SEDIBENG IRON ORE PROPRIETARY LIMITED
(Registration Number: 2003/012065/07)

AUDITED ANNUAL FINANCIAL STATEMENTS

31 March 2016

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CONTENTS

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The directors acknowledge their responsibility for the adequacy of the accounting records, the effectiveness of risk management and the internal control environment the appropriateness of accounting policies and the basis of estimates and provisions. The directors also acknowledge their responsibility for preparing the financial statements, adhering to applicable accounting standards and preparing related information which fairly presents the state of affairs and the results of the Company. The directors have implemented an internal control system designed to facilitate effective and efficient operation of the Company and to ensure appropriate responses.

The internal financial and operating controls include a risk based system that provides reasonable assurance but not absolute assurance regarding the safeguarding of assets from inappropriate use or from loss or fraud, compliance with statutory laws and regulations the maintenance of proper accounting records and the adequacy and reliability of financial information.

The directors have satisfied themselves that these systems and procedures are implemented, maintained and monitored by appropriate trained personnel with suitable segregation of authority, duties and reporting lines.

Risk management

The management of risk and loss control is focused on identifying major risks ascertaining the financial implications and insuring only those aspects that have the potential for serious and catastrophic consequences.

Directors' approval of the annual financial statements

The financial statements have been prepared on the historical cost basis.

The annual financial statements are prepared on the going concern basis since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future. Refer to note 13 of the Directors' Report for details pertaining to the going concern principle applied in these annual financial statements.

Deloitte & Touche was given unrestricted access to all financial records and data including minutes of all meetings of the board of directors. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

The annual financial statements set out on pages 3 to 32 prepared under the supervision of Atish Mangal CA (Indian) have been approved by the directors on 10 June 2016 and are signed on its behalf by:

Director – S Banerjee

Deloitte & Touche
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Audit - Gauteng
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SEDIBENG IRON ORE PROPRIETARY LIMITED

We have audited the annual financial statements of Sedibeng Iron Ore Proprietary Limited set out on pages 5 to 32, which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Sedibeng Iron Ore Proprietary Limited as at 31 March 2016, 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.

Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosures included under the going concern paragraph in note 13 of the Directors' Report in the annual financial statements. These conditions may indicate the existence of a material uncertainty which may cast doubt on the company's ability to continue as a going concern.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The report is the responsibility of the preparer. Based on reading the report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly do not express an opinion on it.

Deloitte + Touche

Deloitte & Touche
Registered Auditor
Per: Thega Marriday
Partner
10 June 2016

SEDIBENG IRON ORE PROPRIETARY LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 March 2016

The directors have pleasure in presenting their report on the activities of the company for the financial year ended 31 March 2016.

1. GENERAL REVIEW

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

Key performance indicators	**2016**	**2015**
Net profit/(loss) after tax	30 837 217	(89 017 076)
Taxation (expense)/benefit	(11 992 251)	34 617 752
Total assets	668 297 475	605 991 721
Current liabilities	213 458 822	141 061 582

2. SHARE CAPITAL

There is an authorised share capital of 1 000 ordinary shares of R1 each. The authorised share capital has not changed since the prior year.

The issued share capital is 300 ordinary shares of R1 each (300 ordinary shares of R1 each as at 31 March 2016).

3. NATURE OF THE BUSINESS

The company is engaged in prospecting, resource development and mining of iron ore and operates only in South Africa. The intention of the company is to mine the mineral properties which commenced in the 2012 financial year.

4. DIVIDENDS

No dividends were declared or paid to shareholders during the current or prior financial year.

5. DIRECTORS

The directors of the company during the 12 months and to the date of the financial statements are as follows:

G Kruyswijk
C G Johnson
T H Lin
S Banerjee*
VSN Murty* (Resigned: 29 April 2016)
R Singhal*
D Bose*
D Kumar*
S Biswas*

*Indian

6. SUBSEQUENT EVENTS

There are no significant subsequent events that require disclosure or adjustment in the financial statements.

7. HOLDING COMPANY

The company's holding company is Black Ginger 461 Proprietary Limited incorporated in South Africa which holds 64% of the company's issued shares.

8. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Tata Steel Limited incorporated in India.

9. RELATED PARTIES

Ultimate holding company	Tata Steel Limited
Holding company	Black Ginger 461 Proprietary Limited (64%)
Other shareholders	Cape Gannet Properties Proprietary Limited (26%)
	Industrial Development Corporation of South Africa (10%)
Tata group company	Tata Steel Asia Hong Kong Pte Ltd
	Tata Steel Global Procurement Pte Ltd

10. SECRETARY

The secretary of the company is RDL Management Services Proprietary Limited

Business address:	**Postal address:**
128 Hilton Road	Private Bag X12
Linbro Park	Kelvin
Johannesburg	2054

11. AUDITOR

Deloitte & Touche

Business address:	**Postal address:**
The Woodlands Office Park	Private Bag X6
20 Woodlands Drive	Gallo Manor
Woodmead, 2052	2052

12. REGISTERED OFFICE

Business address:	**Postal address:**
39 Ferguson Road	PO Box 55253
Illovo	Northlands
2196	2116

13. GOING CONCERN

The directors of Sedibeng Iron Ore Proprietary Limited have reviewed the going concern considerations of the company and have no reason to believe the business will not be a going concern in the year ahead.

