ARGENT
Industrial Limited

Annual Report
2010

Jetmaster
Xpanda Real Security
EXCALIBUR ARMOUR FOR ALL ROUND PROTECTION
CEDAR Paint
Life'n Leisure CENTRE
Castor & Ladder Incorp. Forlezer & Aldek
New Joules Engineering
North America Inc.
Phoenix Steel Group
ALLAN MASKEW
All-Lite Steel Products
ARGENT
Industrial Investments
atomic OFFICE-EQUIPMENT-(PTY)-LTD
BARRIER ANGELUCCI
BIC BURBAGE IRON CRAFT LTD
GAMMID
Giflo Engineering
Hendor
Mining Supplies
Koch's Cut & Supply
Steel Centre
Megamix (Pty) Ltd
SENTECH INDUSTRIES
Motor Component
Manufacturers
SSP SPECIALIST STEEL PROFILES
TOOLROOM SERVICES
TRICKS WROUGHT IRON SERVICES (PTY) LTD
Villiersdorp Quarries

www.argent.co.za

Contents

Corporate Profile

The Argent Group is predominantly a steel merchant with steel trading making up approximately forty one percent of the group's turnover. Forty two percent of the group consists of companies adding value to steel either via manufacturing or through steel service centres. The balance of the turnover is largely derived from the automotive accessory supply business. The group has 22 subsidiaries which operate in Gauteng, North West Province, Eastern Cape, Western Cape, KwaZulu-Natal, Mpumalanga, England and North America.

Argent Industrial Limited is now a highly diversified industrial group, trading in steel and steel related products as well as concrete. The group owns three well known international brands namely Jetmaster, Xpanda Security and Excalibur Vehicle Accessories.

The group's character is innovation, speed, delivery and service. Argent has a bold approach to business and is always seeking new investments and investors.

The Argent Group's strategic intent is to grow profitability through streamlining the business by extracting maximum value from vertical integration and good management practice.

Group Key Values

Argent endeavours to create a climate in which competent executives can flourish while co-ordinating their efforts towards a unity of purpose that enhances the creation of wealth.

- Seeking long-term sustained real growth for shareholders;
- Maintaining a balance in the investment of its resources in focused markets;
- Conducting business with professionalism and integrity;
- Developing long-term relationships through co-operation and fair play;
- Practicing financial prudence;
- Meeting all legal and moral obligations;
- Generating an eagerness to learn and improve;
- Respecting the dignity and human rights of all employees; and
- Maintaining a high standard in the areas of work place safety and health.

Operation Locations

South Africa

Steel trading	Argent Port Elizabeth	Eastern Cape
	Gammid Trading	Gauteng
	Gammid Cape	Western Cape
	Gammid George	Eastern Cape
	Gammid Kzn	KwaZulu-Natal
	Phoenix Steel East London	Eastern Cape
	Phoenix Steel Gauteng	Gauteng
	Phoenix Steel Mpumalanga	Mpumalanga
	Phoenix Steel Natal	KwaZulu-Natal
	Phoenix Steel Richards Bay	KwaZulu-Natal
	Specialised Steel Profiles	KwaZulu-Natal
Automotive products	All Lite Steel Products	North West Province
	Excalibur Vehicle Accessories	Gauteng
	Giflo Engineering	North West Province
	Sentech Industries	Eastern Cape
Manufacture of home and office products	Atomic Office Equipment	Western Cape
	Barrier Angelucci	Gauteng
	Castor & Ladder	Gauteng & KwaZulu-Natal
	Cedar Paint	Free State, Gauteng, KwaZulu-Natal, North West Province, Eastern and Western Cape
	Jetmaster	Gauteng
	Jetmaster Cape	Western Cape
	Life 'n Leisure Centre Umhlanga	KwaZulu-Natal
	Toolroom Services	Gauteng
	Tricks Wrought Iron Services	KwaZulu-Natal
	Xpanda Security	KwaZulu-Natal and Western Cape
Fabricators	Hendor Mining Supplies	Gauteng
	Koch's Cut and Supply Steel Centre	KwaZulu-Natal
Non-steel related products	Allan Maskew	Gauteng
	Argent Industrial Investments	Gauteng, Mpumalanga and Eastern Cape
	GHL Properties	Gauteng
	Megamix	Western Cape
	Parlance Investments	KwaZulu-Natal
	Villiersdorp Quarries	Western Cape

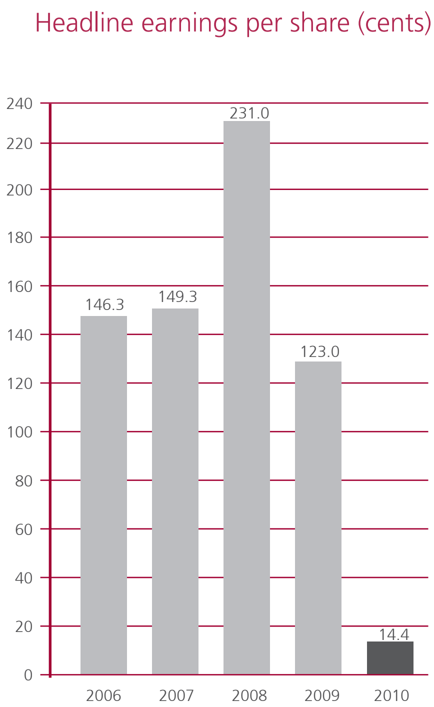
United States of America

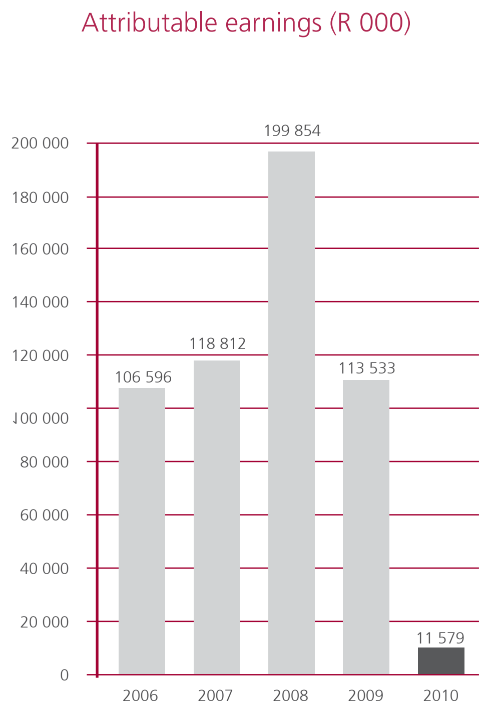
Non-steel related products	New Joules Engineering North America	Kansas City

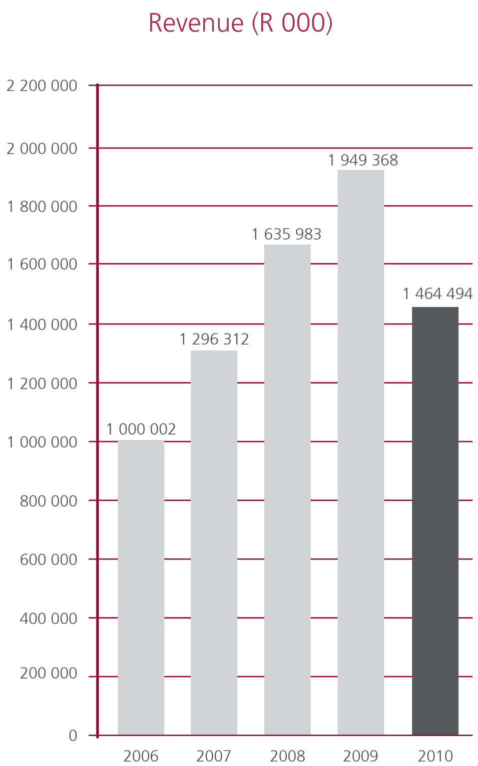
United Kingdom

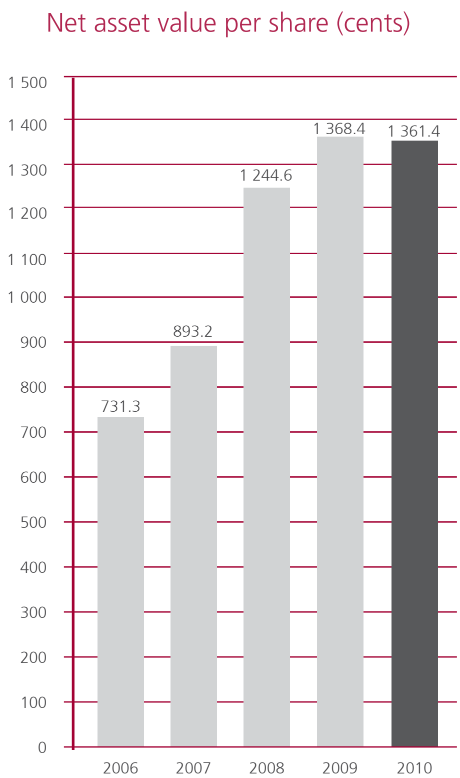
Manufacture of home and office products	Burbage Iron Craft	Hinckley

Financial Highlights









Five Year Review

	2010	Restated 2009	Restated 2008	Restated 2007	2006
Revenue (R 000)	**1 464 494**	1 949 368	1 635 983	1 296 312	1 000 002
Attributable earnings for the year (R 000)	**11 579**	113 533	199 854	118 812	106 596
Attributable earnings per share (cents)	**12.7**	126.4	236.1	150.7	145.9
Headline earnings per share (cents)	**14.4**	123.0	231.0	149.3	146.3
Tax rate (%)	**(38.9)**	17.9	17.6	31.4	25.8
Dividends per share (cents)	**9.0**	38.0	33.0	29.0	25.0
- Final prior	**9.0**	19.0	16.0	14.0	12.0
- Interim current	**0.0**	19.0	17.0	15.0	13.0
Dividend cover (times)	**1.4**	3.3	7.2	5.2	5.8
Net asset value per share (cents)	**1 361.4**	1 368.4	1 231.1	893.2	731.3
Net asset value per share (excluding intangibles) (cents)	**1 042.8**	1 058.0	949.6	743.0	590.3
Total assets employed (R 000)	**1 962 663**	1 952 436	1 777 568	1 206 025	960 115
Return on shareholders' equity (%)	**0.9**	9.0	18.1	16.5	18.1
Gearing (%)	**25.1**	30.0	24.7	27.8	23.2
Liquidity					
- current ratio	**1.69**	2.26	1.90	1.84	2.06
- current ratio excluding current portion of interest-bearing borrowings	**2.26**	3.21	2.35	2.50	2.54
- acid test ratio	**0.65**	0.97	0.91	0.90	1.08

Directorate

Teunis Scharrighuisen (65)
Non-executive chairman
Appointed 1993

Patrick Arthur Day (68)
Non-executive director
Appointed 1999

Khathutshelo Mapasa (33)
Non-executive director
Appointed 2006

Peter Hector Lawson (63)
Non-executive director
Appointed 2003

Treve Robert Hendry (43)
CA (SA)
Chief executive officer
Appointed 1997

Jennifer Ann Etchells (47)
CA (SA), HDipTax, MCom (Aus), MTP (SA)
Financial director
Appointed 2009

Mark Joey Antonic (36)
Director
Appointed 2000

Donovan Smith (36)
Director
Appointed 2002

Marc Peter Allen (36)
BCom (Hons)
Director
Appointed 2004

Sue Joan Cox (44)
CA (SA)
Director
Appointed 2002

Alfred Franz Litschka (44)
BSc (Metallurgy) MBA
Director
Appointed 2004

Gavin Keith Youngman (48)
Alternate director
Appointed 2002

Administration

Argent Industrial Limited

Reg. No. 1993/002054/06

Secretary and registered office

Lindsay Grobler (Ms)
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Tel: + 27 11 294 4444
Fax: + 27 11 295 8115

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10 Grayston Drive
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(PO Box 785700, Sandton, 2146)
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Fax: + 27 11 286 7777

Chairman's Statement

Argent experienced a very difficult year which was a direct result of the decline in the world economy. The areas hardest hit were the automotive and steel divisions, both of which have started to improve.

