THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
(Registration Number: 2006/030203/07)

(PREVIOUSLY RHI ISITHEBE PROPRIETARY LIMITED)
AUDITED ANNUAL FINANCIAL STATEMENTS
31 MARCH 2015

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
(Registration Number: 2006/030203/07)
FINANCIAL STATEMENTS
31 March 2015

Contents

The financial statements have been prepared and reviewed by Gareth Owen, CA(SA).

Statement of directors' responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditor is responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The directors are also responsible for the company's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the company's assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The financial statements have been prepared on the basis that all operations of the company will be discontinued during the financial year ended 31 March 2016. Refer to the Report of the directors for further information.

Directors approval of financial statements

The financial statements set out on pages 4 - 34 and supplementary schedule set out on 35 - 37 were approved by the directors on 15 April 2015 and are signed on its behalf by:

M M Murugappan

MM Murugappan
Director

K Srinivasan
Director

Deloitte.

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Durban 4000
South Africa

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Audit - KZN
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED

We have audited the financial statements of Thukela Refractories Isithebe Proprietary Limited set out on pages 7 to 34 which comprises the statement of financial position at 31 March 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the annual financial statements

The directors are responsible for the preparation and fair presentation of these 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 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 annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual 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 policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED (continued)

Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosure in note 25 to the financial statements regarding the proposed voluntary wind-up of the entity's operations. The company has ceased trading and is in the process of realising its assets and settling its liabilities. The company has incurred continued losses amounting to R54 332 519 for the year ended 31 March 2015 and R35 510 587 for the year ended 31 March 2014.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2015, we have read the Report of the Directors, for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements.

This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Other matters - Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary information as set out on pages 35 to 37 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly we do not express an opinion thereon.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Abubakr Essack CA (SA)
Partner
18 May 2015

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 March 2015

The directors have pleasure in presenting their report on the activities of the company for the year ended 31 March 2015.

General review

The company is incorporated in South Africa. It operated a minerals fusion plant at Isithebe, KwaZulu-Natal.

The company continued to record losses in the current year. Markets for the company's products remain negatively affected by the international recession. The Radex Heraklith Industry (RHI) sale agreement terminated during the course of the year, with no realistic possibility for renewal. In these very depressed conditions, the directors proposed to close down the company's operations.

The Nozzle Filling Material, Refractories & Fusion Plant operations were discontinued in December 2014, January 2015 and July 2014 respectively.

The Board approved the sale of the POW plant to M/s Calderys South Africa (Pty) Ltd, a member of the IMERYS group, at fair value.

The Refractories & Fusion plants are to be sold to the intermediate holding company, Carborundum Universal Limited, at fair value.

Retrenchment of all staff was concluded by March 2015. A combination of voluntary and negotiated retrenchment, in terms of the Labour Act, was amicably settled. Key people were contracted on fixed one or two month contracts. Other administrative processes in this regard are in progress.

Financial results

The results of the Company and the Company's operations for the year ended 31st March 2015 are fully disclosed in the accompanying financial statements.

The accounts of the Company were prepared and presented in accordance with the requirements of IFRS and the auditors have given their report thereon.

Share capital & dividends

No additional share capital was issued during the year. No dividend was declared and none is recommended (2014: nil)

Property, plant and equipment

Property, plant and equipment and intangible assets purchased to maintain operations amounted to R18 701 (2014: 291 503).

Subsequent events

No other events or circumstance of a material nature have occurred between the reporting date and the date of this report.

Going concern

The company incurred a total comprehensive loss of R 54.3 million (2014: total comprehensive loss of R35.5 million).

The financial statements have not been prepared on the going concern basis for the reasons discussed in the general review above. The directors do not believe that the company will continue in operational existence for the foreseeable future.

Tangible and intangible assets were assessed for impairment losses and written down to their recoverable amounts.

Stock was provisioned to eliminate obsolete stock and cases where net realisable value was exceeded.

All other assets and liabilities are recognised at fair value.

Provisions for site rehabilitation, cleaning costs and onerous lease contract penalties were raised and are considered to be adequate.

The holding company, CUMI International Ltd, will continue to provide financial and operational support to the company until all assets are realised and liabilities settled.

Shareholding

The company's shareholding is as follows:

	2015	2014
CUMI International Limited, Cyprus	100%	100%

Details of the Company's holding company, ultimate holding company and other related parties to the company are set out in note 19 to these financial statements.

Auditors

The auditors of the company for the period under review were Deloitte & Touche whose business and postal addresses were as follows:

Business & Postal address:

Deloitte & Touche Place
2 Pencarrow Crescent
La Lucia Ridge Office Estate
Durban
KwaZulu-Natal
4051

Directors' interest in contracts

No material contracts in which the directors have an interest were entered into in the current or prior period.