The company earned a nett profit of R30.8 million after tax for the year ended 31 March 2016 (2015: nett loss after tax of R89.0 million) and as at that date the total assets exceeded the total liabilities by R63.3 million (2015: R32.5 million). The current assets exceeded the current liabilities by R11.5 million (2015: current liability exceeded current assets by R 63.7 million). Hence the company has the ability to continue as going concern.

We draw your attention to the disclosures included under 'Key sources of estimations and uncertainty' under significant accounting policies.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business. Accordingly these financial statements do not include any adjustment relating to the valuation of assets and the classification of liabilities that might be necessary if the company was unable to continue as a going concern.

SEDIBENG IRON ORE PROPRIETARY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2016

	Notes	2016 R	2015 R
Revenue	1	821 406 257	499 438 750
Cost of sales*		(731 051 743)	(552 844 286)
Gross profit/(loss)		90 354 514	(53 405 536)
Profit/(Loss) on foreign currency transactions		1 344 664	(287 929)
Operating expenses*		(38 538 994)	(64 176 273)
Operating profit/(loss)	2	53 160 184	(117 869 738)
Finance costs	3	(11 090 872)	(8 421 367)
Finance income		760 156	2 656 277
Profit/(loss) before taxation		42 829 468	(123 634 828)
Taxation expense/(benefit)	4	(11 992 251)	34 617 752
Profit/(loss) for the year		30 837 217	(89 017 076)
Other comprehensive income		-	-
Total comprehensive income		30 837 217	(89 017 076)

*Certain accounts have been reclassified from Cost of sales to Operating expenses in the comparative figures in order to reflect the nature of the expenses more precisely.

SEDIBENG IRON ORE PROPRIETARY LIMITED
STATEMENT OF FINANICAL POISTION
for the year ended 31 March 2016

	Notes	2016 R	2015 R
ASSETS			
Non-current assets			
Property plant and equipment	5	47 770 341	38 172 191
Intangible assets	6	394 777 338	424 423 285
Capital work-in-progress		803 165	6 774 288
Total non-current assets		443 350 844	469 369 764
Current assets			
Inventory	7	83 353 798	53 835 885
Trade and other receivables	8	38 711 132	24 774 882
Cash and cash equivalents	9	102 881 702	58 011 190
Total current assets		224 946 632	136 621 957
TOTAL ASSETS		**668 297 476**	**605 991 721**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	300	300
Security premium	10	23 586 482	23 586 482
Retained earnings		39 764 605	8 927 388
		63 351 387	32 514 170
Non-current liabilities			
Term Loan		6 220 000	-
Loans from shareholders	11	269 183 564	328 399 159
Deferred tax	12	104 017 178	90 886 286
Provision for rehabilitation	13	12 066 524	13 130 524
Total non-current liabilities		391 487 266	432 415 969
Current liabilities			
Loans from shareholders	11	64 365 078	
Trade and other payables	14	149 093 745	141 061 582
Total current liabilities		213 458 823	141 061 582
TOTAL EQUITY AND LIABILITIES		**668 297 476**	**605 991 721**

SEDIBENG IRON ORE PROPRIETARY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2016

	Share capital and premium R	Retained earnings R	Total equity R
Balance at 31 March 2014	23 586 782	97 944 464	121 531 246
Total comprehensive (loss) for the year	-	(89 017 076)	(89 017 076)
Balance at 31 March 2015	23 586 782	8 927 388	32 514 170
Total comprehensive income for the year	-	30 837 217	30 837 217
Balance at 31 March 2016	23 586 782	39 764 605	63 351 387

SEDIBENG IRON ORE PROPRIETARY LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31 March 2016

	Notes	2016 R	2015 R
OPERATING ACTIVITIES			
Cash (utilised in)/generated from operations	18.1	70 046 039	68 252 757
Interest received		760 156	2 656 277
Interest paid	18.2	(4 937 016)	(2 260 444)
Taxation paid	18.3	1 138 641	-
Net cash inflow from operating activities		67 007 820	68 648 590
INVESTING ACTIVITIES			
Additions to property plant and equipment		(26 353 660)	(23 445 065)
Additions to capital work-in-progress		-	(6 774 288)
Additions to intangible assets		(2 003 648)	(4 213 584)
Net cash outflow from investing activities		(28 357 308)	(34 432 937)
FINANCING ACTIVITIES			
Term loan from State Bank of India		6 220 000	-
Net cash outflow from financing activities		6 220 000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		44 870 512	34 215 653
Cash and cash equivalents at beginning of the year		58 011 190	23 795 537
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9	102 881 702	58 011 190

BASIS OF PREPARATION

Accounting framework

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the requirements of the Companies Act of South Africa on the historical cost convention except for certain financial instruments and mineral properties that are stated at fair value and incorporate the following principal accounting policies.

The basis of preparation is consistent with the prior year.