Group Structure

The group continued to strengthen its philosophy of vertical integration by purchasing Specialised Steel Profiles, an importer and distributor of cold rolled tubing and other profiles into the automotive and other manufacturing industries. In addition, Argent purchased the assets and liabilities of Barrier Angelucci in April 2009. This company specialises in the installation and upgrading of automated teller machines for the banking industry as well as the design, manufacture and installation of industrial and commercial roller shutter doors.

Prospects

Argent is very upbeat about its prospects as its low cost structure, low gearing (which has been reduced during the year) and diversified manufacturing capabilities, along with its large geographic footprint leave it well placed to benefit from the ever improving world economy.

Acknowledgements

I would like to express my sincere appreciation to my fellow board members for their contributions, advice and counsel. My thanks to Treve, his executive team and all the people in the Argent group for their extraordinary effort and dedication while the group endured a tough year. Special tribute also needs to be paid to our shareholders for their continued support and loyalty. To Argent's suppliers, customers and business associates both locally and internationally, thank you for your continued support and commitment to our group during the year.

Teunis Scharrighuisen
Non-executive chairman
Umhlanga, Durban
15 June 2010

Corporate Governance Report

Corporate governance requires the identification of the company's stakeholders and the agreement on, and implementation of, policies to manage and advance the relationship with those stakeholders in the interests of the company. It also embraces the adoption and monitoring of sound and effective systems of internal control, the assessment and management of business risks and the definition and implementation of appropriate business procedures.

The directors of the Argent group regard corporate governance as vitally important to the success of the group's business and are unreservedly committed to applying the principles necessary to ensure that good governance is practiced. For this they accept full responsibility. These principles include discipline, independence, responsibility, fairness, social responsibility, transparency and accountability of the directors to all stakeholders. In pursuit of these ideals, the intention is to exceed "minimum requirements" with due consideration for international trends and codes. Corporate governance within the group is managed by a unitary board of directors and several sub-committees of the board. The board is of the opinion that the group currently complies with all the significant principles incorporated in the Code of Corporate Practices and Conduct, as set out in the King II Report and the JSE Limited Listings Requirements.

The final version of the King III report was released on 1 September 2009 and the effective date of the new King Code of Governance was 1 March 2010.

Board of Directors

The board's primary responsibilities, based on a predetermined assessment of materiality, include giving strategic direction to the Argent group, identifying key risk areas and key performance indicators of the group's business, monitoring investment decisions, considering significant financial matters, and reviewing the performance of executive management against business plans, budgets and industry standards as well as identifying and monitoring the non financial aspects relevant to the business. In addition, specific attention is given to ensuring that a comprehensive system of policies and procedures is operational and that compliance with corporate governance principles is reviewed regularly.

A set policy is in place for appointments to the board. Nominations for appointment to the board are formal and transparent and submitted by the nomination committee, which comprises the non-executive directors only, to the full board for consideration. Any appointments to the board are made taking into account the need for ensuring that the board provides a diverse range of skills, knowledge and expertise, the requisite independence, the necessity of achieving a balance between skills and expertise and the professional and industry knowledge necessary to meet the group's strategic objectives, as well as the need for ensuring demographic representation.

None of the directors are bound by service contracts and there are no fixed terms of appointment, while executive directors are subject to short-term notice periods. In terms of the articles of association, the executive directors shall not be subject to retirement by rotation. The provisions relating to rotation apply to the company only if the directors expressly resolve that those provisions shall apply to the company, failing such resolution, no director shall retire in rotation.

Specific responsibilities have been delegated to the board committees, which operate under written terms of reference approved by the board. Each committee's terms of reference is reviewed annually by the board. Board committees are free to take independent outside professional advice as and when deemed necessary.

The board is constituted as follows:

Independent non-executive directors:
PA Day – appointed 20 August 1999
K Mapasa – appointed 18 August 2006
PH Lawson – appointed 1 March 2003

Executive directors:
TR Hendry (CEO) – appointed 5 May1997
Ms JA Etchells (FD) – appointed 1 April 2009
MJ Antonic – appointed 1 June 2000
D Smith – appointed 1 April 2002
Ms SJ Cox – appointed 1 April 2002
AF Litschka – appointed 1 January 2004
MP Allen – appointed 27 August 2004

Non-executive directors:
T Scharrighuisen – appointed 12 May 1993

Alternate director:
GK Youngman – appointed 1 April 2002

Chairman / CEO

The roles of the Chairman and Chief Executive Officer are separate. The CEO of the group reports to the Chairman.

Board Meetings

Four board meetings were held, with attendance as follows:

	Meetings attended
T Scharrighuisen	4
TR Hendry	4
JA Etchells	4
MP Allen	4
MJ Antonic	2
PA Day	2
SJ Cox	4
PH Lawson	3
AF Litschka	2
K Mapasa	2
D Smith	2
GK Youngman	2

Audit Committee

The audit committee identifies and continuously evaluates exposure to significant risks; reviews the appropriateness and adequacy of the systems of internal financial and operational control; reviews accounting policies and financial information issued to the public; provides effective communication between directors, management and internal and external auditors; and considers and monitors the independence of the external auditors and the appropriate rotation of the lead audit partner and recommends to the board the appointment and dismissal of the external auditors.

The audit committee is satisfied as to the experience and expertise of the financial director and that the external auditors are independent in the discharge of their duties. The use of the services of the external auditors for non-audit services requires prior approval by the committee.

Committee members have unlimited access to all information, documents and explanations required in the discharge of their duties. This authority has been extended to the internal and external auditors. The activities of the committee are reviewed by the members via an annual self-assessment control exercise. Furthermore, the board is provided with regular reports on the activities of the committee.

In addition to the committee members, the chairman of the board, the financial director and certain other group executives are normally invited to attend meetings of the committee as observers. The external auditors attend the meetings and have direct and unrestricted access to the audit committee at all times.

The internal audit department currently reports directly to the audit committee and is also responsible to the financial director on day to day matters. Significant reports are copied to the chief executive officer and there is regular communication between the chief executive officer and internal audit.

The audit committee has reviewed the group financial statements and annual financial statements for the year ended 31 March 2010 and recommended to the board that the said financial statements be approved.

The audit committee is constituted as follows:
PA Day – appointed 1 April 2005
PH Lawson – appointed 23 June 2008
Mrs C Stander – resigned 1 April 2010
T Scharrighuisen – appointed 1 April 2010

Three audit committee meetings were held, with attendance as follows:

	Meetings attended
PA Day	3
PH Lawson	1
C Stander	2
MJ Antonic	1
Ms SJ Cox	2
Ms JA Etchells	3
TR Hendry	3

Remuneration Committee

The committee reviews and approves the remuneration and terms of employment of executive directors and senior employees of the group. The committee reviews salary trends in the market place and recommends emolument structures and levels to the chairman for his consideration and approval.

The remuneration committee is constituted as follows:
MP Allen – resigned 1 April 2010
Ms SJ Cox – resigned 1 April 2010
K Homan – appointed 1 April 2005
PH Lawson – appointed 23 June 2008
PA Day – appointed 1 April 2010

Two remuneration committee meetings were held, with attendance as follows:

	Meetings attended
MP Allen	2
Ms SJ Cox	1
K Homan	2
PH Lawson	2
TR Hendry	2
JA Etchells	2
AF Litschka	2
D Smith	2
MJ Antonic	2

Internal Audit

The internal audit function is an independent appraisal function which examines and evaluates the group's activities and the appropriateness, adequacy and efficiency of the systems of internal control and resultant business risks. In terms of the audit committee charter, the head of internal audit has the responsibility of reporting to the audit committee and has unrestricted access to its chairman.

The objective of the internal audit function is to assist members of executive management in the effective discharge of their responsibilities. Its scope includes reviews of the reliability and integrity of financial and operating information, the systems of internal control, the means of safeguarding assets, the efficient management of the group's resources, and the effective conduct of its operations. Audit plans are based on an assessment of risk areas and every assignment is followed by a detailed report to management including recommendations on aspects requiring improvement. Significant findings are reported to the audit committee. The internal audit work plan is presented in advance to the audit committee.

In addition, internal audit provides pivotal input to the semi annual risk assessment monitor in terms of which key group risks are identified and assessed and management plans are formulated to reduce exposure to these risks. This risk assessment monitor is tabled for consideration semi annually before the audit committee and the board.

Risk Management

The board is responsible for the total process of risk management for the group and uses the risk assessment monitor as its main source of information to determine the effectiveness of the group's risk management process. The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed. These include credit granting risks, crime, the shift in spending patterns, and foreign currency and interest rate risks. Operational and financial risks are managed through detailed systems of operating and financial controls which are reviewed and monitored continuously.

Losses from defaulting debtors are limited by stringent credit application criteria and clearly defined credit and collection policies. These are reviewed regularly in the light of prevailing economic conditions and bad debt statistics.

With assistance from expert insurance consultants, risks are assessed and insurance cover purchased for all risks above pre-determined self insured limits. Levels of cover are reassessed annually in the light of claims experiences and changes within and outside the group.

Internal Control

The board of directors is responsible for the group's systems of internal control. To fulfil its responsibilities, management maintains accounting records and continues to maintain appropriate systems of internal control.

The directors report that the group's internal controls and systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability of its assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

The directors have satisfied themselves that these systems and procedures are implemented, maintained and monitored by appropriately trained personnel with suitable segregation of authority, duties and reporting lines and by comprehensive use of advanced computer hardware and software technologies. The effectiveness of the systems of internal control in operation is monitored continually through reviews and reports.

Going Concern

The annual financial statements have been prepared on the going concern basis since the directors have every reason to believe that the company and group have adequate resources in place to continue to operate for the foreseeable future.

Closed Periods

The group operates a closed period between its interim and year end reporting dates and also at times when cautionary notices are extant.

During these periods directors, officers, and other designated members of the group management who may have access to price-sensitive information, are precluded from dealing in the Company's shares.

All directors' and designated managers' share dealings require the prior approval of the designated director or CEO.

Company Secretary and Professional Advice

All directors have access to the advice and services of the company secretary, who is responsible to the board for ensuring that board procedures are followed. All directors are entitled to seek independent professional advice about the affairs of the group at the group's expense.

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 1973, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

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

The directors have reviewed the group's cash flow forecast for the year to 31 March 2011 and in light of this review and the current financial position, they are satisfied that the group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on page 18.

The annual financial statements set out on pages 17 to 52, which have been prepared on the going concern basis, were approved by the board of directors on 15 June 2010 and were signed on its behalf by:

T Scharrighuisen
Chairman
Umhlanga, Durban
15 June 2010

TR Hendry
Chief executive officer
Umhlanga, Durban
15 June 2010

Certificate by the Company Secretary

In my capacity as company secretary, I hereby confirm, in terms of the Companies Act, 1973, as amended, that for the year ended 31 March 2010, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that such returns are true, correct and up to date.

Lindsay Grobler (Ms)
Company secretary
Umhlanga, Durban
15 June 2010

Chief Executive Officer's Review

Financial Overview

Argent's below par set of results were unavoidable given the global decline in the demand for steel and automotive products. Despite having seen its turnover fall by a quarter, Argent did well to show a profit without compromising its geographical footprint and manufacturing capacity.

Steel Trading

The steel trading division had a very difficult financial year but managed to emerge from it a much better, operationally efficient, entity. In addition, Argent has set up strategic alliances with a number of international mild steel, aluminium and stainless steel suppliers which has reduced the reliance on local mills, especially those ones with mismanaged monopolies.

The group purchased Specialised Steel Profiles with effect from 1 February 2010 for R 6.495 million. The company is a Durban based importer and distributor of cold rolled tubing and other profiles. This acquisition has allowed Argent to improve its internal margins, while it has also enabled us to reassess the products that we produce in our own mills, resulting in the group importing part of its existing product range and thus allowing our infrastructure to concentrate on manufacturing higher margin products.

Manufacturing of Home and Office Products

This division performed well given the economic conditions and most certainly carried Argent through this difficult year.

The group purchased the assets and liabilities of Barrier Angelucci (Pty) Ltd on 28 April 2009 for R 5.5 million. This business specialises in the upgrading and installation of automated teller machines, safes, associated shop fitting and related security systems used by banks while they also design, manufacture and install industrial roller shutter doors. The group moved the company into its own premises in June 2009 and it is currently in the process of setting up a country wide service network which, once completed, will be expanded into Africa.