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
REPORT OF THE DIRECTORS (continued)
for the year ended 31 March 2015

Directors

The directors of the company during the period under review and up to the date of this report were as follows:

MM Murugappan +
K Srinivasan +
S Rangarajan +
Sergey Kostrov **
K Rattay

+ Indian * Austrian ** Russian

Secretary

The secretary of the company is Gareth Owen whose business and postal address during the period under review and up to the date of this report is the same as the registered office and postal addresses below.

Registered office and postal address

The registered office and postal address of the company are as follows:

Registered office	Postal address
1 Yellow Street	Private bag X6046
Isithebe	Mandini
4491	4490
South Africa	South Africa

On behalf of the board of directors

MM Murugappan

MM Murugappan
Chairman
Chennai, India
30th April 2015

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2015

	Notes	2015 R	2014 R
Revenue	4	77 325 619	87 343 940
Cost of sales	5	(77 600 849)	(94 526 874)
Gross loss		(275 230)	(7 182 934)
Operating expenses net of other operating income		(5 793 562)	(20 728 398)
Administration expenses		(5 473 196)	(6 961 343)
Loss before closure and other related costs	6	(11 541 988)	(34 872 675)
Closure and other related costs	26	(42 122 838)	-
Loss from operations		(53 664 826)	(34 872 675)
Finance income	7	-	15
Finance expense	7	(1 442 893)	(769 476)
Loss before taxation		(55 107 719	(35 642 136)
Taxation	17	-	-
Loss for the year/period		(55 107 719)	(35 642 136)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Long term employee retirement benefit transferred	14.1	775 200	-
Actuarial gain (loss) recognised	14.4	-	131 549
Total comprehensive loss for the year		(54 332 519)	(35 510 587)

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
STATEMENT OF FINANCIAL POSITION
at 31 March 2015

	Notes	2015 R	2014
ASSETS			
Non-current assets			
Property, plant and equipment	8	17 459 049	43 786 654
Intangible assets	9	-	156 791
Total non-current assets		17 459 049	43 943 445
Current assets			
Inventories	10	4 313 558	39 271 014
Trade and other receivables	11	1 083 310	29 077 021
Amounts owing by group companies	12	503 568	801 283
Cash and cash equivalents	24	3 658	812 110
Total current assets		5 904 094	69 961 428
Total assets		23 363 143	113 904 873
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	13	192 983 500	192 983 500
Accumulated loss		(180 224 938)	(125 892 419)
Total equity		12 758 562	67 091 081
Non-current liabilities			
Long-term employee benefit obligations	14	-	752 200
Total non-current liabilities		-	752 200
Current liabilities			
Trade and other payables	16	7 763 566	27 399 281
Bank overdraft	24	2 841 015	18 467 108
Amounts owing to group companies	12	-	195 203
Total current liabilities		10 604 581	46 061 592
Total equity and liabilities		23 363 143	113 904 873

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015

	Share capital	Share premium	Accumulated loss	Total
	R	R	R	R
Balance at 31 March 2013	2 452	183 228 548	(90 381 832)	92 849 168
Share issue	2	9 752 498	-	9 752 500
Total comprehensive loss for the period	-	-	(35 510 587)	(35 510 587)
Balance at 31 March 2014	2 454	192 981 046	(125 892 419)	67 091 081
Total comprehensive loss for the year	-	-	(54 332 519)	(54 332 519)
Balance at 31 March 2015	2 454	192 981 046	(180 224 938)	12 758 562

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31 March 2015

	Notes	2015 R	2014 R
Operating activities			
Cash outflows generated from/(utilised in) operations	23	10 392 370	(24 583 781)
Finance income		-	15
Finance expense		(1 442 893)	(769 476)
Net cash utilised in operating activities		8 949 477	(25 353 242)
Investing activities			
Additions to property, plant and equipment		(9 585)	(291 503)
Proceeds from disposal of property and equipment		5 886 865	69 835
Additions to intangible assets		(9 116)	(46 979)
Net cash utilised in investing activities		5 868 164	(268 647)
Financing activities			
Increase in share capital		-	9 752 500
Net cash generated in financing activities		-	9 752 500
Net decrease in cash and cash equivalents		14 817 641	(15 869 389)
Cash and cash equivalents at beginning of the year		(17 654 998)	(1 785 609)
Cash and cash equivalents at end of the year	24	(2 837 357)	(17 654 998)

1. Presentation of annual financial statements

Adoption of new and revised international financial reporting standards with no significant effect on the financial statements