Underlying concepts

The financial statements are prepared on the going concern basis using accrual accounting.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Financial assets and financial liabilities are offset and the net amount reported only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standards. If no such guidance is given they are applied retrospectively unless it is impracticable to do so in which case they are applied prospectively.

Events after the reporting period date

Recognised amounts in the financial statements are adjusted to reflect events arising after the statement of financial position date that provide additional evidence of conditions that existed at such date. Events after the reporting period date that are indicative of conditions that arose after the reporting period date are dealt with by way of a note.

Comparative figures

Comparative figures are restated in the event of a change in accounting policy or a prior period error.

NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorisation of these financial statements there are Standards and Interpretations in issue but not yet effective. The directors are in the process of evaluating the disclosure requirements that the adoption of these standards will have in future periods when the relevant standards come into effect for the company; however the directors believe the effect to be minimal and immaterial to the company.

Refer below for the comprehensive list of new Standards and Interpretations in issue but not yet effective.

Standard	Title	Effective year beginning on or after:
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IFRS 9	Financial Instruments - Finalised version incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.	1 January 2018
IFRS 15	Revenue from Contracts with Customers - Original issue	1 January 2017
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	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 - Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements, which have been applied on a consistent basis are as follows:

Critical judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, 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 ongoing 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.

No critical judgements, apart from those involving estimations described below, have been made by the management.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and residual values of assets

As described in the accounting policies below, the Company reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. During the financial year the directors determined that no revision is required to the useful lives and residual values of plant and equipment based on the forecast commercial and economic realities and through benchmarking of accounting treatment in the industry.

Impairment of assets

An assessment for impairment of plant and equipment and financial assets is performed at each reporting period based on the technical, economic and business circumstances.

Provisions

Management have applied their judgement in estimating various provisions raised in the operations.

Mineral reserves estimates and Life of Mine

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the company's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological technical and economic factors including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices, and exchange rates.

Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of ore-bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Key sources of estimation uncertainty (continued)

Mineral reserves estimates and Life of Mine (continued)

The company is required to determine and report on the mineral reserves in accordance with the South African Mineral Resource Committee ("SAMREC") Code. Estimates of mineral reserves may change from year to year due to the change in economic assumptions used to estimate ore reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable reserves may affect the company's financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to the changes in estimated cash flows;
- Depreciation and amortisation charges to profit or loss may change as these are calculated on the unit-of-production method or where the useful economic lives of assets change;
- Deferred stripping costs recorded in the statement of financial position or charged to profit or loss may change due to changes in stripping ratios or the unit-of-production method of depreciation;
- Decommissioning site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves. These factors could include:

- Changes in proved and probable mineral reserves;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital operating mining processing costs discount rates and foreign exchange rates; and
- Changes in mineral reserves could similarly impact the useful lives of assets depreciated on a straight-line basis where those lives are limited to the life of the mine.

Closure and rehabilitation

The mining, extraction and processing activities of the company normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility commissioning and dismantling, removal or treatment of waste materials as well as site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of the Department of Mineral Resources ("DMR") and the company's environmental policies.

Provisions for the cost of each closure and rehabilitation programme are recognised at the time that environmental disturbances occur. When the extent of disturbances increases of the life of an operation the provision is increased accordingly.

Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with the disturbances at the reporting date.

Routine operating costs that may impact the ultimate closure and rehabilitation activities such as waste material handling conducted as an integral part of a mining or production process are not included in the provision. Costs arising from unforeseen circumstances such as the contamination caused by unplanned discharges are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Key sources of estimation uncertainty (continued)

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating licence conditions, the principles of the company's charter and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time dependent on closure and rehabilitation requirements. The majority of the expenditure is expected to be paid over a period of up to 12 years.

Closure and rehabilitation provisions are measured at the expected value of future cash flows discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Discount rates used are specific to South Africa and the company. Significant judgements and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a legal obligation.

When provisions for closure and rehabilitation are initially recognised the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. Any subsequent expenditure or changes in estimates are recorded in profit or loss in the period in which they are incurred. The capitalised costs are amortised in profit or loss over the life of the mine.

The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance costs. Closure and rehabilitation provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost except where the reduction in the provision is greater than the undepreciated capitalised cost of the related assets in which case the capitalised cost is reduced to nil and the remaining adjustment is recognised in profit of loss.

In the case of closed sites changes to estimated costs are recognised immediately in profit or loss. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

Factors influencing those changes include:

- Revisions to estimated reserves resources and lives of operations;
- Developments in technology;
- Regulatory requirements and environmental management strategies;
- Changes in the estimated extent and costs of anticipated activities including the effects of inflation and movements in foreign exchange rates; and
- Movements in interest rates affecting the discount rate applied.

Future iron ore prices

The predicted future iron ore prices are used to calculate the cash flow forecasts for assessing potential impairment requirements. The price projections are based on experts' research reports. The price projections have a significant impact on the long term cash flow projections and therefore the company's future cash flows are highly sensitive to the fluctuation in iron ore prices.