Cedar Paints will commence its Pretoria capacity upgrade in October this year as well as improving its Cape Town plant to enable the manufacture of enamel paints.

Fabrication

Both Hendor Mining Supplies and Koch's Cut and Supply Steel Centre enjoyed a satisfactory year with an improving trend which will most certainly continue, with Hendor especially reaping the benefits of a much improved mining sector.

Automotive Products

Argent's four automotive product operations came under severe pressure this year. However, given the state of the automotive industry, it is quite pleasing that three of them, namely Excalibur Vehicle Accessories, Sentech Industries and All Lite Steel Products are now running above breakeven levels, while Giflo Engineering is only expected to recover to a substantial degree in June 2011 when the new Ford T6 project goes into production.

Non-steel Related Products

The decline in the Western Cape construction industry led to a disappointing set of results being posted by Megamix and Villiersdorp Quarries. The decline has started to turn around and both companies are now running at what can be termed acceptable levels.

Allan Maskew's expansion into the local rubber screen panel industry has proved to be very successful and as such they will now be introducing their products to the Australian and American markets. The company's traditional business in the mining sector has also started to pick up and the business is therefore expected to have a very good year.

New Joules Engineering has become a major player in the North American railroad retarder market and although no new railroad yards are expected to come on line in North America this year, the company has sufficient maintenance contracts in place over existing units in the field to ensure it has a successful year.

Argent's property investment division has continued to increase its holdings with the acquisition of a property for Barrier Angelucci in Sebenza for R 17.3 million and one for Gammid Cape in Epping for R 26.6 million. The Group also sold two smaller properties used by Jetmaster Cape and Gammid Cape to move the operations to the new building purchased in Epping.

Retrenchments

Over the financial year, Argent reduced its total staff from 3 640 to 3 416 which in part was due to the following retrenchments:

	No. of staff	Rands
Allan Maskew	16	266 004
Burbage Iron Craft	2	93 481
Excalibur	19	148 357
Giflo	208	2 486 669
Sentech	4	80 991

The group is now correctly staffed and the above costs have been expensed in the current year.

Dividend

Due to the group's performance no dividend has been declared.

Acknowledgements

My sincere thanks and gratitude to all of Argent's employees for their hard work and dedication throughout a difficult year. The lessons learnt and the operational efficiencies achieved will ensure a successful Argent for many years to come.

Conclusion

The group is very upbeat about the 2011 financial year and will use its low cost structure, substantial geographic footprint and improved operational efficiencies to benefit from the improved global and local economy.

On behalf of the Board

TR Hendry CA (SA)
Chief executive officer
Umhlanga
Durban
15 June 2010

Sustainability Report

We understand that we have a responsibility to the people who enable us to conduct business and the country in which we operate. We acknowledge that it is important to manage our economic, social and environmental relationships effectively, which should ensure a better quality of life for all our stakeholders.

We have taken a number of important steps forward in our sustainability endeavours as we progress towards meeting and exceeding the expectations of the stakeholders.

Environmental Sustainability

The group is conscious of the fact that in carrying out its activities there is a potential risk of environmental damage. An effort has therefore been made to educate all employees in best practice so as to avoid long-term damage to the environment or atmosphere through the inappropriate use of plant and equipment.

Social Responsibility

The group acknowledges its social responsibility towards the communities in which it operates and deserving institutions at large. Our programmes are mainly channelled through Argent and focus on support and contributions towards training, deserving welfares, HIV / AIDS and environmental foundations. Each year the board sets aside a specific amount for corporate social investment. Various charitable institutions receive support from Argent.

Affirmative Action

The group is an equal opportunity employer and there is no discrimination on the basis of ethnic origin or gender or in any other manner. A number of programmes are in place to ensure that the group's employee profile will become increasingly representative of the demographics of the regions in which it operates whilst maintaining the group's high standards.

Employee Participation

The group will continue to have its operating decisions made at the appropriate levels. Participative management lies at the heart of this strategy, which relies on the building of employee partnerships at every level to foster mutual trust and to encourage people to think at all times about how they can "do things better". The group strives to liberate the initiative and energies of its people, because it is they who make the difference in the group's performance.

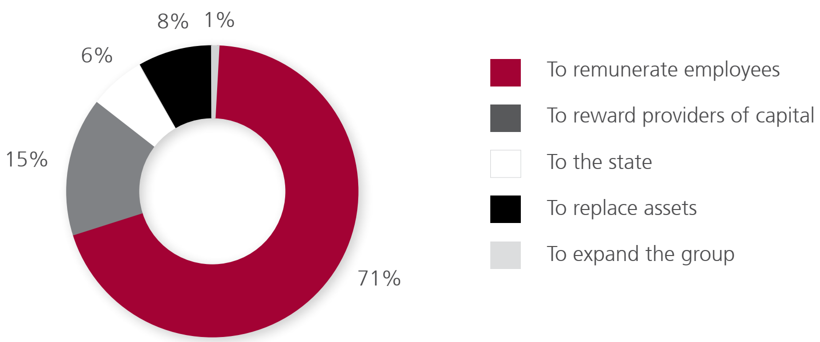
Ethics

The group subscribes to the key values outlined on page 2 and endeavours to act with honesty, responsibility and professional integrity in its dealings with employees, shareholders, customers, suppliers and society at large. Employees are required to maintain the highest ethical standards in ensuring that business practices are conducted in a manner, which in all reasonable circumstances is above reproach. In any instance where ethical standards are called into question, the circumstances are investigated and resolved in an appropriate and fair manner.

Value-added

Value-added is the wealth created by the group and its employees by supplying its services and expertise. This statement shows how the value was shared by those responsible for its achievements.

	2010 R 000	Restated 2009 R 000
Revenue	**1 464 494**	1 949 368
Purchased materials and services	**992 263**	1 357 121
	472 231	592 747
Non-operating income	**25 430**	31 404
Value-added	**497 661**	623 651
Applied as follows:		
To remunerate employees:		
Salaries, wages, pensions, bonuses and other benefits	**351 413**	344 182
To reward providers of capital:	**73 428**	110 998
Interest on loans	**65 227**	76 807
Dividends to shareholders	**8 201**	34 191
To the state:	**31 719**	54 694
Company tax	**(3 269)**	24 874
Value added tax	**34 988**	29 820
To replace assets:		
Depreciation and amortisation	**37 723**	34 435
To expand the group:		
Retained earnings	**3 378**	79 342
	497 661	623 651



Index to Financial Statements

Report of the Independent Auditors

Report on the Financial Statements

We have audited the accompanying group annual financial statements and annual financial statements of Argent Industrial Limited, which comprise the consolidated and separate statements of financial position as at 31 March 2010, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended and notes which include a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 17 to 52.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 the directors, as well as evaluating the overall presentation of the annual 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 annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Argent Industrial Limited as of 31 March 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Grant Thornton.

Grant Thornton
Chartered Accountants (S.A.)
Registered Auditors
South African member of Grant Thornton International

Per: DD Nagar
Chartered Accountant (S.A.)
Registered Auditor

15 June 2010

2nd Floor, 4 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia
4019

Directors' Report

The directors of Argent Industrial Limited have pleasure in submitting the annual financial statements of the company and group for the year ended 31 March 2010.

Nature of Business

Argent Industrial Limited carries on the business of a holding company. The group derives its income from manufacturing, trading, contracts and rental.

Results of Operations

Earnings attributable to ordinary shareholders in respect of the year ended 31 March 2010 was R 11.7 million (2009 – R 114.4 million) and represents earnings of 12.7 cents per share (2009 – 126.4 cents per share).

The earnings attributable to the various classes of business of the group are disclosed in note 23 to the financial statements.

Dividends

Details of dividends are reflected in note 20 to the financial statements. No final dividend has been declared or proposed during the year.

Share-based Remuneration Schemes

Full details of the company's share-based remuneration scheme are set out in note 22 to the financial statements.

Directors' Emoluments

The emoluments of executive and non-executive directors are determined by the company's remuneration committee. Further information relating to the earnings of the directors is set out in note 16 to the financial statements.

Directors

The names of the directors in office at the date of the report appear on page 6.

Secretary and Registered Office

The address of the secretary and the registered office of the company are recorded on page 6.

Directors' Shareholdings

The directors have a direct or indirect interest in 15 965 618 (2009 – 15 827 220) of the issued ordinary shares of the company. No material changes have been advised since year-end.

Authorised and Issued Share Capital

Details of the authorised, issued and unissued shares are set out in note 10 to the financial statements.

Subsidiaries

Details of major subsidiaries appear on page 52 of this report. The aggregate net profit of the subsidiaries attributable to shareholders of the company is as follows:

	2010	Restated 2009
Net profit (R 000)	**12 636**	176 008

Acquisitions

Details of acquisitions appear in note 27 to the financial statements.

Risk Management and Insurance

It is the group's belief that its risk should be managed in order to protect its assets and earnings against unacceptable financial loss and to safeguard against legal liabilities. Possible catastrophic risks are insured at minimum cost with satisfactory cover. Non-catastrophic risks are self-insured. Property, plant and equipment are insured at current replacement values.

Post-balance Sheet

No material facts or circumstances have occurred between the accounting date and the date of this report.

Resolutions

No special resolutions, the nature of which might be significant to shareholders in their appreciation of the state of affairs of the group, were passed by the company's subsidiaries during the period covered by this annual report.

Share Buy-back Programme

Annually the directors seek, and obtain, the approval of the shareholders at a general meeting to purchase Argent shares. This authority, valid until the following year's annual general meeting and subject to the Listings Requirements of the JSE Limited, allows the Argent group to purchase its own shares up to a maximum of 20% of the issued shares, at a price not greater than 10% above the preceding five-day weighted average. Shareholders will be asked to renew this authority at the general meeting in August 2010.

During the year Argent did not repurchase any of its shares.

Teunis Scharrighuisen
Non-executive chairman
Umhlanga
Durban
15 June 2010

Treve Robert Hendry CA (SA)
Chief executive officer
Umhlanga
Durban
15 June 2010

Statements of Financial Position

as at 31 March 2010

	Note	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Assets					
Property, plant and equipment	3	**888 582**	822 509	**212**	70
Intangibles	4	**291 042**	282 948	**3 819**	6 277
Long term loan	5	**9 817**	8 898		
Employee share incentive scheme	6			**46 439**	46 938
Deferred taxation	13	**8 937**	3 937	**3 747**	877
Interest in subsidiaries	7			**399 477**	399 477
Non-current assets		**1 198 378**	1 118 292	**453 694**	453 639
Inventories	8	**474 230**	476 522		
Trade and other receivables	9	**296 985**	354 799	**18 474**	18 648
Net loans to subsidiaries	7			**23 686**	44 362
Taxation		**1 730**	6 413		
Bank balance and cash	21	**277**	347		
Current assets		**773 222**	838 081	**42 160**	63 010
Total Assets		**1 971 600**	1 956 373	**495 854**	516 649
Equity and Liabilities					
Capital and reserves					
Share capital and premium	10	**451 129**	451 113	**545 643**	545 643
Reserves	11	**127 946**	141 820		
Retained earnings		**664 521**	654 427	**(136 679)**	(126 938)
Attributable to owners of company		**1 243 596**	1 247 360	**408 964**	418 705
Non-controlling interest		**8 605**	8 529		
Total shareholders' funds		**1 252 201**	1 255 889	**408 964**	418 705
Interest-bearing borrowings	12	**199 588**	266 502	**17 240**	30 083
Deferred taxation	13	**62 603**	62 599		
Non-current liabilities		**262 191**	329 101	**17 240**	30 083
Trade and other payables	14	**216 056**	196 801	**1 025**	12 608
Taxation					50
Bank overdraft	21	**126 171**	64 097	**56 043**	43 467
Current portion of interest-bearing borrowings	12	**114 981**	110 485	**12 582**	11 736
Current liabilities		**457 208**	371 383	**69 650**	67 861
Total Equity and Liabilities		**1 971 600**	1 956 373	**495 854**	516 649
Net asset value per share (cents)		**1 361.4**	1 368.4		

