Leasehold property	801	-	-	(201)	-	-	(225)	375
Plant and machinery	102 859	11 128	13 495	(436)	638	500	(11 369)	116 815
Furniture and fixtures	4 114	975	-	-	(1 047)	346	(1 585)	2 803
Motor vehicles	30 219	15 559	-	(1 125)	-	1 198	(7 907)	37 944
Office equipment	493	7	-	(3)	409	2	(166)	742
IT equipment	8 297	998	-	(6)	-	449	(3 668)	6 070
	366 116	34 189	13 495	(1 771)	-	6 238	(25 521)	392 746

5. Property, plant and equipment (continued)

Reconciliation of property, pland and equipment - Company

	Opening balance R'000	Additions R'000	Disposals R'000	Deprecia-tion R'000	Total R'000
2015					
Land and buildings	**146 866**	**752**	**-**	**-**	**147 618**
Leasehold property	**375**	**-**	**-**	**(225)**	**150**
Plant and machinery	**92 226**	**21 415**	**(14 552)**	**(10 444)**	**88 645**
Furniture and fixtures	**804**	**11**	**(131)**	**(377)**	**307**
Motor vehicles	**26 298**	**1 721**	**(3 135)**	**(4 218)**	**20 666**
Office equipment	**109**	**-**	**(17)**	**(79)**	**13**
IT equipment	**3 222**	**157**	**(153)**	**(2 108)**	**1 118**
	269 900	**24 056**	**(17 988)**	**(17 451)**	**258 517**
2014					
Land and buildings	144 497	2 369	-	-	146 866
Leasehold property	801	-	(201)	(225)	375
Plant and machinery	51 166	50 121	(436)	(8 625)	92 226
Furniture and fixtures	1 239	50	-	(485)	804
Motor vehicles	22 833	8 551	(988)	(4 098)	26 298
Office equipment	257	-	(2)	(146)	109
IT equipment	4 961	362	(6)	(2 095)	3 222
	225 754	61 453	(1 633)	(15 674)	269 900

Pledged as security

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Carrying value of assets pledged as security:				
Land and buildings	**249 789**	227 997	**147 618**	146 866
Motor vehicles	**15 941**	20 994	**15 941**	20 994
Plant and machinery	**53 319**	73 822	**53 319**	56 524

Other than the land and buildings, the above assets are all encumbered by instalment sale agreements, which bear interest at varying rates, are repayable over varying periods of 2 to 60 months and for which the monthly instalments total R2 361 519 (2014: R2 494 333).

The land and buildings are encumbered by mortgage bonds bearing interest at varying rates, are repayable on a ten year term in total monthly instalments of R2 182 055 (2014: R1 555 299).

Based on assessments of the residual value of the buildings, depreciation has not been provided on these buildings in accordance with IAS16.54 as the residual values are greater than the book values.

5. Property, plant and equipment (continued)

Revaluations

No independent valuations of the Klipriver and Mkondeni properties were performed during the current year, however the Group directors' assessment is that the carrying values approximate the fair values. The policy of the Group is to revalue it's land and buildings every 5 years.

The valuation was performed using the discounted cash flow approach and the following assumptions were used:

- Discount rate - 11%
- Current market related gross rentals were assumed; and
- Increased demand for industrial land.

The directors revalued the Zambian properties in a similar manner as at 31 March 2015.

The carrying value of the revalued assets under the cost model would have been:

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Land and buildings	**227 800**	220 271	**-**	-

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

6. Goodwill

	2015			2014		
	Cost R'000	**Accumulated impairment R'000**	**Carrying value R'000**	Cost R'000	Accumulated impairment R'000	Carrying value R'000
Group						
Goodwill	**14 706**	**-**	**14 706**	14 706	-	14 706
Company						
Goodwill	**1 500**	**-**	**1 500**	1 500	-	1 500

Reconciliation of goodwill - Group

	Opening balance R'000	**Total R'000**
2015		
Goodwill	**14 706**	14 706
2014		
Goodwill	**14 706**	14 706

The remaining goodwill was assessed by reference to the value-in-use of the cash-generating units. Discount factors ranging between 10% to 15% per annum were applied in the value-in-use model.

6. Goodwill (continued)

Allocation of goodwill to cash-generating unit

Goodwill has been allocated for impairment testing purposes to the underlying discreet business segments as they represent separately identifiable cash-generating units. The following cash-generating units, being the lowest level of asset for which there are separately identifiable cash flows, have carrying amounts of goodwill:

	Group	
	2015 R'000	2014 R'000
Stockists	**5 716**	5 716
Bulk sales	**1 185**	1 185
Exporting	**5 482**	5 482
Other	**2 323**	2 323
	14 706	14 706

7. Intangible assets

	2015			2014		
	Cost / valuation R'000	**Accumulated amortisation R'000**	**Carrying value R'000**	Cost / valuation R'000	Accumulated amortisation R'000	Carrying value R'000
Group						
Computer software	**24 569**	**(11 703)**	**12 866**	24 637	(9 321)	15 316
Company						
Computer software	**24 380**	**(11 562)**	**12 818**	24 473	(9 239)	15 234

Reconciliation of intangible assets - Group

	Opening balance R'000	**Additions R'000**	**Disposals R'000**	**Foreign exchange movements R'000**	**Amortisation R'000**	**Total R'000**
2015						
Computer software	**15 316**	**150**	**(149)**	**5**	**(2 456)**	**12 866**
2014						
Computer software	17 805	115	(184)	4	(2 424)	15 316

Reconciliation of intangible assets - Company

	Opening balance R'000	**Additions R'000**	**Disposals R'000**	**Amortisation R'000**	**Total R'000**
2015					
Computer software	**15 234**	**150**	**(149)**	**(2 417)**	**12 818**
2014					
Computer software	17 698	115	(184)	(2 395)	15 234

8. Interests in subsidiaries including consolidated structured entities

Name of company	**Voting power 2015**	Voting power 2014	**Holding 2015**	Holding 2014	**Carrying amount 2015 R'000**	Carrying amount 2014 R'000
Group						
Newcolab (Pty) Ltd	**100,00**	100,00	**100,00**	100,00	**1**	1
BSi Plate Solutions (Pty) Ltd	**100,00**	100,00	**100,00**	100,00	**-**	25 000
Red Chip Investment (Pty) Ltd	**100,00**	100,00	**100,00**	100,00	**2 461**	2 461
Shearcut (Pty) Ltd	**100,00**	100,00	**100,00**	100,00	**-**	-
BSi Steel Africa Ltd *	**100,00**	100,00	**100,00**	100,00	**25 340**	25 340
West Dunes Properties 296 (Pty) Ltd	**100,00**	100,00	**100,00**	100,00	**11 666**	11 666
Qinisa Steel Solutions (Pty) Ltd	**46,00**	-	**46,00**	-	**-**	-
					39 468	64 468

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

* Incorporated in Mauritius and indirect holding of BSi Steel Katanga SPRL, BSi Steel Zambia Ltd, BSi Steel Mozambique LDA and BSi Steel Ghana Ltd - all at 100% (2014: 100%). Interests in BSi Financial Services Sarl (100%) and Sentinel Bridge Ltd (80%) were acquired in the prior year.

BSi Steel Ltd owns a 46% shareholding in Qinisa Steel Solutions (Pty) Ltd. Qinisa Steel Solutions (Pty) Ltd is treated as a subsidiary due to the fact that BSi Steel provides funding for Qinisa's operations and the fact that Qinisa Steel Solutions (Pty) Ltd and BSi Steel share common directors in Jerry Govender and Grant MacKenzie. Once Qinisa is in a position to finance itself and funding lines with BSi Steel are repaid the requirement to consolidate will be revisited.