Revised

IAS 1	Presentation of Financial Statements: Amendments resulting from annual improvements 2009-2011 cycle (comparative information)
IAS 16	Property, Plant and Equipment: Amendments resulting from annual improvements 2009-2011 cycle (servicing equipment)
IAS 19	Employee Benefits: Amended standard resulting from the post-employment benefits and termination benefits project

Standards and interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the following new and revised standards and interpretations were in issue, but not yet effective:

New		**Effective date for annual periods beginning on or after:**
IFRS 9	Financial Instruments: classification and Measurement	1 January 2018
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
Revised		
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations: Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 7	Financial Instruments Disclosures: Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	1 January 2018
IFRS 7	Financial Instruments Disclosures: Additional hedge accounting disclosures resulting from the introduction of the hedge accounting chapter in IFRS 9	1 January 2018
IFRS 7	Financial Instruments Disclosures: Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 13	Fair Value Measurement: Amendments resulting from annual improvements 2010-2012 cycle (short-term receivables and payables)	1 July 2014
IFRS 13	Fair Value Measurement: Amendments resulting from annual improvements 2011-2013 cycle (scope of the portfolio exception in paragraph 52)	1 July 2014
IAS 1	Presentation of Financial Statements: Amendments resulting from the disclosure initiative	1 January 2016
IAS 19	Employee Benefits: Define benefit plan – employee contribution	1 July 2014
IAS – 24	Related party Disclosures: Amendment resulting from annual improvements 2010-2012 cycle (management entities)	1 July 2014

1. Presentation of annual financial statements (continued)

IAS 16	Property, Plant and Equipment: Amendments resulting from annual improvements 2010-2012 cycle (proportionate restatement of accumulated depreciation on revaluation)	1 July 2014
IAS 16	Property, Plant and Equipment: Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 16	Property, Plant and Equipment: Amendments bringing bearer plants into the scope of IAS 16	1 January 2016
IAS 19	Employee Benefits: Defined benefit plans - employee contributions	1 July 2014
IAS 19	Employee Benefits: Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IAS 24	Related Party Disclosures: Amendments resulting from annual improvements 2010-2012 cycle (management entities)	1 July 2014
IAS 34	Interim Financial Reporting: Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IAS 38	Intangible Assets: Amendments resulting from annual improvements 2010-2012 cycle (proportionate restatement of accumulated depreciation on revaluation)	1 July 2014
IAS 38	Intangible Assets: Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 39	Financial Instruments - Recognition and Measurement: IFRS 9 issued (hedge accounting amendments)	1 January 2018
IFRS 7	Financial Instruments Disclosure: Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosure	Applies when IFRS 9 applies
IFRS 9	Financial Instruments: Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements	Unknown
IFRS 9	Financial Instruments: Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosure	Unknown
IFRS 9	Financial instruments: Reissue to incorporate a hedge accounting chapter	Unknown
IFRS 13	Fair Value Measurements: Amendments resulting from annual improvements 2010-2012 cycle (short-term receivables and payables)	1 July 2014
IFRS 13	Fair Value Measurements: Amendments resulting from annual improvements 2011-2013 cycle (scope of portfolio exception in paragraph 52)	1 July 2014
IAS 16	Property, Plant and Equipment: Amendments resulting from annual improvements 2010-2012 cycle (proportionate restatement of accumulated depreciation on revaluation)	1 July 2014

2. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for the valuation of certain financial instruments, which are carried at fair value.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The principal accounting policies adopted in the preparation of these financial statements are set out below and are consistent in all material respects with those applied in the previous year.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

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

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company 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 entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Foreign currency transactions

Transactions in currencies other than the company's reporting currency (South African Rands) are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates ruling at the statement of financial position date. Exchange differences arising on the settlement of monetary items or on reporting enterprises monetary items at rates different from those that which they were initially recorded are recognised as income or expenses in the period in which they arise.

2. Summary of significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the company's defined benefit obligation and the fair value of plan assets as at the end of the prior year are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Leases

Company as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Taxation

Income taxation expense represents the sum of the taxation currently payable and deferred taxation.

Current taxation

The taxation currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current taxation is calculated using taxation rates that have been enacted or substantively enacted by the reporting date.

2. Summary of significant accounting policies (continued)

Taxation (continued)

Deferred taxation

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding taxation bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences, and deferred taxation assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply in the period in which the liability is settled or the asset realised, based on taxation rates (and taxation laws) that have been enacted or substantively enacted by the reporting date.

The deferred tax asset, comprising unused tax losses and unused tax credits, has not been recognised as the directors consider it improbable that the company will earn sufficient taxable profit in future to enable it to utilise the losses.