Income Statements

for the year ended 31 March 2010

	Note	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Revenue	15	**1 464 494**	1 949 368		
Operating profit / (loss) before interest	16	**49 447**	189 222	**(185)**	(55 216)
Finance income		**24 166**	26 893	**17 006**	22 643
Finance costs	17	**65 227**	76 807	**20 691**	28 946
Profit / (loss) before taxation		**8 386**	139 308	**(3 870)**	(61 519)
Taxation	18	**(3 269)**	24 874	**(2 813)**	956
Profit / (loss) for the year		**11 655**	114 434	**(1 057)**	(62 475)
Attributable to non-controlling interest		**76**	901		
Attributable to owners of the parent		**11 579**	113 533	**(1 057)**	(62 475)
Basic earnings per share (cents)	19.1	**12.7**	126.4		
Diluted earnings per share (cents)	19.1	**12.7**	126.4		
Headline earnings per share (cents)	19.2	**14.4**	123.0		
Diluted headline earnings per share (cents)	19.2	**14.4**	123.0		
Dividends per share (cents)	20	**9.0**	38.0		
Final prior		**9.0**	19.0		
Interim current		**0.0**	19.0		
Shares in issue (000)					
- at end of period		**91 350**	91 157		
- weighted average for the year		**91 221**	89 845		

Statements of Comprehensive Income

for the year ended 31 March 2010

	Note	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Profit / (loss) for the year		**11 655**	114 434	**(1 057)**	(62 475)
Other comprehensive income for the year, net of tax					
Exchange differences on translating foreign operations		**(6 060)**	(524)		
Gains on property revaluations					
Realisation of revaluation of properties		**(2 185)**	90 149		
Income tax relating to components of other comprehensive income			(12 168)		
Total comprehensive income for the year		**3 410**	191 891	**(1 057)**	(62 475)
Attributable to equity holders of the					
- Parent		**3 334**	190 990	**(1 057)**	(62 475)
- Non-controlling interest		**76**	901		
		3 410	191 891	**(1 057)**	(62 475)

Statements of Changes in Equity

for the year ended 31 March 2010

		Group									
	Note	Share capital R 000	Share premium R 000	Employee share incentive reserve R 000	Treasury shares R 000	Re-valuation reserve R 000	Foreign currency translation reserve R 000	Retained earnings R 000	Total attributable to owners of the parent R 000	Non-controlling interest R 000	Total R 000
Balance at 31 March 2008		4 825	540 818	11 165	(108 307)	48 601	(1 280)	596 464	1 092 286	11 956	1 104 242
As previously stated		4 825	540 818	11 165	(108 307)	48 601	(1 280)	597 411	1 093 233	11 956	1 105 189
Prior year adjustments								(947)	(947)		(947)
Net treasury movement					13 777				13 777		13 777
Share-based payments				5 877					5 877		5 877
Buy-back of minority share in subsidiary								(21 379)	(21 379)	(12 940)	(34 319)
Non-controlling interest sold										8 612	8 612
Total comprehensive income						77 981	(524)	113 533	190 990	901	191 891
Dividends	20							(36 666)	(36 666)		(36 666)
Less dividend on treasury shares	20							2 475	2 475		2 475
Restated Balance at 31 March 2009		4 825	540 818	17 042	(94 530)	126 582	(1 804)	654 427	1 247 360	8 529	1 255 889
Net treasury movement					16				16		16
Share based payments				1 087					1 087		1 087
Transfer of reserve to Retained earnings				(6 716)				6 716			
Total comprehensive income						(2 185)	(6 060)	11 579	3 334	76	3 410
Dividends	20							(8 684)	(8 684)		(8 684)
Less dividend on treasury shares	20							483	483		483
Balance at 31 March 2010		**4 825**	**540 818**	**11 413**	**(94 514)**	**124 397**	**(7 864)**	**664 521**	**1 243 596**	**8 605**	**1 252 201**
Notes		10	10	11	10	11	11				

		Company			
	Note	Share capital R 000	Share premium R 000	Retained earnings R 000	Total R 000
Balance at 31 March 2008		4 825	540 818	(27 797)	517 846
Total comprehensive loss				(62 475)	(62 475)
Dividends	20			(36 666)	(36 666)
Balance at 31 March 2009	10	4 825	540 818	(126 938)	418 705
Total comprehensive income				(1 057)	(1 057)
Dividends	20			(8 684)	(8 684)
Balance at 31 March 2010	10	**4 825**	**540 818**	**(136 679)**	**408 964**
Notes		10	10		

Statements of Cash Flows

for the year ended 31 March 2010

	Note	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Cash Flows from Operating Activities					
Cash generated from operations	21.1	**163 428**	141 515	**11 571**	6 196
Interest received		**24 166**	26 893	**17 006**	22 643
Interest paid		**(65 227)**	(76 807)	**(20 691)**	(28 946)
Dividend received					18 333
Dividends paid	21.2	**(8 201)**	(34 191)	**(8 684)**	(36 666)
Normal taxation refunded / (paid)	21.3	**3 626**	(29 634)	**(107)**	(2 341)
Net cash inflow / (outflow) from operating activities		**117 792**	27 776	**(905)**	(20 781)
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	3	**(118 592)**	(152 638)	**(173)**	(82)
Proceeds on disposal of property, plant and equipment		**16 695**	23 706		
Acquisition of subsidiaries net of cash acquired	21.5	**(11 995)**	(48 372)		(65 893)
Long term loan and other investments		**(919)**	20 999	**499**	84 500
Proceeds on disposal of minority share in subsidiary			8 612		
Reacquisition of minority interest in subsidiary			(34 318)		
Net cash (outflow) / inflow from investing activities		**(114 811)**	(182 011)	**326**	18 525
Cash Flows from Financing Activities					
Net movement in treasury shares		**16**	13 777		
Payment of interest-bearing borrowings		**(65 141)**	101 237	**(11 997)**	(16 012)
Net cash (outflow) / inflow from financing activities		**(65 125)**	115 014	**(11 997)**	(16 012)
Net Decrease in Cash and Cash Equivalents		**(62 144)**	(39 221)	**(12 576)**	(18 268)
Cash and cash equivalents at beginning of year		**(63 750)**	(24 529)	**(43 467)**	(25 199)
Cash and cash equivalents at end of year	21.4	**(125 894)**	(63 750)	**(56 043)**	(43 467)

Notes to the Financial Statements

1. Accounting Policies

1.1 Basis of preparation

The group financial statements are prepared on the historical cost basis except for the revaluation of land and buildings and certain financial instruments which are carried at either fair value or amortised cost as appropriate and incorporate the following principal accounting policies which have been consistently applied in all material respects.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, as amended and JSE Listings Requirements.

The financial statements are prepared on the going concern basis, which assumes that the group will continue in operation for the foreseeable future.

All amounts in the financial statements, reports and supporting schedules are stated to the nearest R 000 except where otherwise indicated.

Adoption of new and amended standards

Presentation of Financial Statements

The group applied the revised *IAS 1 Presentation of Financial Statements*. As a result the group has changed the the titles of some of the financial statement components, where the 'balance sheet' becomes the 'statement of financial position' and the 'cash flow statement' becomes the 'statement of cash flows. Comparative information has been re-presented so that it also is in conformity with the revised standard.

Since the change only impacts on presentation aspects, there is no impact on earnings per share.

IFRS 2 Share-based Payment: Amendment relating to vesting conditions and cancellation

Under IFRS 2, a failure to meet a condition, other than a vesting condition, is treated as a cancellation. IFRS 2 specifies the accounting treatment of cancellations by the entity, but does not give guidance on the treatment of cancellation by parties other than the entity. The amendment requires cancellations by parties other than the entity to be accounted for in the same way as cancellations by the entity.

The amendment did not affect the group's results.

2009 Annual Improvements Project: Amendments to IFRS 8 Operating Segments

Entities are only required to report segment assets if they are regularly reported to the chief operating decision maker.

Since the change only impacts on presentation aspects, there is no impact on earnings per share.

IAS 23 Borrowing Costs

The revision removed the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.

The revision did not affect the group's results.

1.2 Significant judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Significant estimates and judgements include:

Loans and receivables

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

Allowance for doubtful debts is provided for at 2% of trade debtors net of value added tax and related trade debtors, and includes all trade debtors which have not been handed over to the group's attorneys and those which have been guaranteed by CGIC.

Allowance for slow moving, damaged and obsolete inventory

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write-down is included in the operating profit note.

Options granted

Management uses the Black-Scholes model to determine the value of the options at issue date. Additional details regarding the estimates are included in note 22.

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the statement of financial position date.

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

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Residual values and useful lives

Property, plant and equipment are depreciated over their estimated useful lives to their estimated residual values. The estimated useful life of property, plant and equipment is 15 years and 10 years for motor vehicles. The estimated residual values vary accordingly to the type of property, plant and equipment and are determined with reference to the expected proceeds on disposal.

Revaluation of land and buildings

The fair value of land and buildings is determined by the directors as detailed in note 3.

Taxation

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

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

Contingent liabilities

The assessment to determine whether an item is a contingent or actual liability requires judgement.

Actual results could differ from the estimates made by management from time to time.

1.3 Basis of consolidation

Subsidiaries are entities controlled by the group. Control exists when the group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The group financial statements include the results, cash flows and financial position of the company and of its subsidiary companies. The results and cash flows of subsidiaries are included from the date that control commences until the date that control ceases. In the case of the company, investments in subsidiaries are carried at cost less impairment losses. Inter-group transactions and balances are eliminated on consolidation.

1.4 Property, plant and equipment

Property, plant and equipment, except for land and buildings, are stated at cost less depreciation and impairment losses.

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 group; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Depreciation is calculated on the straight line basis at rates considered appropriate to reduce book values over the useful life of the assets to estimated residual values. The depreciation method, useful life and residual value, if not insignificant, are reassessed annually. The current estimated useful life is as follows:

Item	**Average useful life**
Buildings	50 years
Plant and equipment	15 years
Motor vehicles	10 years
Furniture & fittings	3 to 10 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. Land is not depreciated.

Land and buildings, whose fair values can be reliably measured, are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Surpluses arising from the valuations of properties are taken directly to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously charged. Valuation surpluses realised on sale are transferred from the revaluation reserve to retained earnings. Depreciation on the revaluation surplus for buildings is taken directly to the revaluation reserve and not to the income statement.

1.5 Intangibles

Intangible assets, other than goodwill, are stated at cost less accumulated amortisation and impairment. These intangible assets are recognised if it is probable that future economic benefits will flow to the entity from intangible assets and the costs of the intangible assets can be reliably measured. Intangible assets with finite useful lives are amortised on a straight line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually.

Expenditure on purchased patents and trademarks is capitalised. Expenditure to extend the term of the patent or trademark is capitalised. All other expenditure is charged to the income statement when incurred.

1.6 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but tested annually for impairment. Negative goodwill arising on an acquisition is recognised directly in the income statement.

1.7 Investments in subsidiaries

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

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

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

1.8 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

Cost is determined on the following basis:

- Raw materials and consumable stores are valued at weighted average cost.
- Finished goods and work in progress are valued at raw material cost plus labour cost and a proportion of manufacturing overhead expenses based on normal capacity.

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

1.9 Share capital and equity

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

1.10 Financial instruments

Initial recognition

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

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

Loans to / (from) group companies

These include loans to subsidiaries and are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans to / (from) group companies are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

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

Other financial liabilities are measured initially at fair value and subsequently at amortised cost, using the effective interest rate method.

Other loans and receivables

Other financial assets classified as loans and receivables are initially recognised at fair value plus transaction costs, and are subsequently carried at amortised cost less any accumulated impairment.

These financial assets are not quoted in an active market and have fixed or determinable payments.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

The company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Offsetting

Financial assets and liabilities are off-set and the net amount presented in the balance sheet when the group has a legal right to set off the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

1.11 Revenue

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

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

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the statement of financial position date.

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

Dividend income from investments is recognised when the shareholders right to receive payment has been established.

1.12 Cost of sales

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

1.13 Taxation

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

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

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

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

Tax expenses

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

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

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

1.14 Dividends

Dividends to equity holders are only recognised as a liability when declared and are included in the statement of changes in equity. Secondary tax on companies in respect of dividends is recognised as a liability and is included in the tax charge in profit and loss.

1.15 Impairments

The carrying amount of the group's assets, other than inventories (refer accounting policy note 1.8) and deferred tax assets (refer accounting policy note 1.13) are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of the group's receivables at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective rate computed at initial recognition of these financial assets).