9. Joint arrangements

Joint ventures

The following table lists all of the joint ventures in the Group:

Name of company	Held by	**Ownership interest 2015 %**	Ownership interest 2014 %	**Carrying amount 2015 R'000**	Carrying amount 2014 R'000
Group					
Global Trade Insurance Ltd and Tower Trade Group Ltd	The Lloyds Trust	**45,00**	45,00	**10 831**	1 584

The percentage ownership interest is equal to the percentage voting rights in all cases. The principal activity of Global Trade Insurance Ltd is that of short term insurance and Tower Trade Group Ltd is that of short term trade finance.

Material joint ventures

The following joint ventures are material to the Group:

	Country of incorporation	**Method**	**% Ownership interest 2015**	2014
Tower Trade Group Ltd	Hong Kong	Equity	**45**	45
Global Trade Insurance Ltd	Bermuda	Equity	**45**	45

9. Joint arrangements (continued)

Summarised financial information of material joint ventures

	Tower Trade Group Ltd & Global Trade Insurance Ltd	
	2015 R'000	2014 R'000
Summarised unaudited income statement		
Revenue	**129 840**	30 785
Depreciation and amortisation	**(649)**	(56)
Interest income	**3 748**	1 260
Other income and expenses	**(162 858)**	(27 900)
Interest expense	**(7 584)**	(2 013)
(Loss)/profit before tax	**(37 503)**	2 076
Tax expense	**-**	25
(Loss)/profit from continuing operations	**(37 503)**	2 101
Total comprehensive (loss)/income	**(37 503)**	2 101
Summarised unaudited statement of financial position		
ASSETS		
Non current	**11 500**	8 838
Current		
Cash and cash equivalents	**34 749**	30 251
Other current assets	**145 545**	261 302
Total current assets	**180 294**	291 553
LIABILITIES		
Current		
Current financial liabilities (excluding trade payables and provisions)	**-**	55 222
Other current liabilities	**219 897**	241 649
Total current liabilities	**219 897**	296 871
Total net assets	**(28 103)**	3 520
Reconsiliation of net assets to equity accounted investments in joint ventures		
Interest in joint venture at percentage ownership of 45%	**10 831**	1 584
Carrying value of investment in joint venture	**10 831**	1 584
Investment at beginning of period	**1 584**	-
Acquisitions	**-**	502
Foreign currency translation	**(40)**	137
Share of (loss) / profit - limited to amounts invested	**(2 669)**	945
Loan converted to capital	**11 956**	-
Investment at end of period	**10 831**	1 584

The summarised information presented above reflects the financial statements of the joint ventures after adjusting for differences in accounting policies between the Group and the joint venture.

Commitments and Contingencies

Refer to note 34 Commitments and note 35 Contingencies for details of commitments and contingencies related to joint ventures.

10. Loans to/ (from) Group companies

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Subsidiaries				
Shearcut (Pty) Ltd	**-**	-	**(10 786)**	1 312
Red Chip Investments (Pty) Ltd	**-**	-	**(6 816)**	(1 433)
Newcolab (Pty) Ltd	**-**	-	**(878)**	(1 354)
BSi Plate Solutions (Pty) Ltd	**-**	-	**-**	(25 532)
BSi Steel Africa Ltd	**-**	-	**(2 107)**	(8 939)
West Dunes Properties 296 (Pty) Ltd	**-**	-	**3 999**	3 904
Qinisa Steel Solutions (Pty) Ltd	**-**	-	**12 628**	302
	-	-	**(3 960)**	(31 740)
Joint ventures				
Global Trade Insurance Ltd	**127**	110	**-**	-
Supply Chain Trade Services International Ltd	**-**	10 388	**-**	-
	127	10 498	**-**	-

Intercompany loans are classified as loans and receivables and their carrying value approximates fair value. All intercompany loans are made in the ordinary course of business, bear interest at prime interest rate, unsecured and repayable within 30 days of statement issue.

Current assets	**127**	10 498	**16 627**	5 518
Current liabilities	**-**	-	**(20 587)**	(37 258)
	127	10 498	**(3 960)**	(31 740)

11. Other financial assets

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
At fair value				
Foreign exchange contract	**6 883**	-	**6 883**	-
Loans and receivables				
Loan - QTC Developers cc	**7 860**	-	**7 860**	-
The loan is secured, bears interest at prime and is repayable over 4 years.				
Total other financial assets	**14 743**	-	**14 743**	-
Non-current assets				
Loans and receivables	**6 986**	-	**6 986**	-
Current assets				
At fair value	**6 883**	-	**6 883**	-
Loans and receivables	**874**	-	**874**	-
	7 757	-	**7 757**	-
	14 743	-	**14 743**	-

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted market price.
- The fair values on investments not listed or quoted are estimated using the discounted cash flow analysis.

The above loans and receivables are held at amortised cost and the carrying value is deemed to be the fair value.

12. Financial assets by category

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

	Loans and receivables R'000	Fair value through profit or loss R'000	Financial derivatives R'000	Held to maturity invest-ments R'000	Available for sale R'000	Total R'000
Group						
2015						
Loans to Group companies	**127**	**-**	**-**	**-**	**-**	**127**
Other financial assets	**7 860**	**6 883**	**-**	**-**	**-**	**14 743**
Trade and other receivables	**732 177**	**-**	**-**	**-**	**-**	**732 177**
Cash and cash equivalents	**55 822**	**-**	**-**	**-**	**-**	**55 822**
	795 986	**6 883**	**-**	**-**	**-**	**802 869**
2014						
Loans to Group companies	10 498	-	-	-	-	10 498
Trade and other receivables	705 731	-	-	-	-	705 731
Cash and cash equivalents	65 689	-	-	-	-	65 689
	781 918	-	-	-	-	781 918
Company						
2015						
Loans to Group companies	**16 627**	**-**	**-**	**-**	**-**	**16 627**
Other financial assets	**7 860**	**6 883**	**-**	**-**	**-**	**14 743**
Trade and other receivables	**565 812**	**-**	**-**	**-**	**-**	**565 812**
Cash and cash equivalents	**1 809**	**-**	**-**	**-**	**-**	**1 809**
	592 108	**6 883**	**-**	**-**	**-**	**598 991**
2014						
Loans to Group companies	5 518	-	-	-	-	5 518
Trade and other receivables	570 872	-	-	-	-	570 872
Cash and cash equivalents	14 152	-	-	-	-	14 152
	590 542	-	-	-	-	590 542

13. Deferred tax

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Deferred tax (liability)/asset				
Accelerated capital allowances for tax purposes	**(23 357)**	(17 654)	**(17 384)**	(10 542)
Tax losses available for set off against future taxable income	**4 781**	5 439	**-**	1 637
Other deferred tax	**10 912**	14 137	**3 974**	2 933
Total deferred tax (liability)/ asset	**(7 664)**	1 922	**(13 410)**	(5 972)
Deferred tax liability	**(16 463)**	(11 130)	**(13 410)**	(5 972)
Deferred tax asset	**8 799**	13 052	**-**	-
Total net deferred tax (liability)/ asset	**(7 664)**	1 922	**(13 410)**	(5 972)
Reconsiliation of deferred tax (liability)/ asset				
At beginning of year	**1 922**	13 250	**(5 972)**	4 559
Decrease in tax loss available for set off against future taxable income	**(3 553)**	(5 867)	**(1 681)**	(4 410)
Originating temporary difference on tangible assets	**(6 592)**	(3 740)	**(6 776)**	(3 959)
Other	**580**	256	**1 041**	(1 485)
Prior year	**(21)**	(1 977)	**(22)**	(677)
	(7 664)	1 922	**(13 410)**	(5 972)

Recognition of deferred tax asset

The tax losses are expected to be utilised due to future profitable operations as is evidenced by the positive budgets and cash flow projections.