Current and deferred taxation for the period

Current and deferred taxation are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the taxation is also recognised directly in equity.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated using the straight line method over the estimated useful lives of the assets which are as follows:

Leasehold improvements	10 years
Plant and machinery	3 - 14 years
Furniture and fittings	5 - 10 years
Vehicles	2 - 3 years
Other equipment	3 - 5 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Management reviews useful lives and residual values of assets annually to evaluate their appropriateness, and current and future depreciation charges are adjusted accordingly.

2. Summary of significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of tangible and intangible assets excluding goodwill

At each statement of financial position date, the company reviews the carrying amounts of its investments to determine whether there is any indication that the investments may be impaired. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Summary of significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company has become a party to the contractual provisions of the instrument.

Trade and other receivables

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

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.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade and other accounts payable

Trade and other accounts payable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Revenue recognition

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS18 Revenue and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods. Management are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Income taxes

The company recognises the net future taxation benefit related to deferred income taxation assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income taxation assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing taxation laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred taxation assets recorded at the balance sheet date could be impacted. Additionally, future changes in taxation laws in the jurisdictions in which the company operates could limit the ability of the company to obtain taxation deductions in future periods.

Residual value and useful life

The company depreciates its assets over their estimated useful lives taking into account residual values, which, following the adoption of IAS16, Property, plant and equipment, are re-assessed on an annual basis. The actual lives and residual values of these assets can vary depending on a variety of factors.

Technological innovation, product life cycles and maintenance programmes all impact the useful lives and residual values of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

		2015 R	2014 R
4.	**Revenue**		
	Revenue which excludes value added taxation, represents the invoiced value of goods and services supplied.	77 325 619	87 343 940
5.	**Cost of sales**		
	Cost of sales comprises:		
	- Cost of direct materials, consumables and subcontractors	61 374 885	67 102 872
	- Cost of direct labour and overheads	4 786 406	10 587 044
	- Cost of site services	11 439 558	16 836 958
		77 600 849	94 526 874
6.	**Loss before closure and other related costs**		
	Loss was calculated after taking into account the following:		
	Amortisation - intangible assets (refer to note 9)	27 396	81 964
	Auditors remuneration	317 354	336 882
	- Audit fees	297 914	276 000
	- Other services	19 440	60 882
	Depreciation - property, plant and equipment (refer note 8)	2 650 129	8 344 096
	Employee benefits	23 000	86 884
	- Current service costs	11 668	45 027
	- Interest costs	11 332	41 857
	Profit on disposal of property, plant and equipment	(5 739 815)	(20 091)
	Loss/(Profit) on foreign exchange	364 192	(125 609)
	Rentals under operating leases	4 252 584	3 781 019
	- Equipment	751 159	467 963
	- Fixed property	3 501 425	3 313 056
	Staff costs and related benefits	18 993 738	22 469 739
	Average number of employees	58	97

7. Net finance costs

Net finance costs are presented below:

	2015 R	2014 R
Finance income	-	15
Bank deposits	-	15
Finance expense	1 442 893	769 476
Interest on bank overdrafts	1 292 040	692 066
Interest on inter-company loans	138 836	-
Interest paid to SARS	685	35 553
Interest on long term employee benefit (refer to note 14.1)	11 332	41 857
Net finance costs	1 442 893	769 461

8. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Furniture and fittings	IT equipment	Total
	R	R	R	R	R
2015					
Cost					
Beginning of the year	2 219 724	99 905 425	365 704	1 597 462	104 088 315
Additions	-	9 585	-	-	9 585
Disposals	-	(190 330)	-	(115 677)	(306 007)
End of the year	2 219 724	99 724 680	365 704	1 481 785	103 791 893
Accumulated depreciation					
Beginning of the year	1 263 637	57 240 481	270 338	1 527 205	60 301 661
Depreciation charge	73 992	2 554 606	9 604	11 927	2 650 129
Impairment charge	593 605	22 819 572	76 156	50 679	23 540 012
Disposals	-	(47 345)	-	(111 613)	(158 958)
End of the year	1 931 234	82 567 314	356 098	1 478 198	86 332 844
Carrying value					
Beginning of the year	1 177 456	50 439 526	127 924	86 777	51 888 991
End of the year	288 490	17 157 366	9 606	3 587	17 459 049

8. Property, plant and equipment (continued)

	Leasehold improvements	Plant and machinery	Vehicles	Furniture and fittings	IT equipment	Total
	R	R	R	R	R	R
2014						
Cost						
Beginning of the year	2 219 724	99 664 875	276 379	365 704	1 546 509	104 073 191
Additions	-	240 550	-	-	50 953	291 503
Disposals	-	-	(276 379)	-	-	(276 379)
End of the year	2 219 724	99 905 425	-	365 704	1 597 462	104 088 315
Accumulated depreciation						
Beginning of the year	1 042 268	49 225 349	219 071	237 780	1 459 732	52 184 200
Charge	221 369	8 015 132	7 564	32 558	67 473	8 344 096
Disposals	-	-	(226 635)	-	-	(226 635)
End of the year	1 263 637	57 240 481	-	270 338	1 527 205	60 301 661
Carrying value						
Beginning of the year	1 177 456	50 439 526	57 308	127 924	86 777	51 888 991
End of the year	956 087	42 664 944	-	95 366	70 257	43 786 654