The recoverable amount of other assets is the greater of their net selling price 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.16 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to the functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit and loss except for differences arising on the translation of available-for-sale equity instruments.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to SA Rand at foreign exchange rates at the reporting date. The income and expenses of foreign operations are translated to SA Rand at rates at the dates of the transactions. Foreign currency differences are recognised directly in other comprehensive income. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

1.17 Leases

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

Operating leases – lessee

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

1.18 Cash flows

For the purpose of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments and bank overdrafts.

1.19 Segments

All segment revenue and expenses are directly attributable to the segment. Segment assets include all operating assets used by a segment and consist principally of property, plant and equipment, as well as current assets. Segment liabilities include all operating liabilities and consist principally of trade creditors. These assets and liabilities are all directly attributable to the segments. Segment revenue, expenses and results include transfers between business segments and between geographical segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. These transfers are eliminated on consolidation.

1.20 Retirement benefits

Allowance is made for retirement benefits for eligible employees by way of a provident fund. The fund is a defined contribution plan under which amounts to be paid as retirement benefits are determined by contributions to the fund together with investment earnings thereon. Contributions are charged against income as incurred.

1.21 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the year in which the employee renders the related service. The accruals for employee entitlements to remuneration and annual leave represent the amount which the group has a present obligation to pay as a result of the employee's services provided to the balance sheet date. The accruals have been calculated at undiscounted amounts based on current remuneration rates.

1.22 Share-based payments

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

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

For equity-settled share-based payment transactions, the goods or services received are measured, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

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

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

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

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

Where the equity instruments are no longer outstanding, the accumulated share-based payment reserve in respect of those equity instruments is transferred to retained earnings.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.23 Borrowing costs

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

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

- Actual borrowing costs on funds specifically borrowed for the purposes of obtaining a qualifying asset less any temporary investment of those borrowings.

1.24 Government grants

When the conditions attached to government grants have been met they are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related expenses.

1.25 Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Contingent assets are not recognised as assets.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

1.26 Accounting estimates and judgements

Management discussed with the audit committee the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these policies and estimates.

1.27 Definitions

1.27.1 Current ratio

Current assets divided by current liabilities. Current liabilities include current portion of interest bearing borrowings and interest free liabilities other than deferred tax.

1.27.2 Dividend cover

Basic earnings per share divided by dividends per share.

1.27.3 Gearing

Interest-bearing debt, divided by capital and reserves and minority interest.

2. Statements and interpretations not yet effective

New standards or revisions to current standards, have been issued with effective dates applicable to future statements of the group. Only those standards not yet adopted and that could be expected to be applicable to the group are set out below, ie. those applicable to unrelated industries or economies are not dealt with herein. Further, new standards or amendments requiring additional disclosure will be dealt with as and when they apply and are not listed below.

- IAS 7 (revised) Statement of Cash Flows (effective from 1 January 2010);
- IAS 38 (revised) Intangible Assets (effective from 1 July 2009);
- IFRS 3 (revised) Business Combinations (effective from 1 July 2009);
- IAS 27 (revised) Consolidated and Separate Financial Statements (effective from 1 July 2009); and
- IFRS 9 Financial Instruments (effective form 1 January 2013).

The group expects to adopt the amendments from the effective dates. Adoption of these standards by the group in future reporting periods is not expected to have a significant impact on the financial statements of the group or comany.

2010	Group Land and buildings R 000	Plant and equipment R 000	Motor vehicles R 000	Furniture fittings and equipment R 000	Total 2010 R 000
3 Property, Plant and Equipment					
Carrying amount at beginning of year	437 789	320 050	56 912	7 758	**822 509**
Gross carrying amount	445 268	425 983	91 501	25 169	**987 921**
Accumulated depreciation	(7 479)	(105 933)	(34 589)	(17 411)	**(165 412)**
Exchange difference on translation of foreign operation	(1 600)	(1 213)	(92)	(114)	**(3 019)**
New business combinations		2 090	1 265	422	**3 777**
Revaluation of properties					
Realisation of revaluation reserve	(2 845)				**(2 845)**
Additions	76 937	29 879	8 704	3 072	**118 592**
Disposals / Impairments	(7 944)	(4 802)	(2 678)	(18)	**(15 442)**
Depreciation	(143)	(24 044)	(7 886)	(2 917)	**(34 990)**
Carrying amount at end of year	502 194	321 960	56 225	8 203	**888 582**
Gross carrying amount	509 224	434 722	98 699	28 532	**1 071 177**
Accumulated depreciation	(7 030)	(112 762)	(42 474)	(20 329)	**(182 595)**

2009	Group Land and buildings R 000	Plant and equipment R 000	Motor vehicles R 000	Furniture fittings and equipment R 000	Total 2009 R 000
Carrying amount at beginning of year	328 696	260 506	49 098	7 332	**645 632**
Gross carrying amount	335 990	342 594	79 455	20 826	**778 865**
Accumulated depreciation	(7 294)	(82 088)	(30 357)	(13 494)	**(133 233)**
Exchange difference on translation of foreign operation	1 298	753	51	(10)	**2 092**
New business combinations		7 627	830	698	**9 155**
Revaluation of properties	70 051				**70 051**
Additions	43 563	87 259	18 646	3 170	**152 638**
Disposals	(5 639)	(14 514)	(3 688)	(255)	**(24 096)**
Depreciation	(180)	(21 580)	(8 026)	(3 177)	**(32 963)**
Carrying amount at end of year	437 789	320 051	56 911	7 758	**822 509**
Gross carrying amount	445 263	423 719	95 294	24 429	**988 705**
Accumulated depreciation	(7 474)	(103 668)	(38 383)	(16 671)	**(166 196)**

2010	Company Furniture fittings and equipment R 000	 Total 2010 R 000
Carrying amount at end of year	70	**70**
Gross carrying amount	82	**82**
Accumulated depreciation	(12)	**(12)**
Additions	173	**173**
Depreciation	(31)	**(31)**
Carrying amount at end of year	212	**212**
Gross carrying amount	255	**255**
Accumulated depreciation	(43)	**(43)**

2009	Company Furniture fittings and equipment R 000	 Total 2009 R 000
Additions	82	**82**
Depreciation	(12)	**(12)**
Carrying amount at end of year	70	**70**
Gross carrying amount	82	**82**
Accumulated depreciation	(12)	**(12)**

Pledged security

Certain items of property plant and equipment are encumbered as set out in note 12. A register containing details of the land and buildings is available for inspection at the registered office of the company. Land and buildings is recognised at the revalued amount, which is based on directors valuations prepared every year in terms of the group's accounting policy. The carrying amount of properties is the fair value as determined by the directors less subsequent accumulated depreciation and impairment losses. Adjustments in the valuation of the properties are recorded in the revaluation reserve which is amortised over the remaining useful life of the property. In determining the fair value of the properties the assumed discount rates applied for future income streams range between 10% and 12% and take into account the type of the property and the property's location. The directors assessed the useful lives of the buildings to be 50 years, and the residual values to be higher than their carrying values.

2010	Group and Company Restraint of Trade R 000	Group Patents R 000	 Goodwill R 000	 Total 2010 R 000
4 Intangibles				
Carrying amount at beginning of year	6 277	433	276 238	**282 948**
Gross carrying amount	7 375	2 255	276 238	**285 868**
Accumulated amortisation	(1 098)	(1 822)		**(2 920)**
Goodwill in respect of business combinations			10 827	**10 827**
Amortisation for the year	(2 458)	(275)		**(2 733)**
Carrying amount at end of year	3 819	158	287 065	**291 042**
Gross carrying amount	7 375	2 255	287 065	**296 695**
Accumulated amortisation	(3 556)	(2 097)		**(5 653)**

2009	Group and Company Restraint of Trade R 000	Group Patents R 000	Goodwill R 000	Total 2009 R 000
Carrying amount at beginning of year	7 375	809	241 791	**249 975**
Gross carrying amount	7 375	2 255	241 791	**251 421**
Accumulated amortisation		(1 446)		**(1 446)**
Goodwill in respect of business combinations			34 447	**34 447**
Amortisation for the year	(1 098)	(376)		**(1 474)**
Carrying amount at end of year	6 277	433	276 238	**282 948**
Gross carrying amount	7 375	2 255	276 238	**285 868**
Accumulated amortisation	(1 098)	(1 822)		**(2 920)**

Goodwill
Goodwill is not amortised but subject to an annual impairment test. The recoverable amounts of the cash-generating units (CGUs) are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specified to the CGUs. The average discount factor applied in the value-in-use model was 13%. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Goodwill has been allocated for impairment testing purposes to the underlying business segments. The following cash-generating units have carrying amounts of goodwill:

	Group 2010 R 000	 2009 R 000
Steel trading	**32 970**	30 417
Automotive products	**13 680**	13 680
Manufacture of home and office products	**192 945**	184 671
Non-steel related products	**47 470**	47 470
	287 065	276 238

Remaining amortisation period
Patents 1 year
Restraint of Trade 2 years

	Group 2010 R 000	 Restated 2009 R 000	Company 2010 R 000	 2009 R 000
5 Long-term Loan				
Unsecured loans advanced to BEE minority shareholders for the purchase of interest in subsidiaries. Indefinite period of repayment at an interest rate of prime less 1%.	**9 817**	8 898		
6 Employee Share Incentive Scheme				
Employee share incentive trust loan			**46 439**	46 938
An analysis of the Argent Employee Share Incentive Scheme loan is as follows:				
Balance at the beginning of the year			**46 938**	101 541
Loan repaid - Dividends			**(483)**	(2 475)
Share options exercised			**(16)**	(13 777)
Impairment of loan				(38 351)
			46 439	46 938

The unallocated shares are under the control of the trustees of the Scheme.
The loan is interest free with no fixed terms of repayment set.

	2010 R 000	Restated 2009 R 000	2010 R 000	2009 R 000
7 Interest in Subsidiaries				
Shares at cost			**399 477**	399 477
Loans owing by subsidiaries			**263 776**	229 985
Loans owing to subsidiaries			**(240 090)**	(185 623)
Net loans to subsidiaries included in current assets			**23 686**	44 362

The loans are interest free and are payable by mutual arrangement. For further details of interest in subsidiaries refer page 52.

	2010 R 000	Restated 2009 R 000	2010 R 000	2009 R 000
8 Inventories				
Raw materials	**88 347**	96 375		
Work in progress	**45 195**	50 026		
Finished goods	**340 688**	330 121		
	474 230	476 522		
9 Trade and Other Receivables				
Trade receivables	**273 346**	305 717	**10 330**	16 153
VAT	**4 497**	2 878		
Other receivables	**23 087**	50 951	**8 144**	2 495
Allowance for impairment of receivables	**(3 945)**	(4 747)		
	296 985	**354 799**	**18 474**	**18 648**

The fair values of trade and other receivables approximates its carrying values.

	2010 R 000	Restated 2009 R 000	2010 R 000	2009 R 000
10 Share Capital and Premium				
Authorised share capital				
200 000 000 ordinary shares of 5 cents each				
(2009 - 200 000 000 ordinary shares of 5 cents each)	**10 000**	10 000	**10 000**	10 000
Issued share capital				
96 490 604 ordinary shares of 5 cents each				
(2009 - 96 490 604 ordinary shares of 5 cents each)	**4 825**	4 825	**4 825**	4 825
Share premium	**540 818**	540 818	**540 818**	540 818
Treasury shares	**(94 514)**	(94 530)		
Balance at the beginning of the year	**(94 530)**	(108 307)		
Share options exercised	**16**	13 777		
Total share capital, premium and treasury shares	**451 129**	451 113	**545 643**	545 643

The unissued shares are under the control of the directors until the next annual general meeting.