14. Inventories

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Work in progress	**8 316**	2 020	**8 316**	2 020
Merchandise	**398 426**	448 330	**302 588**	299 459
Goods in transit	**76 614**	-	**76 614**	-
	483 356	450 350	**387 518**	301 479
Inventory pledged as security				
Inventory pledged as security	**125 000**	163 200	**125 000**	163 200

Inventory was pledged as security for a credit facility with Arcelor Mittal on behalf of the Group. At year end the facility amounted to R 450 000 000 (2014: R 370 000 000). Included in the inventory value above is inventory of Rnil (2014: R38 200 000) specifically ceded to Grindrod Bank.

15. Trade and other receivables

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Trade receivables (net of provision)	**667 976**	647 832	**563 482**	560 049
Prepayments	**1 079**	1 595	**1 041**	896
Deposits	**5 225**	2 690	**919**	759
VAT	**22 584**	21 334	**13 397**	12 609
Staff loans	**4 413**	2 034	**298**	641
Other receivables	**349**	405	**-**	-
Sundry debtors	**54 214**	52 770	**1 113**	9 423
	755 840	728 660	**580 250**	584 377

Trade and other receivables pledged as security

Trade and other receivables with a value of R446 723 019 (2014: R446 518 940) were pledged as security for the invoice discounting facility. At year end the outstanding balance on the facility amounted to R356 337 781 (2014: R391 493 183).

Trade and other receivables past due and not impaired

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
The ageing of amounts past due and not impaired:				
1 month past due	**24 665**	32 353	**19 317**	22 915
2 and more months past due	**42 972**	52 610	**39 444**	34 253
The carrying amount of trade and other receivables are denominated in the following currencies:				
Rand	**625 280**	524 489	**541 792**	523 695
US Dollar	**42 696**	123 343	**21 690**	36 354
Reconciliation of provision for impairment of trade and other receivables				
Opening balance	**31 879**	21 394	**11 227**	11 357
Provision for impairment	**16 452**	22 082	**15 587**	10 568
Amounts written off as uncollectible	**(23 765)**	(11 597)	**(15 384)**	(10 698)
	24 566	31 879	**11 430**	11 227

The maximum exposure to credit risk at the reporting date is the fair value of each class of trade and other receivables mentioned above. All Company trade and receivables, with the exception of the Exports division, are insured by Credit Insurance Solutions and Credit Guarantee Insurance Company. The Group holds collateral securities provided by certain of it's largest debtors. At year end trade and other receivables comprised of 1,991 individual debtors (2014: 2 377).

16. Cash and cash equivalents

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Cash and cash equivalents consist of:				
Cash on hand	**360**	828	**295**	75
Bank balances	**55 462**	64 861	**1 514**	14 077
Bank overdraft	**(431 546)**	(452 995)	**(402 131)**	(422 118)
	(375 724)	(387 306)	**(400 322)**	(407 966)
Current assets	**55 822**	65 689	**1 809**	14 152
Current liabilities	**(431 546)**	(452 995)	**(402 131)**	(422 118)
	(375 724)	(387 306)	**(400 322)**	(407 966)

BSi Steel Limited has an invoice discounting facility of R500 000 000 (2014: R500 000 000) which is secured by:

- book debts;
- limited suretyship by,
  - West Dunes Properties 296 (Pty) Ltd, incorporating a cession of loan funds
  - BSi Steel Ghana Ltd, incorporating a cession of loan funds
  - Red Chip Investments (Pty) Ltd, incorporating a cession of loan funds
  - BSi Plate Solutions (Pty) Ltd, incorporating a cession of loan funds
  - BSi Steel Mozambique LDA, incorporating a cession of loan funds
  - BSi Steel Africa Ltd, incorporating a cession of loan funds
- unlimited suretyship by,
  - BSi Steel Katanga SPRL, excluding a cession of loan funds
  - BSi Steel Zambia Ltd, incorporating a cession of loan funds
  - Shearcut (Pty) Ltd, excluding a cession of loan funds
- cession of various Credit Insurance Solutions policies.

The invoice discounting facility is inclusive of forward exchange contracts, guarantees and letter of credit products.

At 31 March 2015 the BSi Steel Africa Ltd company had a credit facility of USD22 800 000 (2014: USD22 000 000) with Tower Trade Group Hong Kong Ltd. An additional overdraft facility is held with Afrasia of USD2 500 000 (2014: USD2 500 000) and a LC facility of USD12 500 000 (2014: USD12 500 000). These facilities are unsecured.

17. Discontinued operations

During the year the decision was made by the Board to discontinue the operation in Ghana due to unfavourable trading conditions.

	Group		Company	
	2015 R	2014 R	**2015 R**	2014 R
Profit and loss				
Revenue	**30 667**	56 772	**-**	-
Expenses	**(39 580)**	(72 264)	**-**	-
Net loss before tax	**(8 913)**	(15 492)	**-**	-
Tax	**(1 235)**	(3 662)	**-**	-
Net loss after tax	**(10 148)**	(19 154)	**-**	-
Realisation of foreign currency translation reserve	**(9 090)**	-	**-**	-
Net loss for the year	**(19 238)**	(19 154)	**-**	-

18. Share capital and share premium

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Authorised				
10 000 000 000 ordinary shares of 0 001 cents each	**100**	100	**100**	100
Analysis of number of shares issued:				
Number of shares in issue	**719 854 996**	719 854 996	**719 854 996**	719 854 996
Less: Treasury shares held	**(18 044 525)**	(18 044 525)	**-**	-
	701 810 471	701 810 471	**719 854 996**	719 854 996
Issued				
701 810 471 ordinary shares of 0 001 cents each	**7**	7	**7**	7
Share premium	**110 573**	110 573	**124 294**	124 294
	110 580	110 580	**124 301**	124 301

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Analysis of share premium				
Share premium of shares in issue	**124 294**	124 294	**124 294**	124 294
Treasury shares held	**(13 721)**	(13 721)	**-**	-
	110 573	110 573	**124 294**	124 294

19. Share based payments

Equity settled share-based payments (share appreciation rights)

	Number	**Weighted exercise price R**	**Total value R'000**
Outstanding at the beginning of the prior year	7 548 386	0,623	4 702
Granted during the prior year	8 280 000	0,590	4 885
Forfeited during the prior year	(1 378 387)	0,595	(820)
Granted during the current year	16 250 000	0,560	9 100
Reversed during the current year	(4 999 999)	0,550	(2 750)
Forfeited during the current year	(600 000)	0,590	(354)
Outstanding at the end of the year	**25 100 000**	**0,588**	**14 763**

The valuations were performed by means of the following inputs:

Outstanding options for 2014 and 2015

	SAR scheme December 2009	**SAR scheme March 2013**	**SAR scheme December 2014**
Outstanding at the end of the year	1 500 000	7 350 000	16 250 000
Weighted average share price (cents)	63,5	59,0	56,0
Expected rolling volatility (%)	50,70	60,75	50,00
Expected option lifetime (years)	5,33 - 6,33	5 - 6	4 - 5
Risk free rate based on zero-coupon government bond yield (average %)	8,35	6,28	6,50

Information on options granted during the year

The expected life used in the model has been adjusted, based on management's best estimate, for the affects of employee turnover and exercise behaviour.

19. Share based payments (continued)

Information on options granted during the year (continued)

Fair value was determined by use of the Black & Scholes model. The following inputs were used:

- Weighted average share price,
- Exercise price,
- Expected volatility,
- Option life,
- The risk-free interest rate,

Options vest in the case of HEPS for the vesting period being in excess of CPI plus 2% for each year of the vesting period. The exercise price is determined as the volume weighted average price of the share on the exercise date and options must be exercised within 7 years of the grant date. Options are forfeited if the employee leaves the Group before the options vest.