	2015 R	2014 R
9. Intangible assets		
Cost		
Opening balance	774 613	727 634
Additions	9 116	46 979
Closing balance	783 729	774 613
Accumulated amortisation		
Opening balance	617 822	535 858
Amortisation charge for the year	27 396	81 964
Impairment charge for the year	138 511	-
Closing balance	783 729	617 822
Carrying value		
Opening balance	156 791	191 776
Closing balance	-	156 791

Intangible assets comprise computer software.

10. Inventories

	2015 R	2014 R
Raw material and consumables	8 081 109	21 681 611
Work in progress	274 873	8 288 005
Finished goods	5 330 718	11 264 049
Provision for stock obsolescence and write down	(9 373 142)	(1 962 651)
	4 313 558	39 271 014

11. Trade and other receivables

	2015 R	2014 R
Trade receivables	1 056 425	27 494 843
Sundry receivables	-	24 054
Value added taxation	-	1 531 239
Deposits	26 885	26 885
	1 083 310	29 077 021

The fair values of trade and other receivables approximate the carrying values presented.

The amount of the provision was R Nil at 31 March 2015 (2014: R76 818).

Reconciliation of doubtful debts

	2015 R	2014 R
Opening balance	76 818	-
Provision (utilised)/raised	(76 818)	76 818
Total	-	76 818

The recognition of the provision for doubtful debts is based on an assessment of the past payment history.

	2015 R	2014 R
12. Amount owing by (to) group companies		
Amounts owing on current account by:		
Holding company	503 568	801 283
	503 568	801 283
Amounts owing on current account to:		
Fellow subsidiaries	-	(195 203)
Holding company	-	-
	-	(195 203)

There is no interest charged on the above balances and there are no fixed repayment terms.

13. Share capital and premium

	2015 R	2014 R
Authorised		
10 000 ordinary shares of R1 each	10 000	10 000
Issued		
Balance at beginning of year	2 454	2 452
Shares issued during the year	-	2
Balance at year end: 2 454 (2014: 2 454) ordinary shares of R1 each	2 454	2 454
Share premium		
Balance at beginning of year	192 981 046	183 228 548
Shares issued during the year	-	9 752 498
Balance at end of the year	192 981 046	192 981 046
Total share capital and premium	192 983 500	192 983 500

The remaining unissued ordinary shares are under the unrestricted control of the directors until the forthcoming annual general meeting..

14. Long-term employee benefit obligations

	2015 R	2014 R
14.1 Retirement awards	-	752 200
Movement in the liability recognised in the statement of financial position:		
Balance at beginning of year	752 200	813 997
Current year movement		(61 797)
- Current service cost	11 668	45 027
- Interest cost	11 332	41 857
- Actuarial (gains) losses recognised in the year	(250 000)	(131 549)
- Benefits Paid	-	(17 132)
- Retirement award transferred to retained income	(525 200)	-
Balance at end of the year	-	752 200

	2015 R	2014 R

14. Long-term employee benefit obligations (continued)

14.1 Retirement awards (continued)

The principle actuarial assumptions used for accounting purposes were:

	2015	2014
Discount rate	-	6.72
Salary inflation	-	6.60

14.2 Provident fund

The policy of the company is to provide retirement benefits as well as life and disability covers for its employees. The company was a participating employer in the Alexander Forbes Retirement Fund, a defined contribution fund. All of the company's employees were members of the fund. The company does not have any obligation to contribute to benefits (funded or unfunded) other than to pay the prescribed monthly employer contributions. Contributions of R1 188 426 (2014: R2 444 504) were made during the year.

14.3 Other

The company has no contractual obligation to provide post-retirement medical aid benefits.

14.4 Actuarial (gain) loss recognised directly through other comprehensive loss.

	2015 R	2014
Balance at beginning of the year	250 000	381 549
Net gain recognised directly in comprehensive loss	(250 000)	(131 549)
Actuarial (gain) loss	-	(131 549)
Net actuarial loss transferred	(250 000)	-
Balance at end of year	-	250 000

15. Deferred taxation

The deferred tax asset, comprising unused tax losses and unused tax credits, has not been recognised as the directors consider it improbable that the company will earn sufficient taxable profit in future to enable it to utilise the losses.