Future Exchange rates

The predicted exchange rates (ZAR vs USD) are used to calculate the cash flow forecasts for assessing potential impairment requirements. The exchange rate projections are based on long term forward curve based on experts' reports. The exchange rate projections have a significant impact on the long term cash flow projections and therefore company's future cash flows are highly sensitive to the fluctuations in exchange rates.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting policies

The company reassesses its accounting policies annually to ensure continued applicability of the chosen policies. In the event that a policy choice is no longer considered the most appropriate choice a voluntary change in policy is adopted and IAS 8 *"Accounting Policies, Changes in Accounting Estimates and Errors"* is applied.

Impairments

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities the reversal is recognised in profit or loss.

Financial instruments

Financial instruments are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

Financial assets are measured at fair value plus transaction costs with changes in fair value being included in profit or loss.

Accounts receivable

Accounts receivable are recognised and carried at the fair value of the original invoice using the effective interest rate method. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Financial liabilities

Financial liabilities are measured at fair value plus transaction costs with changes in fair value being included in profit or loss.

Interest bearing loans are recorded at the proceeds received net of direct issue costs. Finance charges including premiums payable on settlement or redemption are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity instruments are recorded at the proceeds received net of direct issue costs.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

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

Deferred tax

Deferred tax is recognised using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

Finance income and expenses

Finance income comprises interest on funds invested changes in the fair value of financial assets at fair value through profit or loss and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues.

Finance expenses comprise interest on borrowings unwinding of the discount on provisions changes in the fair value of financial assets at fair value through profit or loss impairment losses recognised on financial assets and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the asset is substantially ready for its intended use. All other borrowing costs are recognised in profit and loss as they are incurred.

Property, plant and equipment

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

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

Property, plant and equipment are initially measured at cost less accumulated depreciation and any impairment losses.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to 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 replacement part is derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

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

The following rates of depreciation/amortisation are used (other than Mining properties and Development Expenses):

Plant and equipment	25%
Furniture and fittings	17%
Motor vehicles	20%
Loose tools	33%
Computer software	33%
Office equipment	33%

Intangible assets

The cost of an item of intangible assets is recognised as an asset when

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

Intangible assets, other than mineral properties, are initially measured at cost less accumulated amortisation and any impairment losses. Mineral properties are revalued in accordance with the expected net realisable value of the asset.

Cost includes costs incurred initially to acquire or construct an item of intangible assets and costs incurred subsequently to add to or replace part of it. Expenses on mine development, construction of mine roads, stripping cost and long term mine planning consultancy are recognised as Development Expenses.

Mining properties and Development Expenses are amortised on a unit of production basis.

Translation of foreign currencies

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transactions. Assets and liabilities in foreign currencies have been accounted for at the rate of exchange ruling at the statement of financial position date. At each statement of financial position date monetary items denominated in foreign currency are retranslated at the rates prevailing on the statement of financial position date. Exchange differences arising on translation are recognised on the statement of financial position date and are recognised in profit or loss in the period in which they occur.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue

Revenue is measured at the fair value of the consideration received/receivable. Revenue, excluding value added tax comprises net invoiced sales to third parties of ore mined or purchased for resale.

Sale of goods is recognised when the goods are delivered and title has passed.

Other revenues earned by the company, including interest income are recognised as they are accrued taking into account the effective yield on the asset unless collectability is in doubt.

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of the inventories comprises all costs of purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

	2016 R	2015 R

1. REVENUE

The following is an analysis of the revenue for the year:

	2016 R	2015 R
Revenue from sale of Iron Ore	821 406 257	499 438 750
	821 406 257	499 438 750

2. PROFIT/(LOSS) BEFORE INTEREST AND TAXATION FOR THE YEAR IS STATED AFTER ACCOUNTING FOR THE FOLLOWING:

	2016 R	2015 R
Audit fees	797 000	676 500
Bank Charges	3 595 864	2 277 062
Bank Guarantee Charges	537 426	538 071
Clinic Fee	2 921 933	1 858 547
Computer and Internet Expenses	1 028 271	896 139
Guest House Expenses	1 303 664	1 911 636
Insurance	1 147 295	1 065 718
Motor Vehicle Expenses	879 041	1 151 405
Rent	1 125 179	1 143 829
Royalty to SARS	4 974 673	931 498
Security Expenses	2 136 128	2 013 084
Travel Expenses	676 224	990 947
Training expenses	256 311	601 753
Purchase of Ore	2 026 620	96 662 324
Drilling Blasting and Haulage Expenses	98 525 885	33 051 607
Crushing and Screening Expenses	83 249 286	59 466 837
Consulting fees	11 546 267	10 463 259
Consumables	320 864	1 632 292
Depreciation and amortisation	45 509 507	29 912 945
Diesel and Fuel	35 624 583	23 820 280
Employee costs*	45 874 026	44 550 622
Freight and Handling	325 951 075	212 057 754
Loadout Fee	65 070 536	37 388 032
Marketing Commission	13 417 673	17 100 376
Port Charges	27 355 786	18 596 368
Repairs and Maintenance	10 082 539	12 617 281
Sampling and Analysis	6 326 513	5 462 297
Others	6 730 237	5 258 599
Sub Total	**798 990 407**	**624 097 061**
Adjustment for Stock movement		
Opening Stock	49 079 163	42 002 661
Closing Stock	(78 478 833)	(49 079 163)
Charged to Income Statement	**769 590 737**	**617 020 559**
Disclosed as:		
Cost of Sales	(731 051 743)	(552 844 286)
Operating Expenses	(38 538 994)	(64 176 273)
Total	**(769 590 737)**	**(617 020 559)**