Total expenses / (release) of (R 662 192) (2014: R 955 932) related to equity-settled share based payments transactions were recognised in 2015 and 2014 respectively.

20. Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Subsequent consolidation	**145 078**	93 379	**-**	-

21. Other financial liabilities

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
At fair value				
Foreign exchange contract	**-**	239	**-**	239
Held at amortised cost				
Bank loan	**8 001**	11 077	**7 822**	10 698
This loan is unsecured, repayable over a period of 5 years and bears interest at 9% per year.				
Instalment sale agreements	**28 846**	50 270	**28 846**	45 409
The above instalment sale agreements are secured over property, plant and equipment as per note 6. They are repayable over periods varying from 2 to 60 months and bear interest at varying rates linked to prime.				
Astrium loan	**237**	786	**-**	-
This loan is repayable over 3 years, bears interest at 2% per annum and denominated in EUR.				
Mortgage bond	**76 752**	59 737	**55 417**	41 456
The above bonds are secured by land and buildings per note 6 as well as a cession of Chartis SA insurance policy no. 02MLN511770. They bear interest at varying rates linked to prime, are repayable on a ten year term in total monthly instalments of R2 182 055.				
	113 836	121 870	**92 085**	97 563
Total other financial liabilities	**113 836**	122 109	**92 085**	97 802

21. Other financial liabilities (continued)

A revolving credit facility of R23 000 000 (2014: R23 000 000) is shared between BSi Steel Ltd and Shearcut (Pty) Ltd but has not been utilised at year-end. The maturity of the above liabilities are disclosed per note 3.

The financial liabilities are classified as level 1 in terms of the requirements of IFRS 13.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Non-current liabilities				
At amortised cost	**71 847**	83 092	**55 512**	65 392
Current liabilities				
Fair value	**-**	239	**-**	239
At amortised cost	**41 989**	38 778	**36 573**	32 171
	41 989	39 017	**36 573**	32 410
	113 836	122 109	**92 085**	97 802

The fair values of the financial liabilities approximate their carrying values. The directors, in terms of the company's Articles of Association, have unlimited borrowing powers.

22. Provisions

Reconsilliation of provisions - Group and Company - 2014

	Opening balance R'000	Reversed during the year R'000	Total R'000
2014			
Provision for long term out performance Bonus Scheme	5 511	(5 511)	-

23. Trade and other payables

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Trade payables	**386 908**	439 781	**364 619**	353 804
VAT	**1 725**	5 139	**-**	-
Accruals and other payables	**87 657**	29 336	**87 485**	29 336
Accrued expenses	**3 488**	3 024	**540**	765
Other accrued expenses	**16 485**	10 879	**991**	6 117
	496 263	488 159	**453 635**	390 022

The company has a number of 30 day credit facilities with its suppliers, one of these being Arcelor Mittal. The credit facility of R450 000 000 (2014: R370 000 000) is secured as follows:

- A bond over inventory to the value of R125 000 000 (2014: R125 000 000);

- Reversionary cession of debtors and

- Guarantees by the following companies:

- Red Chip Investments (Pty) Ltd
- Shearcut (Pty) Ltd

24. Financial liabilities by category

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

	Financial liabilities at amortised cost R'000	Fair value through profit or loss - designated R'000	Total R'000
Group			
2015			
Other financial liabilities	**113 836**	**-**	**113 836**
Trade payables	**386 907**	**-**	**386 907**
Bank overdraft	**431 546**	**-**	**431 546**
	932 289	**-**	**932 289**
2014			
Other financial liabilities	121 870	239	122 109
Trade payables	439 781	-	439 781
Bank overdraft	452 995	-	452 995
	1 014 646	239	1 014 885
Company			
2015			
Loans from Group companies	**20 587**	-	**20 587**
Other financial liabilities	**92 085**	-	**92 085**
Trade payables	**364 619**	-	**364 619**
Bank overdraft	**402 131**	-	**402 131**
	879 422	-	**879 422**
2014			
Loans from Group companies	37 258	-	37 258
Other financial liabilities	97 563	239	97 802
Trade payables	353 804	-	353 804
Bank overdraft	422 118	-	422 118
	910 743	239	910 982

25. Revenue

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Sale of goods	**3 248 046**	3 290 269	**2 714 775**	2 735 057

26. Cost of sales

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Cost of goods sold	**2 772 593**	2 770 042	**2 394 333**	2 395 661

27. Operating profit

Operating profit before interest and taxation for the year is stated after accounting for the following:

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Operating lease charges				
Premises				
• Contractual amounts	**16 203**	13 287	**14 112**	15 642
Equipment				
• Contractual amounts	**666**	1 225	**666**	1 225
	16 869	14 512	**14 778**	16 867
Loss on sale of property, plant and equipment	**4 521**	384	**3 930**	384
Foreign exchange loss / (gains)	**12 980**	7 477	**(8 392)**	7 790
Auditors' remuneration - fees	**3 039**	2 410	**1 929**	1 672
Impairment of property, plant and equipment	**-**	(9)	**-**	(9)
Depreciation	**26 364**	24 414	**17 451**	15 674
Amortisation	**2 456**	2 424	**2 417**	2 395
Employee costs	**201 764**	219 170	**150 886**	167 347

Certain costs were apportioned between Cost of sales and Operating expenses on the Statement of Profit and Loss.

28. Investment income

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Dividend revenue				
Subsidiaries - local	**-**	-	**3 567**	1 027
Interest revenue				
Bank	**448**	209	**180**	68
Interest charged on trade and other receivables	**112**	1 133	**112**	1 133
Other interest	**7 615**	3 989	**1 121**	1 081
	8 175	5 331	**1 413**	2 282
	8 175	5 331	**4 980**	3 309

29. Finance costs

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Trade and other payables	**-**	2	**-**	2
Finance leases	**4 370**	5 587	**3 559**	3 610
Bank and other current borrowings	**51 605**	49 501	**29 670**	31 074
Other interest paid	**3 989**	4 847	**6 088**	5 650
	59 964	59 937	**39 317**	40 336

30. Taxation

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Major components of the tax expense				
Current				
Local income tax - current period	**18 747**	8 087	**6 095**	-
Deferred				
Originating and reversing temporary differences relating to tangible fixed assets	**(241)**	3 484	**3 243**	5 465
Temporary differences due to unutilised tax losses	**2 321**	2 205	**1 681**	4 388
Prior period	**2 514**	1 978	**2 514**	678
	4 594	7 667	**7 438**	10 531
	23 341	15 754	**13 533**	10 531
Reconciliation of the tax expense	**%**	%	**%**	%
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	**28,00**	28,00	**28,00**	28,00
Capital gains tax	**(0,15)**	0,11	**-**	-
Permanent differences	**30,88**	7,45	**(3,20)**	-
Prior year	**5,61**	(0,26)	**5,88**	1,81
Other	**0,18**	-	**-**	-
Foreign tax	**(12,45)**	(13,33)	**-**	-
	52,07	21,97	**30,68**	29,81