The estimated assessed taxation loss carried forward is R181 108 782 (2014 taxation loss – R125 039 444)

	2015 R	2014
16. Trade and other payables		
Trade payables	169 813	24 049 297
Value added taxation	850 045	-
Accrued expenses	726 886	3 349 984
Provisions	6 016 822	-
	7 763 566	27 399 281

The fair values of trade and other payables approximate the carrying values presented.

17. Taxation

	2015	2014
Deferred taxation		
- current year	-	-
- prior year	-	-
	-	-
Net loss before taxation	(55 107 719)	(35 642 136)
Tax effect thereof at 28%	(15 430 161)	(9 979 798)
Adjustment for taxation effect of permanent differences:		
- Disallowable expenses	1 397	15 859
- Sale of assets	(1 516 027)	13 928
- Capital gains	1 041 760	-
Unrecognised estimated assessed loss current period	15 903 031	9 950 011
	-	-

18. Subsequent events

No events or circumstances of a material nature have occurred between the reporting date and the date of this report.

19. Related parties

19.1 Identity of related parties

The company's holding company is CUMI International Limited, incorporated in Cyprus, the intermediate holding company is Carborundum Universal Limited, incorporated in Chennai, India and the ultimate holding company is Murugappa Group, incorporated in Chennai, India.

The directors are listed in the report of the directors.

19.2 Material related party transactions

Material transactions with the company

During the year the company entered into transactions with certain related parties as follows:

19. Related parties (continued)

Related party	Nature of relationship	Type of relationship	Transaction values		Amount outstanding receivable/(payable)	
			2015 R	2014 R	2015 R	2014 R
Carborundum Universal Limited	Intermediate Holding company	Sales	(789 092)	(6 028 840)	503 568	408 326
		Purchases	-	2 793 965	-	-
Foskor Zirconia (Pty) Ltd	Fellow Subsiduary	Sales	(42 381)	(610 593)	-	392 957
		Purchases	-	195 203	-	(195 203)
					503 568	606 080

19. Related parties (continued)

19.2 Material related party transactions (continued)

The amount outstanding at year-end is reconciled as follows:

	2015 R	2014
Amounts owing by (to) group companies (refer note 12)		
By	503 568	801 283
To	-	(195 203)
	503 568	606 080

The directors confirm that the pricing policies for the above transactions are applied on an arms-length basis.

20. Commitments

Operating lease commitments

The company had initially entered into a twenty year lease agreement on premises at 1 Yellow Street, Isithebe terminating in January 2028. Management have negotiated a termination of this lease based on 6 months rental payable at the time of the handover of the premises. The cost of this termination payment is R1.8 million (refer to note 26). The remaining R2.7 million below includes an additional period of 3 months

	2015 R	2014
Future minimum lease payments		
Not later than one year	2 715 937	3 507 497
Two to five years	-	16 462 933
Beyond five years	-	55 637 399
	2 715 937	75 607 829

21. Financial instruments

Overview

The company has exposure to the following risks in respect of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

22. Financial instruments (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board of Directors is also responsible for analysing the risks faced by the company, to set appropriate risk limitation and controls, and to monitor risks and adherence to limits.

Credit risk

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

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates may cause a decrease in fair values of future cash flows of financial instruments and consequently result in a financial loss for the company.

Currency risk

The company is exposed to currency risk on certain debtors and creditors that are denominated in a currency other than the functional currency of the company, the South African Rand. The currencies in which these transactions primarily are denominated are Euro and US Dollar.

Interest rate risk

Borrowings are generally at a rate linked to the prime bank overdraft.

Capital management

The Board's policy is to maintain a strong capital base to sustain future development of the business and maintain creditor and market confidence. Capital is defined as share capital and retained earnings.

The board of directors monitor the level of dividends to ordinary shareholders relative to the working capital and cash flow requirements of the company. There were no changes in the company's approach to capital management during the year.

The company was not subjected to externally imposed capital requirements except for normal South African Reserve bank requirements on the extent of dividends paid to foreign shareholders and thin capitalisation rules.

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2015 R	2014 R
Owing by group companies	503 568	801 283
Trade and other receivables	1 083 310	29 077 021
Cash and cash bank balances	3 658	812 110
	1 590 536	30 690 414

22. Financial instruments (continued)

Credit risk (continued)

Exposure to credit risk (continued)

The maximum exposure to credit risk reflected by extent of trading activities for the year by significant customer was:

	2015 R	2014 R
Individual customers from whom more than 10% of total revenues were derived:		
RHI- AG	17 574 063	9 424 567
RHI- Africa	6 253 584	12 620 888
Didier - Werke AG	33 683 927	34 289 058
Veitsch Radex GmbH	3 167 510	4 937 331
	60 679 084	61 271 844
Significant share of total revenues from one industry:		
Manufacturing	77 325 619	87 343 940
Geographical concentration of revenue generating activities:		
Europe	50 807 816	50 560 181
Asia	3 409 001	4 818 120
America	752 988	2 221 063
Africa	12 592 798	18 447 689
India	6 198 099	11 296 887
Other	3 564 917	-
	77 325 619	87 343 940