** Employee costs include Directors' emoluments*

Directors' Emoluments:

A) Sitting Fees

Name of Director	No of Board Meeting Held	No of Board Meeting Attended	Sitting Fees Paid (R 10 000/per meeting)
Sandip Biswas	5	5	50 000
Somdeb Banerjee	5	5	50 000
Dibyendu Bose	5	5	50 000
Rajeev Singhal	5	5	50 000
Dharmendra Kumar	5	5	50 000
VSN Murty	5	4	40 000
Clyde Johnson	5	2	20 000
Tsung Hsien Lin*	5	5	50 000
Gerrit Kruyswijk	5	2	20 000

* represented by Mr. Nicolas Loubser

B) Remuneration:	**2016**	**2015**
	R	**R**
Somdeb Banerjee (CEO)**	2 859 388	2 249 837

**Mr Somdeb Banerjee is an employee of the holding company, Black Ginger 461 (Pty) Ltd, however 90% of his emoluments are charged to Sedibeng Iron Ore (Pty) Ltd in proportion of the time spent by him.

No other fees were paid to the other directors of the company.

3. FINANCE COSTS

Black Ginger 461 (Pty) Ltd	3 295 669	3 147 298
Cape Gannet Properties (Pty) Ltd	1 338 866	1 278 590
Industrial Development Corporation of SA	514 948	491 765
State Bank of India	4 937 016	2 031 744
Ringside	-	228 700
Interest unwinding on Rehabilitation provision	1 004 373	1 243 270
	11 090 872	8 421 367

	2016	2015
	R	R

4. TAXATION BENEFIT/(EXPENSE)

Normal tax – refund for prior year (FY2014)	(1 138 641)	-
Deferred tax - current year	13 130 892	34 617 752
	11 992 251	34 617 752

Reconciliation of the taxation benefit/(expense)

Profit/(loss) before taxation	**42 829 468**	**(123 634 828)**
Domestic standard normal rate of taxation (%)	**28%**	**28%**
Taxation at standard rate	11 992 251	34 617 752
	11 992 251	34 617 752

5. PROPERTY PLANT AND EQUIPMENT

Cost

2016	Opening balance R	Additions R	Disposals R	Closing balance R
Plant and machinery	56 704 438	24 486 988	-	81 191 426
Tools	492 120	94 152	-	586 272
Office equipment	944 337	8 824	-	953 161
Furniture and fittings	1 580 400	59 080	-	1 639 480
Motor vehicles	3 951 384	635 622	-	4 587 006
Computer equipment	901 609	241 769	-	1 143 378
Other fixed assets	54 456	-	-	54 456
	64 628 744	25 526 434	-	90 155 178

Accumulated depreciation

2016	Opening balance R	Depreciation R	Disposals R	Closing balance R
Plant and machinery	(23 838 180)	(14 063 878)	-	(37 902 058)
Tools	(144 518)	(174 665)	-	(319 183)
Office equipment	(256 302)	(300 931)	-	(557 233)
Furniture and fittings	(504 071)	(268 537)	-	(772 608)
Motor vehicles	(1 249 378)	(872 372)	-	(2 121 750)
Computer equipment	(428 596)	(238 803)	-	(667 399)
Other fixed assets	(35 508)	(9 100)	-	(44 608)
	(26 456 553)	(15 928 284)	-	(42 384 837)
Net book value	38 172 191	-	-	47 770 341

A register containing the fixed assets is available for inspection at the registered office of the company.

5. PROPERTY PLANT AND EQUIPMENT (continued)

Cost

2015	Opening balance R	Additions R	Disposals R	Closing balance R
Plant and machinery	37 125 701	19 578 737	-	56 704 438
Tools	176 920	315 200	-	492 120
Office equipment	237 558	706 779	-	944 337
Furniture and fittings	1 180 268	400 132	-	1 580 400
Motor vehicles	2 106 121	1 845 263	-	3 951 384
Computer equipment	329 955	571 654	-	901 609
Other fixed assets	27 156	27 300	-	54 456
	41 183 679	23 445 065	-	64 628 744

Accumulated depreciation

2015	Opening balance R	Depreciation R	Disposals R	Closing balance R
Plant and machinery	(11 882 660)	(11 955 520)	-	(23 838 180)
Tools	(11 486)	(133 032)	-	(144 518)
Office equipment	(52 777)	(203 525)	-	(256 302)
Furniture and fittings	(268 735)	(235 336)	-	(504 071)
Motor vehicles	(591 931)	(657 447)	-	(1 249 378)
Computer equipment	(218 943)	(209 653)	-	(428 596)
Other fixed assets	(27 156)	(8 352)	-	(35 508)
	(13 053 688)	(13 402 865)	-	(26 456 553)
Net book value	**28 129 991**			**38 172 191**

A register containing the fixed assets is available for inspection at the registered office of the company.