31. Cash generated from operations

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Profit before taxation	**35 916**	56 229	**44 111**	35 327
Adjustments for:				
Depreciation and amortisation	**28 820**	27 945	**19 868**	18 069
Loss on sale of property, plant and equipment	**4 521**	384	**3 930**	384
Loss / (profit) from equity accounted investments	**2 669**	(945)	**-**	-
Dividends received	**-**	-	**(3 567)**	(1 027)
Interest income	**(8 350)**	(5 474)	**(1 413)**	(2 282)
Finance costs	**59 971**	60 504	**39 317**	40 336
Bargain purchase gain	**-**	(1 495)	**-**	-
Movements in provisions	**-**	(5 512)	**-**	(5 511)
Hedging reserve	**6 308**	-	**6 308**	-
Share based payment provisions	**(662)**	956	**(662)**	956
Changes in working capital:				
Inventories	**(13 835)**	(3 860)	**(86 039)**	8 273
Trade and other receivables	**(7 075)**	(35 461)	**4 127**	(57 841)
Trade and other payables	**1 355**	67 084	**63 613**	71 589
	109 638	160 355	**89 593**	108 273

32. Tax (paid)/ refunded

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Balance at beginning of the year	**1 693**	(5 335)	**3 251**	-
Current tax for the year recognised in profit or loss	**(18 747)**	(8 087)	**(6 095)**	-
Tax for the year in relation to discontinued operations	**(1 235)**	-	**-**	-
Balance at end of the year	**3 184**	(1 693)	**2 868**	(3 251)
	(15 105)	(15 115)	**24**	(3 251)

33. Business combinations

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Aggregated business combinations				
Property, plant and equipment	**-**	13 495	**-**	-
Net cash outflow on acquisition				
Cash consideration paid	**-**	(12 000)	**-**	-
Tubing line acquisition				
Fair value of assets acquired and liabilities assumed				
Property, plant and equipment	**-**	13 495	**-**	-
Aquisition date fair value of consideration paid				
Cash	**-**	(12 000)	**-**	-
Bargain purchase gain	**-**	(1 495)	**-**	-
	-	(13 495)	**-**	-

Gain on acquisition

A gain of R 1 495 000 was recognised on acquisition for the prior year. The gain has been included in the Other income line in the statement of profit and loss.

34. Commitments

Authorised capital expenditure

The directors are not aware of any capital commitments related to the Group nor the joint ventures contracted for but not provided for up to the reporting date.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Operating leases – as lessee (expense)				
Minimum lease payments due				
- within one year	**1 759**	2 830	**-**	-
- in second to fifth year inclusive	**403**	12 664	**-**	-
	2 162	15 494	**-**	-

Operating lease payments represent rentals payable by the Group for certain of its properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

35. Contingencies

The Group has issued cross-guarantees in the form of unlimited suretyships excluding loan cessions, in favour of Nedbank Corporate as per note 16.

36. Related parties

Relationships	
Holding company	BSi Steel Limited
Subsidiaries	Refer to note 8
Shareholder with significant influence	Refer to shareholding analysis
Members of key management	William Battershill
	Kevin Paxton
	Jerry Govender
	Craig Parry
	Emmerentia Vermaak

36. Related parties (continued)

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Related party balances				
Loan accounts - owing (to)/ by related parties				
Newcolab (Pty) Ltd	**-**	-	**(878)**	(1 354)
Supply Chain Trade Services International Ltd	**-**	10 388	**-**	-
Global Trade Insurance Ltd	**127**	110	**-**	-
Red Chip Investments (Pty) Ltd	**-**	-	**(6 816)**	(1 433)
Shearcut (Pty) Ltd	**-**	-	**(10 786)**	1 312
BSi Steel Africa Ltd	**-**	-	**(2 017)**	(8 939)
BSi Plate Solutions (Pty) Ltd	**-**	-	**-**	(25 532)
West Dunes Properties 296 (Pty) Ltd	**-**	-	**3 999**	3 904
Qinisa Steel Solutions (Pty) Ltd	**-**	-	**12 628**	302
Amounts included in trade receivable/ (trade payable) regarding related parties				
BSi Steel Zambia Limited	**-**	-	**7 113**	3 493
BSi Steel Ghana Limited	**-**	-	**-**	418
BSi Steel Mozambique LDA	**-**	-	**3 577**	2 600
Qinisa Steel Solutions (Pty) Ltd	**-**	-	**8 261**	760
BSi Steel Katanga SPRL	**-**	-	**1 012**	5 063
Related party transactions				
Interest paid to/ (received from) related parties				
Newcolab (Pty) Ltd	**-**	-	**79**	110
Qinisa Steel Solutions (Pty) Ltd	**-**	-	**(399)**	-
BSi Plate Solutions (Pty) Ltd	**-**	-	**1 566**	-
West Dunes Properties 296 (Pty) Ltd	**-**	-	**(360)**	-
Red Chip Investments (Pty) Ltd	**-**	-	**454**	200
Related party transactions				
Purchases from/ (sales to) related parties				
BSi Steel Ghana Limited	**-**	-	**(1 132)**	(2 304)
BSi Steel Mozambique, LDA	**-**	-	**(33 416)**	(33 193)
BSi Steel Zambia Limited	**-**	-	**(118 878)**	(133 138)
BSi Steel Katanga SPRL	**-**	-	**(85 271)**	(81 412)
BSi Plate Solutions (Pty) Ltd	**-**	-	**(2 935)**	(391)
Qinisa Steel Solutions (pty) Ltd	**-**	-	**(24 833)**	-
Rent paid to/ (received from) related parties				
West Dunes Properties 296 (Pty) Ltd	**-**	-	**1 051**	1 372
Red Chip Investments (Pty) Ltd	**-**	-	**2 721**	2 569
Shearcut (Pty) Ltd	**-**	-	**-**	2 781
Qinisa Steel Solutions (Pty) Ltd	**-**	-	**(11)**	-
Fees paid to/ (received from) related parties				
Richard Lewis Smith & Associates	**125**	10	**125**	10
Richard Lewis	**50**	-	**50**	-

Details of compensation to directors and other key management is detailed in note 37.

37. Directors' emoluments

	Basic remuneration R'000	Performance bonus R'000	Retirement, medical and other benefits R'000	Total R'000
Executive				
2015				
WL Battershill	**2 212**	**212**	**323**	**2 747**
GDG MacKenzie	**2 073**	**87**	**389**	**2 549**
JS Govender	**1 505**	**165**	**258**	**1 928**
C Parry	**2 735**	**1 937**	**325**	**4 997**
E Vermaak	**746**	**133**	**71**	**950**
KL Paxton	**882**	**-**	**18**	**900**
JR Waller	**2 024**	**220**	**-**	**2 244**
	12 177	**2 754**	**1 384**	**16 315**
2014				
WL Battershill	2 022	961	387	3 370
GDG MacKenzie	2 083	1 110	379	3 572
JS Govender	1 289	419	219	1 927
C Parry	1 629	2 399	318	4 346
WR Teichmann	442	-	162	604
JR Waller	3 145	681	-	3 826
	10 610	5 570	1 465	17 645

Included in Mr Paxton's remuneration is an amount of R720 000 paid to Lot 7550 Mahogany Ridge cc. Mr Paxton is an employee of Lot 7550 Mahogany Ridge cc.

Included in Mr Battershill's remuneration is an amount of R 1 080 000 paid to the Honey Badger Trust. Mr Battershill is a trustee and beneficiary of the Honey Badger Trust.

	Directors' fees R'000	Committee fees R'000	Total R'000
Non-executive			
2015			
IAJ Clark	**38**	**18**	**56**
BM Khoza	**75**	**36**	**111**
RG Lewis	**75**	**72**	**147**
NG Payne	**100**	**124**	**224**
	288	**250**	**538**
2014			
IAJ Clark	71	34	105
BM Khoza	71	34	105
RG Lewis	71	59	130
NG Payne	94	106	200
	307	233	540

38. Prior period reclassification

Certain expense items were reclassified from operating expenses to cost of sales in accordance with IAS1.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Profit or Loss				
Cost of sales	**-**	40 532	**-**	40 532
Operating expenses	**-**	(40 532)	**-**	(40 532)

39. Subsequent events

No events affecting the current financial year have occured after year end.