Impairment losses

The aging of trade and other receivables and amounts owing by group companies at the reporting date was:

	2015		2014	
	Gross R	Impairment R	Gross R	Impairment R
Not past due date	1 586 878	-	29 477 421	-
Past due date	-	-	324 065	76 818
	1 586 878	-	29 801 486	76 818

22. Financial instruments (continued)

Liquidity Risk

2015	Carrying amount R	Contractual cash flows R	6 months or less R	More than 12 months R
Trade and other payables	7 763 566	7 763 566	7 763 566	-
Bank overdraft	2 841 015	2 841 015	2 841 015	-
Amounts due to group companies	-	-	-	-
Long-term employee benefit obligations	-	-	-	-
	10 604 581	10 604 581	10 604 581	-
2014				
Trade and other payables	26 186 203	26 186 203	26 186 203	-
Bank overdraft	18 467 108	18 467 108	18 467 108	
Amounts due to group companies	195 203	195 203	195 203	-
Long-term employee benefit obligations	752 200	752 200	-	752 200
	45 600 714	45 600 714	44 848 514	752 200

Liquidity risk management

The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Currency risk

The company's exposure to foreign currency risk was as follows based on equivalent amounts:

Uncovered	Financial assets 2015	Financial assets 2014	Financial liabilities 2015	Financial liabilities 2014
- Euro	-	18 594 587	-	2 526 383
- USD	503 568	7 829 331	-	3 985 577

The following exchange rate applied at year end:

- Rand/Euro	13.05	14.50	13.18	14.65
- Rand/USD	12.11	10.55	12.21	10.65

Sensitivity analysis

A 10% weakening of the Rand against the Euro would have the following impact: This would be an increase in profit/loss	-	1 859 459	-	(252 638)
A 10% weakening of the Rand against the USD would have the following impact:	50 357	782 933	-	(398 558)

22. Financial instruments (continued)

Currency risk (continued)

Sensitivity analysis (continued)

A 10% strengthening of the Rand against the currencies would have increased profit on exchange differences by the equal but opposite effect of the amounts shown above. The analysis assumes all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

Interest rate risk

At the reporting date the interest rate profile of the company's interest bearing financial instruments was as follows:

	2015 R	2014 R
Variable rate instruments		
Financial liabilities		
Cash and cash equivalents	(2 837 357)	(17 654 998)
Loans	-	-
	(2 837 357)	(17 654 998)

The change of 100 basis points in interest rates would have (reduced) increased profit by the amounts shown below on balances for 12 months. The analysis is performed on the same basis as for 2014:

	2015		2014	
	100bp Decrease	100bp Increase	100bp Decrease	100bp Increase
Variable rate instruments	(28 374)	28 374	(176 550)	176 550

Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2015		2014	
	Carrying amount R	Fair value R	Carrying amount R	Fair value R
Trade and other receivables	1 083 310	1 083 310	29 077 021	29 077 021
Cash and cash equivalents	(2 837 357)	(2 837 357)	(17 654 998)	(17 654 998)
Amounts due by group companies	503 568	503 568	801 283	801 283
Trade and other payables	(7 763 566)	(7 763 566)	(26 186 203)	(26 186 203)
Amounts due to group companies	-	-	(195 203)	(195 203)
	(9 014 045)	(9 014 045)	(14 158 100)	(14 158 100)

The basis for determining fair values is set out in note 2.

	2015	2014
	R	R
23. Cash generated from operations		
Operating loss before finance charges and taxation	(53 664 826)	(34 872 675)
Adjustments:		
(Profit) loss on disposal of property, plant and equipment	(5 739 815)	(20 091)
Amortisation of intangible assets	27 396	81 964
Depreciation of property, plant and equipment	2 650 129	8 344 096
Impairment of property,plant and equipment and intangible assets	23 678 522	-
Increase in provisions for long-term employee benefit obligations	23 000	69 752
Changes in working capital:	(33 025 594)	(26 396 954)
Decrease/(increase) in inventories	34 957 456	(656 114)
Decrease/(increase) in trade and other receivables	27 993 711	(16 245 378)
Decrease in amounts owing to group companies	(195 203)	(726 389)
(Decrease)/increase in trade and other payables	(19 635 715)	19 931 862
Decrease/(increase) in amounts owing by group companies	297 715	(490 808)
	10 392 370	(24 583 781)

24. Cash and cash equivalents

	2015	2014
Cash on hand	3 658	812 110
Bank overdraft	(2 841 015)	(18 467 108)
Total bank and cash balances	(2 837 357)	(17 654 998)

25. Going concern

The financial statements have been prepared on the basis that all operations will be discontinued during the financial year ended 31 March 2016. The company is in the process of realising its assets and settling its liabilities.