6. INTANGIBLE ASSETS

	Opening carrying value R	Additions R	Amortisation R	Closing carrying value R
2016				
Computer software	4 018	339 404	(60 955)	282 467
Provision for rehabilitation	10 113 830	(2 068 373)	(444 292)	7 601 165
Development expenses	71 359 897	1 664 244	(5 181 463)	67 842 678
Mineral rights	342 945 540	-	(23 894 512)	319 051 028
	424 423 285	(64 724)	(29 581 222)	394 777 338
2015				
Computer software	29 187	2 310	(27 479)	4 018
Provision for rehabilitation	11 765 533	(1 291 719)	(359 984)	10 113 830
Development expenses	70 009 555	4 211 274	(2 860 932)	71 359 897
Mineral rights	356 207 224	-	(13 261 684)	342 945 540
	438 011 499	2 921 865	(16 510 079)	424 423 285

As a result of the mine commencing operations during the financial year 2012, a provision for rehabilitation costs at the end of the mine's life has been accounted for. The provision has been determined by an independent expert using the rates suggested by the Department of Mineral Resources, adjusted for inflation. An appropriate discount rate has been used to determine the net present value of these expected cash flows. This represents management's best estimate of the costs required to rehabilitate the mine at the end of its life. The major assumptions used to calculate the provision are as below:

Remaining Life of mine: 8 years (2015: 9 years)
Discount rate: 11.6% (2015: 11.6%)
Inflation rate: 6% (2015: 6%)

7. INVENTORY

	2016 R	2015 R
Raw materials	99 546 357	103 987 555
Less: provision for net realisable value	(21 067 524)	(54 908 392)
Stores and Spares	4 874 965	4 756 722
	83 353 798	53 835 885

Inventory is valued at the lower of cost or net realisable value.

	2016	2015
	R	R

8. TRADE AND OTHER RECEIVABLES

Value Added Tax	13 547 781	8 482 365
Trade receivables	8 965 699	8 774 335
Deposits	73 388	107 238
Prepayments	512 614	633 291
Employee advance	10 022	5 386
Advance to suppliers	15 601 628	6 767 137
Advance tax	-	5 130
	38 711 132	24 774 882

The directors consider that the carrying amount of trade and other receivables approximate their fair value.

9. CASH AND CASH EQUIVALENTS

Petty cash	1 376	12 649
Bank balances	102 880 326	57 998 541
	102 881 702	58 011 190

10. SHARE CAPITAL

Authorised		
1 000 ordinary shares of R1 each	1 000	1 000
Issued		
300 ordinary shares of R1 each		
(2014: 300 ordinary shares of R1 each)	300	300
Share premium	23 586 482	23 586 482

		2016 R	2015 R
11. LOANS FROM SHAREHOLDERS			
Interest Free Loans:			
Black Ginger 461 Proprietary Limited		172 277 481	172 277 481
Cape Gannet Properties Proprietary Limited		69 987 727	69 987 727
Industrial Development Corporation of South Africa Limited		26 918 356	26 918 356
	A	269 183 564	269 183 564
Interest Bearing Loans:			
Black Ginger 461 Proprietary Limited		34 299 136	34 299 136
Cape Gannet Properties Proprietary Limited		13 934 024	13 934 024
Industrial Development Corporation of South Africa Limited		5 359 240	5 359 240
	B	53 592 400	53 592 400
Interest Payable on Loans:			
Black Ginger 461 Proprietary Limited		6 894 514	3 598 845
Cape Gannet Properties Proprietary Limited		2 800 897	1 462 031
Industrial Development Corporation of South Africa Limited		1 077 267	562 319
	C	10 772 678	5 623 195
Total Interest bearing Loan	(B+C)	64 365 078	59 215 595
Total loans from shareholders	**(A+B+C)**	**333 548 642**	**328 399 159**
Less: current portion of shareholders' loans		64 365 078	-
Non-current portion of shareholders' loans		**269 183 564**	**328 399 159**

The interest free loans have no fixed terms of repayment and in terms of the shareholders' agreement the shareholders have assessed the annual business plan and approved not to demand repayment within the next twelve months until sufficient funding is available.

The interest bearing loans bear interest at the prime rate and have no fixed terms of repayment. The same has been classified as current liabilities.

	2016 R	2015 R

12. DEFERRED TAX

	2016 R	2015 R
Accelerated capital allowances for tax purposes	25 722 215	23 668 965
Mining right	89 334 288	96 024 752
Provision for rehabilitation	(1 250 300)	(844 674)
Provision for inventory write down to net realisable value	(5 898 907)	(15 374 350)
Other provisions	(3 890 119)	(12 588 407)
	104 017 178	90 886 286

13. PROVISION FOR REHABILITATION

	2016 R	2015 R
Opening balance	13 130 524	13 178 973
Provision movement during the year	(2 068 373)	(1 291 719)
Finance cost unwinding	1 004 373	1 243 270
Closing balance	12 066 524	13 130 524

As a result of the company commencing mining operations during the 2012 financial year, a provision for rehabilitation costs at the end of the life of the mine was raised. The company makes use of an independent expert to determine the value of the future cash flows required to rehabilitate the mine at the end of its useful life. These cash flows were discounted using a WACC rate of 11.6% (2015: 11.6%).