	2010 R 000	Restated 2009 R 000	2010 R 000	2009 R 000
11 Reserves				
Revaluation reserve	**124 397**	126 582		
Foreign currency translation reserve	**(7 864)**	(1 804)		
Employee share incentive reserve	**11 413**	17 042		
	127 946	141 820		

		Group		Company	
			Restated		
		2010	2009	2010	2009
		R 000	R 000	R 000	R 000
12 Interest-Bearing Borrowings					
Secured					
Instalment sale obligations		**103 867**	141 407		
Secured by property plant and equipment with a net book value of R 161.4 million (2009 - R 154.1 million) (refer note 3).					
Repayments are made in equal monthly instalments.					
Aggregate repayments are due as follows:					
Year ending 31 March	R 000				
-2011	57 640				
-2012	34 868				
-2013 and later	20 877				
Deferred finance charges	(9 518)				
The effective average interest rate applicable to these liabilities is 2.25% below to 0.25% above prime.					
Mortgage bonds		**180 880**	193 761		
Repayments (excluding interest) are due as follows:	R 000				
-2011	50 631				
-2012	51 648				
-2013 and later	78 601				
Secured by fixed property bearing interest at prime to 2.75% below prime.					
Loan facility owing by the group to Standard Corporate and Merchant Bank, bearing an average interest rate of 0.14% above prime and repayable in monthly instalments of R 174 225.		**2 167**	4 444	**2 167**	4 444
Loan facility owing by the group to Rand Merchant Bank and bearing an average interest rate of 0.4% above prime and repayable in monthly instalments of R 1 086 693.		**27 655**	37 375	**27 655**	37 375
		314 569	376 987	**29 822**	41 819
Less: Portion payable within twelve months reflected under current liabilities		**114 981**	110 485	**12 582**	11 736
Non-current portion		**199 588**	266 502	**17 240**	30 083

In terms of the company's articles of association, the directors' borrowing powers are unlimited.

13 Deferred Taxation

	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
The following deferred taxation balances are reflected on the balance sheet:				
Deferred taxation assets	**8 937**	3 937	**3 747**	877
Deferred taxation liabilities	**(62 603)**	(62 599)		
	(53 666)	(58 662)	**3 747**	877
Deferred taxation assets are recognised to the extent that realisation of the related tax benefit is probable.				
Reconciliation				
Balance at beginning of year	**(58 662)**	(36 044)	**877**	
New subsidiaries		(707)		
Revaluation of properties	**670**	(12 168)		
Originating temporary difference	**4 326**	(9 743)	**2 870**	877
Balance at end of year	**(53 666)**	(58 662)	**3 747**	877

	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
13 Deferred Taxation (continued)				
Analysis				
Capital allowances	**(73 983)**	(63 479)		
Prepayments	**(656)**	(428)	**(656)**	(428)
Assessable losses	**58 568**	42 953	**4 403**	1 305
Revaluation of land and buildings	**(37 933)**	(38 603)		
Other temporary differences	**338**	895		
	(53 666)	(58 662)	**3 747**	877
14 Trade and Other Payables				
Trade payables	**130 996**	131 124		
Other payables	**85 060**	65 677	**1 025**	12 608
	216 056	196 801	**1 025**	12 608
The fair values of trade and other payables approximates its carrying values.				
15 Revenue				
Revenue from goods sold and services rendered	**1 464 494**	1 949 368		
16 Operating Profit before Finance Costs are arrived at after taking into account:				
Income				
Income from subsidiaries - dividends				18 333
Profit on disposal of property plant and equipment	**1 264**			
Profit on foreign exchange transactions		6 786		
Gain on acquisition of subsidiary		4 511		
Reversal of impairment of inter-group loans			**7 106**	
Expenses				
Cost of sales	**1 111 726**	1 453 231		
Auditors' remuneration				
Audit fees current year	**2 554**	2 127	**357**	332
Loss on disposal of property plant and equipment		390		
Loss on foreign exchange transactions	**1 302**		**501**	
Buy-back of minority interest in subsidiary				34 319
Depreciation				
- Land and buildings	**143**	180		
- Plant and equipment	**24 044**	21 580		
- Motor vehicles	**7 886**	8 026		
- Furniture, fittings and equipment	**2 917**	3 176	**31**	12
Amortisation of intangibles				
- Patents	**275**	376		
- Restraint of trade	**2 458**	1 098	**2 458**	1 098
Write-down of inventory		34 826		
Impairment of inter-group loans				38 351
Operating lease costs				
- Land and buildings	**24 471**	18 065	**137**	49
Staff costs	**351 413**	344 182		
Included in staff costs are:				
- Defined contribution plan expense	**15 922**	24 721		

2010	Basic R 000	Fees R 000	Other benefits R 000	Bonus R 000	Prov contrib. R 000	Total 2010 R 000
Executive directors' emoluments						
Allen MP	738	92	138	52	155	**1 175**
Antonic MJ	737	92	92	161	146	**1 228**
Cox SJ	988	92	81	65	191	**1 417**
Etchells JA	611	92	239	32	157	**1 131**
Hendry TR	1 325	93	175	101	265	**1 959**
Litschka AF	770	92	140	55	161	**1 218**
Smith D	833	92	165	63	178	**1 331**
Youngman GK	676	60	84	235	136	**1 191**
Total	6 678	705	1 114	764	1 389	**10 650**
Non-executive directors' emoluments						
Day PA		27				**27**
Lawson PH		27				**27**
Mapasa K		27				**27**
Scharrighuisen T		92				**92**
Total		173				**173**

2009	Basic R 000	Fees R 000	Other benefits R 000	Bonus R 000	Share options R 000	Prov contrib. R 000	Total 2009 R 000
Executive directors' emoluments							
Allen MP	695	92	118	67	124	156	**1 252**
Antonic MJ	695	92	85	64	240	149	**1 325**
Cox SJ	906	92	70	80	504	192	**1 844**
Hendry TR	1 190	92	181	113	835	267	**2 678**
Litschka AF	783	92	133	77	89	177	**1 351**
Smith D	792	92	144	77	372	181	**1 658**
Youngman GK	629	60	72	58	181	138	**1 138**
Total	5 690	612	803	536	2 345	1 260	**11 246**
Non-executive directors' emoluments							
Day PA		27					**27**
Lawson PH		27					**27**
Mapasa K		27					**27**
Scharrighuisen T		92					**92**
Total		173					**173**

	Total 2010 R 000	Total 2009 R 000
Directors' emoluments paid by:		
Company	**878**	785
Subsidiaries	**9 945**	10 634
Total	**10 823**	11 419

Directors share option allocations are granted on the same terms as the Argent Employee Share Option Scheme.

2010	Balance at beginning of year	Options granted	Options cancelled	Balance at end of year
Movement in the number of options granted				
Allen MP	173 700	287 500	(173 700)	**287 500**
Antonic MJ	173 700	287 500	(173 700)	**287 500**
Cox SJ	189 700	287 500	(189 700)	**287 500**
Day P	4 000	50 000	(4 000)	**50 000**
Etchells JA		312 500		**312 500**
Hendry TR	217 700	322 500	(217 700)	**322 500**
Lawson PH		50 000		**50 000**
Litschka AF	173 700	287 500	(173 700)	**287 500**
Mapasa K	4 000	50 000	(4 000)	**50 000**
Scharrighuisen T	24 000	50 000	(24 000)	**50 000**
Smith D	173 700	287 500	(173 700)	**287 500**
Youngman GK	77 700	287 500	(77 700)	**287 500**
Total	1 211 900	2 560 000	(1 211 900)	**2 560 000**

2009	Balance at beginning of year	Options granted	Options forfeited	Options exercised	Balance at end of year
Movement in the number of options granted					
Allen MP	291 766	29 470	(67 900)	(79 636)	**173 700**
Antonic MJ	326 766	10 000	(67 900)	(95 166)	**173 700**
Cox SJ	347 256	114 472	(73 900)	(198 128)	**189 700**
Day P	6 000		(2 000)		**4 000**
Hendry TR	448 256	176 472	(85 900)	(321 128)	**217 700**
Litschka AF	280 766	37 000	(67 900)	(76 166)	**173 700**
Mapasa K	6 000		(2 000)		**4 000**
Scharrighuisen T	95 166	50 000	(12 000)	(109 166)	**24 000**
Smith D	340 728	69 130	(67 900)	(168 258)	**173 700**
Youngman GK	170 100	5 000	(29 900)	(67 500)	**77 700**
Total	2 312 804	491 544	(477 300)	(1 115 148)	**1 211 900**

	Group		Company	
		Restated		
	2010	2009	2010	2009
	R 000	R 000	R 000	R 000
17 Financing Costs				
Interest paid				
Suspensive sale contracts	**10 702**	13 215		
Bonds and loans	**24 059**	30 331	**6 043**	6 637
Bank overdraft and other	**30 466**	33 261	**14 648**	22 309
	65 227	76 807	**20 691**	28 946
18 Taxation				
Current taxation				
- current year	**1 011**	15 340	**56**	1 833
- prior years	**46**	(437)		
Deferred taxation				
- current year	**(4 326)**	9 971	**(2 869)**	(877)
Charge for the year	**(3 269)**	24 874	**(2 813)**	956
Comprising:				
South African normal taxation	**(3 721)**	20 192	**(2 920)**	(877)
Secondary tax on companies	**107**	3 667	**107**	1 833
Foreign taxes	**345**	1 015		
Amount per income statement	**(3 269)**	24 874	**(2 813)**	956
Reconciliation of rate of taxation	**%**	%	**%**	%
Normal taxation rate	**28.0**	28.0	**28.0**	28.0
Decrease in rate of taxation due to:				
Secondary taxation on companies	**(1.3)**	2.5	**2.8**	
Other permanent differences	**(65.6)**	(12.6)	**41.9**	(29.6)
Effective rate of taxation	**(38.9)**	17.9	**72.7**	(1.6)
Estimated taxation losses available for set off against future taxable income are as follows:				
Estimated taxation losses	**209 170**	153 537		
Applied to reduce deferred taxation	**(137 404)**	(107 591)		
	71 766	45 946		

	Group 2010 R 000	Group Restated 2000 R 000	Company 2010 R 000	Company 2008 R 000
19 Earnings Per Share				
19.1 Basic / diluted earnings per share (cents)	**12.7**	126.4		
The calculation of basic earnings per share is based on net profit of R 11 579 (2009 - R 113 533) and a weighted average of 91 221 (2009 - 89 845) shares in issue.				
19.2 Headline earnings / diluted headline earnings per share (cents)	**14.4**	123.0		
The calculation of headline earnings per share is based on adjusted profit of R 13 145 (2009 - R 110 510) and a weighted average of 91 221 (2009 - 89 845) shares in issue.				
This basis highlights the sustainable earnings per share				
Reconciliation between earnings and headline earnings:				
Earnings attributable to ordinary shareholders	**11 579**	113 533		
Adjusted for:				
Loss on disposal of property plant and equipment		390		
Profit on disposal of property plant and equipment	**(1 264)**			
Impairment of property, plant and equipment	**3 194**			
Gain on acquisition of subsidiary		(4 511)		
Write-down of intangible assets		1 098		
Total tax effects of adjustments	**(364)**			
Headline earnings attributable to ordinary shareholders	**13 145**	110 510		
20 Dividends				
Dividend No. 26 of 19 cents per share paid on 21 July 2008 to members recorded in the register on 18 July 2008		18 333		18 333
Dividend No. 27 of 19 cents per share paid on 19 January 2009 to members recorded in the register on 16 January 2009		18 333		18 333
Dividend No. 28 of 9 cents per share paid on 27 July 2009 to members recorded in the register on 24 July 2009	**8 684**		**8 684**	
	8 684	36 666	**8 684**	36 666
Less treasury shares	**(483)**	(2 475)		
	8 201	34 191	**8 684**	36 666

	Group		Company	
	2010	Restated 2009	2010	2009
	R 000	R 000	R 000	R 000

21 Notes to the Cash Flow Statement

21.1 Reconciliation of profit before taxation to cash generated from operations

	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Profit before taxation	**8 386**	139 308	**(3 870)**	(61 519)
Adjustments:				
Loss / (Profit) on disposal of property plant and equipment	**(1 264)**	390		
Excess in net fair value of acquisition		(4 451)		
Effects of exchange rate changes	**(3 040)**	(2 814)		
Share based payment expenses	**1 087**	5 877		
Dividends received				(18 333)
Depreciation and amortisation	**37 723**	34 435	**2 489**	1 110
Interest received	**(24 166)**	(26 893)	**(17 006)**	(22 643)
Interest paid	**65 227**	76 807	**20 691**	28 946
Operating profit before working capital changes	**83 953**	222 659	**2 304**	(72 439)
Changes in working capital	**79 475**	(81 144)	**9 267**	78 635
Inventories	**10 301**	(24 712)		
Trade and other receivables	**57 813**	77 367	**174**	(6 741)
Trade and other payables	**11 361**	(133 799)	**(11 583)**	11 713
Amount owing by subsidiaries			**20 676**	73 663
Cash generated from operations	**163 428**	141 515	**11 571**	6 196