40. Earnings per share

	Group	
	2015 R'000	2014 R'000
Basic		
Profit attributable to ordinary shareholders - continued operations	**21 488**	56 100
Loss attributable to ordinary shareholders - discontinued operations	**(19 238)**	(19 154)
Weighted average number of ordinary shares in issue	**701 810 471**	702 020 349
Basic and diluted earnings per share (cents) - continued operations	**3,06**	7,99
Basic and diluted loss per share (cents) - discontinued operations	**(2,74)**	(2,73)
Total basic and diluted earnings per share (cents)	**0,32**	5,26
Headline earnings attributable to ordinary shareholders:		
Profit attributable to equity holders of the Group	**2 250**	36 946
Adjusted for:		
- loss on disposal of property, plant and equipment	**4 521**	384
- tax impact of the above adjustment	**(1 266)**	(107)
- bargain purchase gain (no tax effect)	**-**	(1 495)
- realisation of foreign currency translation reserve on discontinued operations	**9 090**	-
Headline earnings attributable to ordinary shareholders	14 595	**35 728**
Weighted number of shares	701 810 471	702 020 349
Basic and diluted headline earnings per share (cents)	2,08	5,09

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

Headline

Headline earnings per share is calculated by excluding all the capital gains and losses from the profit attributable to ordinary shareholders and dividing the resultant headline earnings by the weighted average number of ordinary shares in issue during the year.

The share-based payments provided for have a trivial dilutive effect on basic and headline earnings per share and are therefore not disclosed.

Register date: 27 March 2015
Issued Share Capital: 719,854,996 shares

Shareholder spread

	Number of shareholders	%	Number of shares	%
1 - 1 000 shares	131	10,28	74 253	0,01
1 001 - 10 000 shares	488	38,30	2 730 295	0,38
10 001 - 100 000 shares	485	38,07	18 129 701	2,52
100 001 - 10 000 000 shares	141	11,07	47 636 421	6,62
10 000 000 shares and over	29	2,28	651 284 326	90,47
Total	1 274	100	719 854 996	100

Distribution of shareholders

	Number of shareholders	%	Number of shares	%
Brokers	2	0,16	150 007	0,2
Close corporations	25	1,96	97 330 319	13,52
Individuals	1 143	89,72	121 780 133	16,92
Mutual funds	2	0,16	3 636 993	0,51
Nominees and trusts	63	4,95	193 500 269	26,88
Other corporations	9	0,71	1 248 041	0,17
Pension funds	1	0,08	100 000	0,01
Private companies	29	2,28	302 109 234	41,97
Total	1 274	100	719 854 996	100

Public/non-public shareholders

	Number of shareholders	%	Number of shares	%
Non-Public shareholders	18	1,41	573 166 165	79,62
Directors and company secretary of the company	15	1,18	451 596 845	62,73
Strategic holdings (10% or more)	1	0,08	92 217 195	12,81
Directors subsidiaries	1	0,08	11 307 600	1,57
Subsidiary	1	0,08	18 044 525	2,51
Public shareholders	1 256	98,59	146 688 831	20,38
Total	1 274	100	719 854 996	100

Beneficial shareholders holding of 3% or more

	Number of shares	%
Battershill Investments (Pty) Ltd	260 000 000	36,12
Basfour 2052 CC	92 217 195	12,81
Jamand Trust	81 331 349	11,30
Denbigh Trust	28 037 607	3,89
Longfellow Family Trust	28 037 607	3,89
Craig Parry Family Trust	23 968 445	3,33

BSi Steel Limited
(Incorporated in the Republic of South Africa)
(Registration no 2001/023164/06)
JSE code: BSS ISIN: ZAE000125134
(**"BSi"** or **"the Company"**)

The record date in terms of section 59 of the Companies Act no. 71 of 2008, as amended (the **" Companies Act"**), for shareholders to receive this notice of Annual General Meeting is Friday,14 August 2015 (the **"Notice Record Date"**).

The record date on which members must be recorded as such in the register maintained by the transfer secretaries of the Company (the **"Share Register"**) for the purpose of being entitled to attend and vote at the Annual General Meeting is Friday, 11 September 2015 (the **"Voting Record Date"**) and the last date to trade is Friday, 4 September 2015.

Notice is hereby given that the Annual General Meeting of members of BSi Steel Limited will be held at BSi Steel Limited KZN, 46 Eden Park Drive, Pietermaritzburg on Tuesday, 22 September 2015, at 16:00 (the **"AGM"** or the **"Annual General Meeting"**).

Purpose of the Annual General Meeting

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

AGENDA

- Presentation of the audited annual financial statements of the Company, including the reports of the directors and the audit committee for the year ended 31 March 2015. The annual report, of which this notice forms part, contains the annual financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, are available on BSi Steel's website at www.bsisteel.com, or may be requested and obtained in person, at no charge, at the registered office of BSi Steel during office hours.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Ordinary Business:

Ordinary resolution no. 1: Re-appointment of auditors

"Resolved that Deloitte and Touche be and are hereby re-appointed as independent auditors of the Company (the designated auditor being Mrs C Howard-Browne) for the year ending 31 March 2016, such auditors having been nominated by the Company's Audit Committee."

The reason for ordinary resolution number 1 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the Annual General Meeting of the Company as required by the Companies Act.

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% of the voting rights plus one vote to be cast in favour of the resolution.

Ordinary resolution no. 2: Retirement and re-election of directors appointed during the year under review

In terms of clause 26.11.1 of the Company's memorandum of incorporation (**"MOI"**), any board appointments made by the board during a year under review must be confirmed by shareholders at the next Annual General Meeting of the Company, following such an appointment. Accordingly, the following directors were appointed by the board during the year under review and shareholders are hereby requested to confirm such appointments:

- Mrs E Vermaak; and
- Mr K Paxton.

Ordinary resolution no. 2(a)

Re-election of Mrs E Vermaak as a director.

"Resolved that Mrs E Vermaak, being a new appointment to the board and retiring in accordance with the provisions of the Company's MOI and, being eligible and offering herself for re-election, be and is hereby re-elected as a director of the Company."

Ordinary resolution no. 2(b)

Re-election of Mr K Paxton as a director.

"Resolved that Mr K Paxton, being a new appointment to the board and retiring in accordance with the provisions of the Company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

The re-election of the abovementioned directors will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy as required under section of 68(2) of the Companies Act.

The minimum percentage of voting rights that is required for ordinary resolution numbers 2(a) and 2(b) to be adopted are 50% of the voting rights plus one vote to be cast on the resolutions.

A brief CV of each director is available on page 4 of this annual report.

Ordinary resolution no. 3: Re-election of directors

In terms of clause 26.7.1 of the Company's MOI, one third of the non-executive directors of the Company must retire by rotation every year at the Company's Annual General Meeting. Accordingly, the following director retires by rotation at the Annual General Meeting, but being eligible, has offered himself for re-election.

- Dr R G Lewis

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect the director named above by way of passing the ordinary resolution number 3(a) set out below:

Ordinary resolution no. 3:

Re-election of Dr R G Lewis as director.

"Resolved that Dr R G Lewis, who retires by rotation in terms of the Company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% of the voting rights plus one vote to be cast on the resolution.

A brief CV of the director concerned is available on page 5 of this annual report.

Ordinary resolution no. 4: Re-appointment of members of the audit committee of the Company

To re-appoint individually the following independent non-executive directors to the Audit Committee of the Company.