14. TRADE AND OTHER PAYABLES

	2016 R	2015 R
Trade payables	16 859 025	19 998 139
Other accruals	118 718 593	78 703 784
Advance from customer (nett provision for credit note)	12 619 999	41 526 505
Interest payable on Term Loan (SBI)	57 386	-
Creditors for salary and wages	-	111 672
PAYE tax payable	838 742	721 482
Closing balance	149 093 745	141 061 582

15. RELATED PARTIES

Ultimate Holding Company:	Tata Steel Limited (India)
Holding company:	Black Ginger 461 Proprietary Limited
Fellow Subsidiaries:	Tata Steel Asia Hong Kong Pte Limited
	Tata Steel Global Procurement Company Pte Limited
Shareholders with significant influence:	Cape Gannet Properties Proprietary Limited
	Industrial Development Corporation of South Africa Limited
Members of key management:	Somdeb Banerjee (CEO)

	2016 R	2015 R
Interest paid to related parties:		
Black Ginger 461 Proprietary Limited	3 295 669	3 147 298
Cape Gannet Properties Proprietary Limited	1 338 866	1 278 590
Industrial Development Corporation of SA	514 948	491 765
Sales:		
Tata Steel Global Procurement Co. Pte Limited	-	39 297 497
Operating expenses paid:		
Black Ginger 461 Proprietary Limited	6 004 508	6 433 777
Marketing commission paid:		
Black Ginger 461 Proprietary Limited	13 417 673	17 100 376
Related party payables:		
Black Ginger 461 Proprietary Limited	-	19 086 617
Tata NYK Shipping	-	-
Tata Steel Limited	-	-
Related party receivables:		
Tata Steel Global Procurement Company Pte Limited	2 784 102	-

Refer to note 11 for loans and interest payable to the shareholders at year end said shareholders also being related parties.

16. FINANCIAL INSTRUMENTS

Treasury risk management

Exposure to interest rate credit and liquidity risks arises in the normal course of the company's business.

Interest rate risk

The company adopts a policy of ensuring that its borrowings are at market-related rates to address its interest rate risk.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Reputable financial institutions are used for investing and cash-handling purposes.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Fair values

The fair values of all financial instruments are substantially identical to the carrying values reflected in the statement of financial position.

Foreign currency management

This is the risk of losses arising from the effects of adverse movements in exchange rates on net foreign currency asset or liability positions. Foreign currencies are held in a US Dollar denominated bank account.

Foreign currency sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to exchange rates at balance sheet date. A 15% increase or decrease represents management's assessment of the possible changes in exchange rates. If exchange rates had been 15% higher and all other variables were to remain constant the effect on profit or loss after tax would have been R7.33 million (2015: R1.74 million) higher and vice versa if the exchange rates had been 15% lower. The net forex exposure as at 31st March 2016 is USD 3.29 million (2015: USD - 0.78 million)

Interest rate sensitivity analysis

At year end the company had interest-bearing debt from Black Ginger 461 Proprietary Limited, Cape Gannet Properties Proprietary Limited, Industrial Development Corporation of South Africa Limited and State Bank of India. If interest rates had been 1% higher and all other variables were to remain constant the effect on profit or loss would have been R0.81 million (2015: R0.56 million) and vice versa if the interest rates had been 1% lower.

17. FINANCIAL INSTRUMENTS MATURITY ANALYSIS

Financial liabilities

2016	Carrying amount R	Contractual Cash-flows R	6 months or less R	6-12 months R	>1 Year R
Trade and other payables	(149 093 744)	(149 093 744)	(134 405 590)	(14 688 154)	-
Black Ginger 461 (Pty) Ltd	(213 471 131)	(213 471 131)	-	(41 193 650)	(172 277 481)
Cape Gannet Properties	(86 722 648)	(86 722 648)	-	(16 734 921)	(69 987 727)
Industrial Development Corp.	(33 354 863)	(33 354 863)	-	(6 436 507)	(26 918 356)
Total	**(482 642 386)**	**(482 642 386)**	**(134 405 590)**	**(79 053 232)**	**(269 183 564)**

2015	R	R	R	R	R
Trade and other payables	(141 061 582)	(141 061 582)	(141 061 582)	-	-
Black Ginger 461 (Pty) Ltd	(210 175 462)	(210 175 462)	-	-	(210 175 462)
Cape Gannet Properties	(85 383 782)	(85 383 782)	-	-	(85 383 782)
Industrial Development Corp.	(32 839 915)	(32 839 915)	-	-	(32 839 915)
Total	**(474 378 394)**	**(474 378 394)**	**(141 061 582)**	-	**(474 378 394)**

Financial assets

2016	Carrying amount R	Contractual cash-flows R	6 months or less R	6-12 months R	>1 Year R
Trade and other receivables	38 711 132	38 711 132	38 711 132	-	-
Cash and cash equivalents	102 881 701	102 881 701	102 881 701	-	-

2015	R	R	R	R	R
Trade and other receivables	24 774 882	24 774 882	24 774 882	-	-
Cash and cash equivalents	58 011 190	58 011 190	58 011 190	-	-

*No receivables are past due or impaired. All receivables are current and within their credit terms.