21.2 Dividends paid

	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Dividends charged to the income statement	**(8 201)**	(34 191)	**(8 684)**	(36 666)
	(8 201)	(34 191)	**(8 684)**	(36 666)

21.3 Taxation paid

	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Taxation unpaid at beginning of year	**6 413**	(2 857)	**(50)**	(558)
Acquisition of subsidiaries		(5 461)		
Taxation charged to the income statement (excluding deferred taxation)	**(1 057)**	(14 903)	**(57)**	(1 833)
Taxation (receivable) / unpaid at end of year	**(1 730)**	(6 413)		50
	3 626	(29 634)	**(107)**	(2 341)

21.4 Cash and cash equivalents, consisting of cash on hand and balance with banks

	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Bank balance and cash	**277**	347		
Bank overdraft	**(126 171)**	(64 097)	**(56 043)**	(43 467)
	(125 894)	(63 750)	**(56 043)**	(43 467)

	Barrier Angelucci R 000	Specialised Steel Profiles R 000	Total R 000
21.5 Business combinations - 2010 The group acquired Barrier Angelucci on 28 April 2009 and Specialised Steel Profiles on 1 February 2010. The fair value of assets and liabilities assumed were as follows:			
Property, plant and equipment	3 232	545	3 777
Inventory	4 612	3 397	8 009
Net current liabilities	(7 894)		(7 894)
Interest-bearing borrowings	(2 724)		(2 724)
Goodwill / excess of fair value of assets and liabilities acquired over purchase price	8 274	2 553	10 827
Total purchase price	5 500	6 495	11 995
Deduct bank balance on acquisition			
Cash flow on acquisition net of cash acquired	5 500	6 495	11 995

	Tricks Wrought Iron Services R 000	Burbage Iron Craft R 000	Total R 000
Business combination - 2009 The group acquired 100% of Tricks Wrought Iron Services (Proprietary) Limited on 1 November 2008 and 100% of Burbage Iron craft Limited on 1 January 2009. The fair value of assets and liabilities assumed were as follows:			
Property, plant and equipment	6 853	2 104	8 957
Inventory	4 025	5 738	9 763
Trade and other receivables	17 259	6 448	23 707
Bank balance and cash	11 105	6 416	17 521
Trade and other payables	(7 634)	(7 499)	(15 133)
Taxation liability	(5 368)	(93)	(5 461)
Deferred taxation liability	(274)	(433)	(707)
Interest-bearing borrowings	(2 750)		(2 750)
Goodwill / excess of fair value of assets and liabilities acquired over purchase price	34 447	(4 451)	29 996
Total purchase price and acquisition costs	57 663	8 230	65 893
Deduct bank balance on acquisition	(11 105)	(6 416)	(17 521)
Cash flow on acquisition net of cash acquired	46 558	1 814	48 372

The goodwill arising on the acquisition of these businesses is attributable to the anticipated profitability of these businesses.

21.6 Segment information

	Steel trading R 000	Automotive products R 000	Manufacture of home and office products R 000	Fabricators R 000	Non-steel related products R 000	2010 Total R 000
Business						
Cash flow from						
Operating activities	91 115	(7 854)	22 877	19 350	(7 695)	**117 792**
Investing activities	(13 449)	(9 025)	(25 537)	(840)	(65 961)	**(114 811)**
Financing activities	(105 358)	37 642	(387)	(14 528)	17 506	**(65 125)**
	(27 692)	20 763	(3 047)	3 982	(56 150)	**(62 144)**

	Steel trading R 000	Automotive products R 000	Manufacture of home and office products R 000	Fabricators R 000	Non-steel related products R 000	Restated 2009 Total R 000
Business						
Cash flow from						
Operating activities	85 670	(32 580)	31 246	15 804	(72 364)	27 776
Investing activities	(79 527)	19 636	(22 958)	(3 568)	(95 594)	(182 011)
Financing activities	25 428	3 114	(7 926)	7 382	87 016	115 014
	31 571	(9 830)	362	19 618	(80 942)	(39 221)

	South Africa R 000	Rest of the world R 000	2010 Total R 000
Geographical			
Cash flow from			
Operating activities	112 524	5 268	**117 792**
Investing activities	(116 826)	2 015	**(114 811)**
Financing activities	(59 715)	(5 410)	**(65 125)**
	(64 017)	1 873	**(62 144)**

	South Africa R 000	Rest of the world R 000	Restated 2009 Total R 000
Geographical			
Cash flow from			
Operating activities	28 711	(935)	27 776
Investing activities	(187 603)	5 592	(182 011)
Financing activities	114 600	414	115 014
	(44 292)	5 071	(39 221)

	Group		Company	
		Restated		
	2010	2009	2010	2009
	R 000	R 000	R 000	R 000

22 Employee Benefits

Employees, including senior management and executive directors, participate in a share-based remuneration scheme. The scheme is equity settled.

All shares allocated to the share option scheme are to be exercised during a five year option period in five tranches.

Should the option holder resign from the group prior to the option maturity date, the shares will not be issued.

Payment will therefore not be required, and options will be cancelled.

	Group 2010 R 000	Group Restated 2009 R 000	Company 2010 R 000	Company 2009 R 000
Total number of shares available for utilisation as at beginning of the year	**5 334**	7 692		
Net movement in share options	**(3)**	(1 229)		
Previously authorised shares cancelled / utilised	**(190)**	(1 129)		
Number of shares available for utilisation at end of the year	**5 141**	5 334		

Summary of activity in share option plans:

	2010 Number 000	2009 Number 000	2010 Weighted exercise price R	2009 Weighted exercise price R
Outstanding at the beginning of the year	**2 074**	3 811	**13.80**	13.81
Granted during the year	**4 895**	222	**3.75**	12.50
Exercised during the year	**(3)**	(1 229)	**1.35**	8.63
Forfeited / cancelled during the year	**(2 071)**	(730)	**13.80**	13.71
Outstanding at the end of the year	**4 895**	2 074	**11.09**	13.80

Outstanding options

	Exercise date within one year	Exercise date from two to five years	Exercise date after five years	Total
Options with exercise price R 9.01	979	3 916		4 895
	979	3 916		4 895

Total expenses of R 1 087 (2009: R 5 877) related to equity-settled share based payments transactions were recognised.

All share options which had not vested were cancelled during the year and replaced.

22 Employee Benefits (continued)

The fair value of the share options at grant date is determined based on the Black-Scholes model. The model inputs were as follows:

	Grant date 1 Nov 2009
Number of options granted (000)	**4 895**
Fair value at measurement date (R)	**0.46**
Share price at grant date (R)	**8.99**
Expected option lifetime (years)	**5**
Volatility %	**23.30**
Risk free % rate (based on national government bonds)	**7.94**

In determining share price volatility, consideration has been given to historical volatility as well as the expected option lifetime.

	Group	
	2010 R 000	2009 R 000
The amounts included in staff costs in respect of share-based payments	**1 087**	5 877

23 Segments

23.1 Business Segments

For management purposes the group is organised into five major operating divisions, namely steel trading, manufacture of home and office products, automotive products, fabrication and non-steel related products. These divisions are the basis on which the company reports its primary segment information. The steel trading segment involves the trading of steel, stainless steel and aluminium to both external customers and the Argent group's manufacturing businesses. The home and office segment involves the manufacture of branded products predominantly for the building and construction industries and also to retail and direct to consumer, while it exports to agents in Australasia, Europe, North America and the United Kingdom. The automotive segment supplies automotive products mostly to the original equipment market, to a lesser extent the aftermarket and also exports to North America. The fabricator segment supplies fabricated products to the construction, mining and industrial markets. The non-steel segment is involved in the supply of quarry stone and ready-mix concrete to the construction industry, railway retarders in North America, the supply of rubber products to the construction and mining industries and also includes the group's property portfolio which is utilised by the group. For more detailed information about the nature of each of these businesses, refer to the chief executive officer's review. Financial information about the business segments is presented in the following report:

	Steel trading R 000	Automotive products R 000	Manufacture of home and office products R 000	Fabricators R 000	Non-steel related products R 000	Consolidated R 000
Segment report for the year ended 31 March 2010						
Revenue						
External sales	594 559	132 667	504 071	117 738	115 459	1 464 494
Inter-segment sales	380 752	31 682	213 779	870	35 675	
Total Revenue	975 311	164 349	717 850	118 608	151 134	
Profit before taxation						
Segment result	16 627	(26 655)	14 269	4 581	(436)	8 386
Taxation						3 269
Profit for the year						11 655
Other information						
Segment assets	519 216	261 104	345 630	61 985	774 728	1 962 663
Segment liabilities	226 439	42 818	105 271	13 813	268 455	656 796
Capital expenditure	14 225	12 505	19 224	1 256	71 382	118 592
Depreciation / amortisation	11 144	9 230	9 301	1 586	6 462	37 723
Interest paid	18 275	4 237	6 226	823	35 666	65 227
Interest received	3 441	21	1 429	1 292	17 983	24 166

	Steel trading R 000	Automotive products R 000	Manufacture of home and office products R 000	Fabricators R 000	Non-steel related products R 000	Consolidated R 000
Segment report for the year ended 31 March 2009						
Revenue						
External sales	764 607	248 102	606 251	145 587	184 821	1 949 368
Inter-segment sales	413 782	59 108	195 740	5 131	35 264	
Total Revenue	1 178 389	307 210	801 991	150 718	220 085	
Profit before taxation						
Segment result	42 433	(4 817)	62 814	18 939	19 939	139 308
Taxation						(24 874)
Profit for the year						114 434
Other information						
Segment assets	573 601	312 831	437 583	88 326	540 095	1 952 436
Segment liabilities	283 443	101 089	171 179	16 003	66 171	637 885
Capital expenditure	37 756	22 160	19 173	10 179	63 370	152 638
Depreciation / amortisation	7 138	11 773	7 053	1 140	7 332	34 436
Interest paid	17 656	9 367	8 938	800	40 046	76 807
Interest received	1 009	4	2 811	712	22 357	26 893

23.2 Geographical Segments

	South Africa R 000	Rest of the world R 000	Consolidated R 000
Segment report for the year ended 31 March 2010			
Revenue			
External sales	1 418 350	46 144	1 464 494
Total Revenue	1 418 350	46 144	
Profit before taxation			
Segment result	10 967	(2 581)	8 386
Taxation			3 269
Profit for the year			11 655
Other information			
Segment assets	1 922 698	39 965	1 962 663
Segment liabilities	656 255	541	656 796
Capital expenditure	118 440	152	118 592
Depreciation / amortisation	36 563	1 160	37 723
Interest paid	65 006	221	65 227
Interest received	24 162	4	24 166

23.2 Geographical Segments (continued)

	South Africa R 000	Rest of the world R 000	Consolidated R 000
Segment report for the year ended 31 March 2009			
Revenue			
External sales	1 912 155	37 213	1 949 368
Total Revenue	1 912 155	37 213	
Profit before taxation			
Segment result	135 681	3 627	139 308
Taxation			(24 874)
Profit for the year			114 434
Other information			
Segment assets	1 898 201	54 235	1 952 436
Segment liabilities	623 570	14 315	637 885
Capital expenditure	151 598	1 040	152 638
Depreciation / amortisation	33 159	1 277	34 436
Interest paid	76 559	248	76 807
Interest received	26 834	59	26 893

24 Related Party Transactions

Transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Amounts by and to subsidiaries are detailed in the subsidiary note. Details of transactions between the directors of the companies stated below were involved with the group during the 2010 financial year:

During the year the company and its related parties, in the ordinary course of business, entered into various intergroup sale and purchase transactions.

Certain directors are also directors of the following entities that lease certain land and buildings to the group. The amount of the rentals paid by the group for the year amounted to:

	Group		Company	
	2010 R 000	Restated 2009 R 000	2010 R 000	2009 R 000
NWN Automotive Precision Engineering Pty Ltd	**4 432**	1 933		
Central Route Trading 557 CC	**564**		**141**	

Key management personnel compensation
Key management personnel are those persons who have authority and responsibility for planning, directing and controlling activities of the group, directly or indirectly, including all directors of the company and its parent, as well as members of the Executive Committee who are not directors, as well as close members of the family of any of these individuals.