Ordinary resolution no. 4(a)

"Resolved that Mr N G Payne, being eligible, be and is hereby re-appointed as a member of the audit committee of the Company, as recommended by the board of directors of the Company, until the next Annual General Meeting of the Company."

Ordinary resolution no. 4(b)

"Resolved that Mr B M Khoza, being eligible, be and is hereby re-appointed as a member of the audit committee of the Company, as recommended by the board of directors of the Company, until the next Annual General Meeting of the Company."

Ordinary resolution no. 4(c)

"Resolved that Dr R G Lewis, being eligible, be and is hereby re-appointed as a member of the audit committee of the Company, as recommended by the board of directors of the Company, until the next Annual General Meeting of the Company."

A brief CV of each director is available on page 5 of this annual report.

The reason for ordinary resolution numbers 4(a) to 4(c) (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each Annual General Meeting of a company.

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% of the voting rights plus one vote to be cast on the resolution.

Ordinary resolution no. 5: General authority to issue shares for cash

"Resolved that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's MOI, the Companies Act and the Listings Requirements of the JSE Limited (**"JSE Listings Requirements"**), provided that:

1. the general authority shall be valid until the Company's next Annual General Meeting provided that it shall not extend beyond fifteen months from the date of the passing of this ordinary resolution (whichever period is shorter);
2. the allotment and issue of the shares must be made to public shareholders as defined in the JSE Listings Requirements and not to related parties;
3. 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;
4. the number of shares issued for cash in aggregate in any one financial year shall not exceed 50% (fifty percent) of the Company's issued ordinary share capital (number of securities) of that class as at the date of this notice of Annual General Meeting.

   As at the date of this notice of Annual General Meeting, 50% of the Company's issued ordinary share capital (net of treasury shares) amounts to 350 905 235 ordinary shares;
5. the maximum discount at which ordinary shares may be issued in terms of this general authority is 10% (ten percent) of the weighted average traded price of those shares over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period; and
6. 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 on SENS containing full details of such issue."

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or to share incentive schemes (which schemes have been duly approved by the JSE and by the shareholders of the Company)), it is necessary for the board of the Company to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the MOI of the Company. Accordingly, the reason for ordinary resolution number 5 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the MOI of the Company.

In terms of the JSE Listings Requirements, a 75% (seventy five percent) majority of the votes cast by shareholders present in person or represented by proxy at the Annual General Meeting, must be cast in favour of ordinary resolution number 5 for it to be approved.

Ordinary resolution no. 6: Remuneration policy:

"Resolved that shareholders hereby approve the Company's remuneration policy by way of a non-binding advisory vote as recommended in the King Code of Governance for South Africa, 2009.",

The remuneration policy has been set out on page 21 of the annual report.

The minimum percentage of voting rights that is required for this resolution to be approved is 50% of the voting rights plus one vote to be cast on the resolution.

To consider and, if deemed fit, approve, with or without modification, the following special resolutions:

Special Business:

Special resolution no. 1: General authority to repurchase shares.

"Resolved in terms of the MOI of the Company (or one of its wholly-owned subsidiaries) and section 48 of the Companies Act, that the directors of the Company be and are hereby authorised, by way of a general authority, until this authority lapses at the next Annual General Meeting of the Company provided that it shall not extend beyond fifteen months from the date of passing of this special resolution (whichever period is the shorter), to acquire the Company's own shares or a wholly-owned subsidiary to acquire shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the JSE Listings Requirements and to the following terms and conditions:

1. any repurchase of shares 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;
2. at any point in time, the Company may only appoint one agent to effect any repurchases on its behalf;
3. the number of shares which may be repurchased pursuant to this authority in any financial year may not in the aggregate exceed 20% (twenty percent) of the Company's issued share capital as at the date of passing of this general resolution or 10% (ten percent) of the Company's issued share capital in the case of an acquisition of shares in the Company by a wholly-owned subsidiary of the Company;
4. 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 shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;
5. the Company or a wholly-owned subsidiary of the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements;
6. after the Company or a wholly-owned subsidiary of the Company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the initial number of shares in issue (at the time that authority from shareholders for the repurchase is granted) of the relevant class of shares and for each 3% in aggregate of the initial number of that class acquired thereafter, the Company shall publish an announcement on SENS containing full details of such repurchase; and,
7. the board of directors have passed a resolution authorising the repurchase and that the Company has passed the solvency and liquidity test contained in Section 4 of the Companies Act, and that since the test was done, there have been no material changes to the financial position of the Company.

The reason for and effect of special resolution number 1 is to grant the directors a general authority in terms of the MOI of the Company and the JSE Listings Requirements for the acquisition by the Company or by a wholly-owned subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 1.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company.

For the avoidance of doubt, a pro-rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

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

- the directors have no specific intention to repurchase shares, but would utilise the renewed general authority to repurchase shares to serve our shareholders' interests, as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action;
- the directors, after considering the effect of the maximum number of shares which may be repurchased pursuant to the general authority, are of the opinion that for a period of 12 months after the date of the general repurchase:
  - 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 will be in excess of the liabilities of the Company and the Group; the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements;
  - the share capital and reserves of the Company and of the Group are adequate for ordinary purposes; and
  - the working capital of the Company and the Group will be adequate for ordinary business.

The minimum percentage of voting rights that is required for this resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

Disclosures required in terms of paragraph 11.26 of the JSE Listings Requirements:

The following additional information, some of which may appear elsewhere in this annual report is provided in terms of the JSE Listings Requirements for purposes of the special resolution:

Directors of the Company – pages 4 and 5
Major shareholders – page 73
Directors' interest in the Company's shares – page 29
Company's share capital – page 62

Directors' responsibility statement

The directors, whose names are given on pages 4 and 5 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolution no. 1, 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 and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned special resolution contains all the information required by the JSE.

Material change

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

Litigation statement

Other than as disclosed or accounted for in this annual report, the directors are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened of which the Company is aware which may have or have had in the recent past, being at least the previous 12 months from date of this annual report, a material effect on the financial position of the Company and its subsidiaries.

Special resolution no. 2: Approval of non-executive directors' remuneration:

"Resolved that in terms of section 66(9) of the Companies Act, the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors on the basis set out below, provided that this authority shall be valid until the next Annual General Meeting of the Company. "

The reason for special resolution number 2 is to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to the Company's non-executive directors for their services as directors in compliance with the Companies Act.

	Fees year ending 31 March 2015	Fees year ended 31 March 2014
Board member	75 000	76 300
Lead independent board member	99 600	103 000
Audit committee chairman	70 000	72 200
Audit committee member	36 300	36 900
Risk committee chairman	42 400	43 800
Remuneration committee chairman	29 600	32 800
Remuneration committee member	19 500	20 500
Social and Ethics committee chairman	29 600	32 800

It is noted that the remuneration payable to non-executive directors is in their capacities as such and does not include salaries and other benefits payable to directors in other capacities.

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% of the voting rights to be cast on the resolution.

Special resolution no. 3: financial assistance to related or inter-related companies:

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (**"financial assistance"** will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related (**"related"** or **"inter-related"** will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for special resolution number 3 is to the authorise the board of directors in terms of section 45 of the Companies Act, to allow the Company to give financial assistance to related or inter-related companies within the BSi Group of companies.

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% of the voting rights to be cast on the resolution.

Special resolution no. 4: financial assistance for subscription of shares to related or inter-related companies:

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (**"financial assistance"** will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related to the Company (**"related"** or **"inter-related**" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the board of the Company may determine for the purpose of, or in connection with the subscription of any option, or

any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for and effect of special resolution number 4 is to grant the directors the authority, until the next Annual General Meeting of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation.

This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 3 and 4 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation have been met.