The company has incurred continued losses amounting to R54 332 519 during the year ended 31 March 2015 and R35 510 587 for the period ended 31 March 2014. The company's shareholders will continue to provide financial and operational support until all the assets have been realised and all the liabilities settled.

26. Closure and other related costs

	2015	2014
Impairment of property, plant and equipment	23 678 522	-
Provision of stock for obsolescence and write down	7 410 491	-
Rental contract closure costs	1 811 291	-
Retrenchment of staff	7 482 411	-
Site rehabilitation, cleaning and closure costs	1 740 123	-
	42 122 838	-

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
DETAILED INCOME STATEMENT
for the year ended 31 March 2015

	2015 R	2014 R
Revenue	77 325 619	87 343 940
Less: Cost of sales	(77 600 849)	(94 526 874)
Gross profit	(275 230)	(7 182 934)
Other operating income	5 758 951	341 288
Discount received	15 736	45 636
Profit on foreign exchange – trading	-	125 609
Finance income	-	15
Profit (loss) on disposal of property, plant and equipment	5 739 815	20 091
Sundry receipts - scrap sales	3 400	149 937
Sub-total	5 483 721	(6 841 646)
Net expenditure	(60 591 440)	(28 800 490)
Loss before taxation	(55 107 719)	(35 642 136)
Taxation	-	-
Loss after taxation	(55 107 719)	(35 642 136)
Net actuarial (loss) gain transferred from equity	-	131 549
Long term employee retirement benefit transferred	775 200	-
Retained loss at beginning of year	(125 892 419)	(90 381 832)
Retained loss at end of the year	(180 224 938)	(125 892 419)

This statement and the expenditure statement (as reflected on pages 36 and 37) are unaudited and do not form part of the annual financial statements.

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
DETAILED INCOME STATEMENT (continued)
For the year ended 31 March 2015

	2015 R	2014 R
Expenditure		
Amortisation of intangible assets	27 396	81 964
Auditors' remuneration	317 354	336 882
Bad debts	-	79 420
Bank charges	24 474	86 738
Benefits and contributions	1 968 504	6 325 937
Consulting fees	239 242	135 147
Courier costs	128 219	142 934
Data processing costs	113 700	198 715
Depreciation	2 650 129	8 344 096
Entertainment expenses	13 150	32 141
Fidelity and security	644 865	570 195
Hire of equipment	751 159	467 963
Hire of transport and running costs	240 696	297 716
Impairment of property, plant and equipment and intangible assets	23 678 522	-
Insurances	905 138	626 758
Interest paid – bank	1 292 040	692 066
Interest paid – SARS	685	35 553
Interest paid - related parties	138 836	-
Interest paid - long-term employee benefit	11 332	41 857
Legal expenses	36 287	6 000
Office expenses	1 846	22 772
Postages and stamps	-	1 586
Printing and stationery	39 816	110 753
Provision for stock obsolescence and write down	7 410 491	-
Loss on foreign exchange – trading	364 192	-
Protective clothing	113 337	263 268
Provision for long-term employee retirement benefit	11 668	27 895
Recruitment and training	29 971	78 548
Rental – factory + offices	3 501 425	3 313 050
Rental contract closure costs	1 811 291	-
Repairs and maintenance	1 332 519	3 400 710
Research, development and calibration testing	64 638	270 151
Salaries	9 501 183	16 074 050
Site rehabilitation, cleaning and closure costs	1 740 123	-
Staff retrenchments	7 482 411	-
Sub-contractors	469 672	57 877
Subscriptions and publications	49 077	27 884
Sundry expenses	4 305	1 832
Telephone, telefax and cell phones	146 688	185 703
Transport expenses	4 291 907	4 241 143
Carried forward	71 548 288	46 579 310

THUKELA REFRACTORIES ISITHEBE PROPRIETARY LIMITED
DETAILED INCOME STATEMENT (continued)
for the year ended 31 March 2015

	2015 R	2014 R
Brought forward	71 548 288	46 579 310
Travel costs		
- Local	38 825	116 416
- Overseas	-	113 859
- Vehicle cost summary	4 600	1 473
Wages	-	25 476
Water, electricity, rates and refuse removal	5 808 700	9 709 103
Total expenditure	77 400 413	56 545 637
Less: Included in cost of sales	(16 808 973)	(27 745 147)
Net expenditure	60 591 440	28 800 490