17. FINANCIAL INSTRUMENTS MATURITY ANALYSIS (continued)

Fair value

The levels are classified as follows:
Level 1 - fair value is based on quoted prices in active markets for identical financial assets or
Level 2 - fair value is determined using directly observable inputs other than Level 1 inputs
Level 3 - fair value is determined on inputs not based on observable market data

31 March 2016 **Fair value disclosures**	**Total** **R**	**Level 1** **R**	**Level 2** **R**	**Level 3** **R**
Financial assets at fair value				
Trade and other receivables	24 640 715	-	-	24 640 715
Cash and cash equivalents	102 881 701	-	-	102 881 701
	127 522 416	-	-	127 522 416
Financial liabilities at fair value				
Loans from shareholders	333 548 642	-	-	333 548 642
Trade and other payables	149 093 744	-	-	149 093 744
	482 642 386	-	-	482 642 386

31 March 2015 **Fair value disclosures**	**Total** **R**	**Level 1** **R**	**Level 2** **R**	**Level 3** **R**
Financial assets at fair value				
Trade and other receivables	15 648 710	-	-	15 648 710
Cash and cash equivalents	58 011 190	-	-	58 011 190
	73 659 900	-	-	73 659 900
Financial liabilities at fair value				
Loans from shareholders	328 399 159	-	-	328 399 159
Trade and other payables	141 061 582	-	-	141 061 582
	469 460 741	-	-	469 460 741

The valuation techniques used to value the financial instruments were as follows:

Trade and other receivables are carried at face value less specific related provisions.
Trade and other payables reflect the expected settlement value.

The directors consider that the carrying amounts of cash and cash equivalents trade and other receivables and trade and other payables approximates their fair value due to the short-term maturities of these assets and liabilities.

The fair value of financial liabilities is determined by reference to quoted market prices for similar issues, where applicable, otherwise the carrying value is considered to approximate to the fair value.

The fair values of financial assets represent the market value of quoted instruments and other traded instruments. For non-listed investments and other non-traded financial assets fair value is calculated using discounted cash flows with market assumptions unless the carrying value is considered to approximate fair value.

	2016 R	2015 R
18. NOTES TO THE STATEMENT OF CASH FLOWS		
18.1 CASH (UTILISED IN)/GENERATED FROM OPERATIONS		
Profit/(loss) before taxation	42 829 468	(123 634 828)
Adjustment for:		
Finance costs	11 090 872	8 421 367
Finance income	(760 156)	(2 656 277)
Depreciation and amortisation	45 509 506	29 912 944
Provision for inventory write down to net realisable value	(33 840 868)	54 908 392
	64 828 822	(33 048 402)
Changes in working capital:		
Decrease/(increase) in trade and other receivables	4 750 380	90 566 917
Increase in trade and other payables	(3 856 118)	77 277 858
Decrease/(increase) in inventory	4 322 955	(66 543 616)
	70 046 039	68 252 757
18.2 INTEREST PAID		
Balance owing at the beginning of the year	5 623 195	705 542
Charged to the statement of comprehensive income	11 090 872	8 421 367
Adjustment for Interest unwinding on Rehabilitation Provision	(1 004 373)	(1 243 270)
Balance owing at the end of the year	(10 772 678)	(5 623 195)
Interest paid in cash	4 937 016	2 260 444
18.3 TAXATION PAID		
Balance at the beginning of the period	5 130	5 130
Non-Cash Movement	(5 130)	-
Charged to the statement of comprehensive income	(1 138 641)	-
Balance owing at the end of the year	-	(5 130)
Tax paid in cash	(1 138 641)	-

19. GOING CONCERN

The directors of Sedibeng Iron Ore Proprietary Limited have reviewed the going concern considerations of the company and have no reason to believe the business will not be a going concern in the year ahead.

The company earned a nett profit of R30.8 million after tax for the year ended 31 March 2016 (2015: nett loss after tax of R89.0 million) and as at that date the total assets exceeded the total liabilities by R63.3 million (2015: R32.5 million). The current assets exceeded the current liabilities by R11.5 million (2015: current liability exceeded current assets by R 63.7 million). Hence the company has the ability to continue as going concern.

We draw your attention to the disclosures included under 'Key sources of estimations and uncertainty' under significant accounting policies.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business. Accordingly, these financial statements do not include any adjustment relating to the valuation of assets and the classification of liabilities that might be necessary if the company was unable to continue as a going concern.

20. SUBSEQUENT EVENTS

No events material to the understanding of this report have occurred during the period 31 March 2016 until the day of signing the annual financial statements.

21. CONTINGENT LIABILITIES

As at 31 March 2016, Sedibeng Iron Ore Proprietary Limited had no contingent liabilities.