Voting and Proxies

A shareholder of the Company entitled to attend, speak, and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend, speak and, on a poll, vote in his stead. The proxy need not be a shareholder of the Company. A form of proxy is attached for the convenience of any certificated shareholder and own name registered dematerialised shareholder who cannot attend the Annual General Meeting, but who wishes to be represented.

Additional forms of proxy may also be obtained on request from the Company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries at the address set out on the inside of the back cover, to be received by no later than 16:00 on Friday, 18 September 2015. Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the Annual General Meeting should the member subsequently decide to do so.

On a show of hands, every shareholder of the Company present in person or by proxy shall have 1 (one) vote only, irrespective of the number of shares he holds or represents, provided that a proxy shall, irrespective of the number of members he represents have only 1 (one) vote. On a poll, every shareholder of the Company who is present in person or represented by proxy, shall have one vote for every share held in the company by such shareholder.

Shareholders who have dematerialised their ordinary shares through a CSDP or broker, other than own name registered dematerialised shareholders, and who wish to attend the Annual General Meeting must request their CSDP or broker to issue them with a Letter of Representation. Alternatively dematerialised shareholders other than own name registered dematerialised shareholders, who wish to be represented, must provide their CSDP or broker with their voting instructions in terms of the custody agreement between them and their CSDP or broker in the manner and by time-frame stipulated.

Any shareholder of the Company may authorise any person to act as its representative at the Annual General Meeting. Please also note that section 63(1) of the Companies Act, requires that persons wishing to participate in the Annual General Meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Voting will be performed by way of a poll so that each shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by them.

Equity shares held by a share trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the Listings Requirements of the JSE.

Unlisted shares (if applicable) and shares held as treasury shares may not vote.

By order of the board

S J Hackett
Company Secretary
Pietermaritzburg

14 August 2015

BSi Steel Limited
(Incorporated in the Republic of South Africa)
(Registration no 2001/023164/06)
JSE code: BSS ISIN: ZAE000125134
("BSi" or "the Company")

For use by the holders of the Company's certificated ordinary shares **("certificated shareholder")** and/or dematerialised ordinary shareholders whose shares are held through a CSDP or broker and who have selected own name registration **("own name dematerialised shareholders")** at the Annual General Meeting of the Company to be held at BSi Steel Limited KZN, 46 Eden Park Drive, Pietermaritzburg on Tuesday, 22 September 2015, at 16:00 and at any adjournment thereof.

Not for the use by holders of the Company's dematerialised ordinary shares who are not own name dematerialised shareholders. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the Annual General Meeting and request that they be issued with the necessary Letter of Representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote thereat in accordance with their instructions.

I/We (Please print full names)_____

of (address)_____

being the holder(s) of _____ordinary shares in the company, hereby appoint

_____or failing him / her

_____or failing him / her

the chairperson of the Annual General Meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting which will be held for the purpose of considering and deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for/and or against the special and ordinary resolution and/or abstain from voting in respect of the ordinary share register in my/our name/s, in accordance with the following instruction:

(*Please indicate with an "X" the appropriate space below how you wish your votes to be cast unless otherwise instructed my/our proxy may vote as he/she thinks fit.

		In favour	Against	Abstain
ORDINARY BUSINESS				
1.	To re-appoint Deloitte and Touche as independent auditors of the company (the designated Auditor being Mrs C Howard-Browne)			
2(a)	To re-elect Mrs E Vermaak as a director			
2(b)	To re-elect Mr K Paxton as a director			
3(a)	To re-elect Dr R G Lewis as a director			
4(a)	To re-appoint Mr N G Payne as a member of the Audit Committee			
4(b)	To re-appoint Mr B M Khoza as a member of the Audit Committee			
4(c)	To re-appoint Dr R G Lewis as a member of the Audit Committee			
5.	General authority to issue shares for cash			
6.	Remuneration policy			
SPECIAL BUSINESS				
1.	General authority to repurchase shares			
2.	Approval of non-executive directors' remuneration			
3.	Financial assistance to related companies			
4.	Financial assistance for subscription of securities			

Signed this_____day of _____2015

Signature_____

Assisted by (if applicable)_____

Please read the notes on the reverse.

1. This form of proxy is to be completed only by those members who are:

   a) holding shares in certificated form; or

   b) recorded in the sub register in electronic form in their "own name".

2. A shareholder may insert the name or names of two alternative proxies of his/her choice in the space provided, with or without deleting "the chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. Any such proxy, who need not be a shareholder of the Company, is entitled to attend, speak and vote on behalf of the shareholder.

3. A proxy is entitled to one vote on a show of hands and, on a poll, one vote for each share held. A shareholder's instructions to the proxy must be indicated in the appropriate spaces.

4. If a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against any resolution or to abstain from voting or gives contradictory instructions, or should any further resolution/s or any amendment/s which may be properly put before the Annual General Meeting be proposed, the proxy shall be entitled to vote as he thinks fit.

   Forms of proxy must be lodged at, posted to or faxed to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) to reach the Company by no later than 16:00 on Friday, 18 September 2015.

5. Documentary evidence establishing the authority of the person signing the 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 Annual General Meeting.

6. The completion and lodging of this form of proxy does not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms of this proxy form.

7. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.

8. The chairman of the Annual General Meeting may accept or reject any form of proxy, which is completed and/or received other than in accordance with these notes, provided that he shall not accept a proxy unless he is satisfied as to the manner in which a member wishes to vote.

9. Shareholders who have dematerialised their shares must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the necessary Letter of Representation to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not wish to attend the Annual General Meeting in person but wish to be represented there at. This must be done in terms of the agreement entered into between the members and their CSDP or broker.

10. Please note that in terms of section 58(3):

- the appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation will take effect on the later of (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the Company.
- a proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- a proxy must be delivered to the Company, or to the transfer secretary of the Company , namely Computershare Investor Services (Pty) Limited, before your proxy exercises any of your rights as a shareholder at the Annual General Meeting.

Corporate information

BSi Steel Limited
Registration number: 2001/023164/06

Company secretary and registered office

S Hackett
BCom

46 Eden Park Drive
Murrayfield Park, Mkondeni
Pietermaritzburg 3201

PO Box 101096, Scottsville 3209

Tel: +27 33 846 2222
Fax: +27 33 846 2233

Designated advisor

Sasfin Capital
A division of Sasfin Bank Limited
Registration number: 1951/002280/06

29 Scott Street, Waverley 2090

PO Box 95104, Grant Park 2051

Tel: +27 11 809 7500
Fax: +27 11 887 2489

Auditors and reporting accountants

Deloitte & Touche
Practice number: 901482

7 Bush Shrike Close
Victoria Country Club Estate
Pietermaritzburg 3201

PO Box 13984, Cascades 3202

Tel: +27 33 347 0362
Fax: +27 33 347 0685

Transfer secretaries

Computershare Investor Services
Proprietary Limited
Registration number: 2004/003647/07

Ground Floor
70 Marshall Street
Johannesburg 2001

PO Box 61051, Marshalltown 2107

Tel: +27 11 370 5000
Fax: +27 11 688 5210

Attorneys

Venns Attorneys Inc.
Registration number: 1994/003593/21

281 Pietermaritz Street
Pietermaritzburg 3201

PO Box 600, Pietermaritzburg 3200

Tel: +27 33 355 3100
Fax: +27 33 394 1947

Commercial banker

Nedbank Limited
Registration number: 1951/000009/06

90 Braam Fischer Road
Durban 4001

PO Box 10267, Marine Parade 4000

Tel: +27 31 364 1111
Fax: +27 31 364 2479

www.bsisteel.com

Erf 24, Farm Waterval
M61, Kliprivier
Gauteng 1451
South Africa
GPS: S26˚26’074” E28˚05’029”