Details of the compensation paid to the board of directors are disclosed in note 16 and details of shareholdings in the company are disclosed on page 53.

25 Contingencies, Guarantees and other Commitments

25.1 The company's bankers hold guarantees issued by the company for facilities granted to its subsidiary companies.

25.2 The group's bankers hold letters of guarantee for the amount of R 4.9 million (2009 - R 2.6 million) in respect of performance bonds.

	Group 2010	Group 2009	Company 2010	Company 2009
25.3 Future minimum operating lease payments				
- Land and buildings within 1 year	**13 748**	14 535		
- Land and buildings within 2 - 5 years	**25 738**	41 087		
The group leases a number of premises under operating leases. The leases typically run for a period of five years, with an option to renew the lease upon expiration. None of the leases include contingent rentals.				
25.4 Letters of credit issued by the company's bankers	**5 435**			

26 Financial Instruments and Risk Management

26.1 Categories of financial assets and liabilities

The carrying amounts and fair values of each category of financial assets and liabilities are as follows:

	Group		
	Financial liabilities at amortised cost R 000	Loans and receivables R 000	Total carrying amount R 000
2010			
Financial assets			
Loans		9 817	9 817
Trade and other receivables		296 985	296 985
Cash and cash equivalents		277	277
		307 079	307 079
Financial liabilities			
Other financial liabilities	314 569		314 569
Bank overdraft	126 171		126 171
Trade and other payables	216 056		216 056
	656 796		656 796
2009			
Financial assets			
Loans		8 898	8 898
Trade and other receivables		354 799	354 799
Cash and cash equivalents		347	347
		364 044	364 044
Financial liabilities			
Other financial liabilities	376 987		376 987
Bank overdraft	64 097		64 097
Trade and other payables	196 801		196 801
	637 885		637 885

	Company		
2010			
Financial assets			
Loans to group companies		23 686	23 686
Trade and other receivables		18 474	18 474
		42 160	42 160
Financial liabilities			
Other financial liabilities	29 822		29 822
Bank overdraft	56 043		56 043
Trade and other payables	1 025		1 025
	86 890		86 890
2009			
Financial assets			
Loans to group companies		44 362	44 362
Trade and other receivables		18 648	18 648
		63 010	63 010
Financial liabilities			
Other financial liabilities	41 819		41 819
Bank overdraft	43 467		43 467
Trade and other payables	12 608		12 608
	97 894		97 894

26.2 Risk management

In the normal course of its operations, the group is exposed to currency, interest rate, liquidity, foreign currency and credit risk. This note presents information about the group's exposure to each of these risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

In order to manage these risks, the group has developed a comprehensive risk management process to facilitate control and monitoring.

The directors have overall responsibility for the establishment and oversight of the group's risk management framework. Risk management is carried out by the Board and management at operation levels under policies approved by the directors.
The group does not enter into any or trade financial instruments, including derivative financial instruments.

26.3 Credit risk management

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group's credit risk consists mainly of cash deposits, cash equivalents and trade and other receivables.

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used, otherwise if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Credit guarantee insurance is purchased when deemed appropriate.

Trade receivables which are less than 3 months past due are not considered to be impaired. The ageing of amounts past due but not impaired is as follows:

	Group	
	2010 R 000	2009 R 000
1 month past due	**27 261**	20 747
2 months past due	**16 387**	34 844
3 months past due	**24 807**	30 825

26.4 Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar, British pound and Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and new investments in foreign operations.

The group enters into forward exchange contracts from time to time. The contracts are entered into in order to manage the group's exposure to fluctuations in foreign currency exchange rates. The contracts are generally matched with anticipated future cash flows in foreign currencies. At 31 March 2010 the group had the following exposure to forward exchange contracts:

Amount in foreign currency purchased	Forward exchange rate	Maturity Date
EURO 195 658	10.23	2010/04/26
EURO 57 800	10.8131	2010/05/28
USD 75 333	7.5283	2010/04/21
USD 104 635	7.5101	2010/06/21
USD 114 000	7.6099	2010/04/30
USD 122 020	7.826	2010/05/03
USD 16 095	7.5042	2010/04/12
USD 208 315	7.5415	2010/05/28
USD 28 233	7.5021	2010/04/30
USD 44 040	7.7268	2010/04/30
USD 71 124	7.5665	2010/06/14
USD 73 469	7.8467	2010/05/17
USD 77 489	7.6423	2010/05/24

The company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the company's foreign operations is managed primarily through holding cash denominated in the relevant foreign currency.

26.5 Interest rate risk

The group is exposed to interest rate risk from long-term borrowings at variable rates. Fluctuations in interest rates impact on the value of the short-term investments and financing activities giving rise to interest rate risk. Interest rate risks are not hedged.

26.6 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilties when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The risk is managed through cash flow forecasts and ensuring that adequate borrowing facilities are maintained. In terms of the company's articles of association, its borrowing powers are unlimited.

The following table details the group's remaining contractual maturity for its non-derivative financial liabilities. This table has been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the group can be required to pay.

	Group				
	Current interest rate	Due in less than a year R 000	Due in one to two years R 000	Due in two to three years R 000	Due after four years R 000
Trade and other payables		216 056			
Overdraft facilities used	8 - 9%	126 171			
Long-term borrowings	7.25 - 10.14%	63 213	63 596	50 283	33 610
Instalment sale agreements	7.25 - 9.3%	51 767	32 261	19 839	

	Company				
	Current interest rate	Due in less than a year R 000	Due in one to two years R 000	Due in two to three years R 000	Due after four years R 000
Trade and other payables		1 025			
Overdraft facilities used	8 - 9%	56 043			
Long-term borrowings	10.04 - 10.14%	12 582	11 949	5 291	

Cash flow sensitivity analysis for variable instruments
An increase / decrease of 100 basis points in interest rates at the reporting date would have decreased / increased profit or loss by R 4.631 million (2009: R 3.993 million). This analysis assumes that all other variables remain constant.

26.7 Capital management
Capital is regarded as total equity. The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors also determines the level of dividends paid to shareholders according to policy guidelines.

The group may purchase its own shares on the market, if the cash resources of the company are in excess of its requirements. In this regard the directors will take into account, inter alia, an appropriate capitalisation structure for the company and the long-term cash needs of the company and will ensure that any such utilisation is in the interest of the shareholders.

The group monitors capital on the basis of the ratio of interest-bearing borrowings to total equity. This ratio is calculated as interest-bearing borrowings divided by total equity as follows:

	Group		Company	
	2010 R 000	Restated 2009 R 000	2010 R 000	2009 R 000
Interest-bearing borrowings	**314 569**	376 987	**29 822**	41 819
Total equity	**1 252 201**	1 255 889	**408 964**	418 705
Ratio of interest-bearing borrowings to total equity	**25.1%**	30.0%	**7.3%**	10.0%

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

26.8 Fair values
The fair values of financial instruments have been arrived at after taking into account current market conditions.

27 Business Combinations

2010
On 28 April 2009, Argent Steel Group (Proprietary) Limited acquired the business of Barrier Angelucci. The cost of the acquisition amounted to R 5.5 million.

On 1 February 2010, Tricks Wrought Iron Services (Proprietary) Limited acquired the business of Specialised Steel Profiles. The cost of the acquisition amounted to R 6.5 million.

2009
On 30 September 2008, Argent Industrial Limited repurchased 30% of Megamix (Proprietary) Limited from Vuya! Investments (Proprietary) Limited. The selling price amounted to R 28.6 million.

On 1 November 2008, Argent Industrial Limited acquired 100% of Tricks Wrought Iron Services (Proprietary) Limited. The cost of the acquisition amounted to R 57.7 million.

On 1 January 2009, Megamix (Proprietary) Limited disposed of 45% of Villiersdorp Quarries (Proprietary) Limited to a BEE consortium selling price of R 8.6 million.

On 1 January 2009, Argent Industrial Limited acquired 100% of Burbage Iron Craft Services Limited. The cost of the acquisition amounted to R 8.2 million.

28 Prior Year Restatement

	Notes	Previously reported	Adjustment	Adjustment	Total adjustment	Restated
			Opening balance 1 April 2008	2009		31 March 2009
		R 000	R 000	R 000	R 000	R 000
Balance sheet						
Current assets						
Inventory	1	482 515	(811)	(5 182)	(5 993)	476 522
Taxation		6 122		291	291	6 413
Trade and other receivables	2	355 163	(364)		(364)	354 799
Reserves						
Retained earnings		658 814	(947)	(3 440)	(4 387)	654 427
Non-current liabilities						
Deferred tax		60 341	(228)	(1 451)	(1 679)	58 662
Income statement						
Operating profit before financing costs		194 404		(5 182)	(5 182)	189 222
Taxation		26 616		(1 742)	(1 742)	24 874
Attributable to owners of the parent		116 973		(3 440)	(3 440)	113 533

Notes:
1 Inventory valuation error
2 Correction in other receivables
3 As the adjustments made are not considered material no disclosure of a third statement of financial position for the beginning of the earliest comparative period has been presented

29 Comparative Figures

Finance income has been reclassified. Previously finance income was included in operating profit before financing costs. The effects of the reclassification are as follows:

	Group		Company	
	2010	2009	2010	2009
	R 000	R 000	R 000	R 000
Income statement				
Operating profit before financing costs		189 222		(55 216)
Finance income		26 893		22 643

Subsidiary Companies

Name of Subsidiary All Proprietary Limited and incorporated in South Africa unless otherwise stated	Issued share capital in Rands unless otherwise stated	% held by Argent 2010	Shares at cost 2010 R 000	% held by Argent 2009	Shares at cost 2009 R 000	Owing to Argent by subsidiary 2010 R 000	Owing by Argent to subsidiary 2010 R 000	Owing to Argent by subsidiary 2009 R 000	Owing by Argent to subsidiary 2009 R 000	Main business
Allan Maskew	100	**100**	**51 405**	100	51 405		**6 336**			E
Argent Industrial Engineering (previously Villiersdorp Quarries)	100	**55**		55						E
Argent Industrial Investments	3 300	**100**	**1 911**	100	1 911	**76 713**		65 796		E
Argent Steel Group	150	**100**	**12 786**	100	12 786		**149 952**		141 485	A B C D
Atomic Office Equipment	100	**100**	**80**	100	80		**4 801**	10 421		C
Burbage Iron Craft (incorporated in England)	GBP 100	**100**	**8 230**	100	8 230					C
Excalibur Vehicle Accessories	100	**100**	**21 911**	100	21 911	**15 101**			5 407	A B
Gammid Trading	1 000	**100**	**53 637**	100	53 637		**39 341**	9 479		A
GHL Properties	4 000	**100**		100			**1 264**		6	E
Giflo Engineering (Bop)	100	**100**	**28 796**	100	28 796	**127 730**		96 982		B
Jetmaster	11 960	**100**	**25 100**	100	25 100	**5 302**			4 172	C
Koch's Cut and Supply Steel Centre	100	**100**	**5 300**	100	5 300	**3 104**		1 879		D
Megamix	100	**100**		100		**17 632**		6 963		E
New Joules Engineering North America Inc. (incorporated in America)	USD 1 000	**100**	**293**	100	293	**1 157**				E
New Joules Engineering	4 000	**100**	**5 954**	100	5 954		**944**		419	E
Non operating subsidiaries	5 000	**100**	**1**	100	1		**10**		10	E
Paint & Ladders	410	**100**	**19 839**	100	19 839		**6 672**	37 756		C
Palisade Trading	100	**100**		100			**6 430**	370		A
Parlance Investments	120	**100**	**559**	100	559		**403**		4	E
Toolroom Services	90	**100**	**55 904**	100	55 904	**14 304**			26 289	C
Tricks Wrought Iron Services	100	**100**	**57 663**	100	57 663	**2 733**		339		C
Xpanda Security	3 028	**100**	**50 108**	100	50 108		**23 937**		7 831	C
Total			**399 477**		399 477	**263 776**	**240 090**	229 985	185 623	

Main Business

A Steel trading

B Automotive products

C Manufacture of home and office products

D Fabricators

E Non-steel related products

Analysis of Shareholders / Beneficial Holders

as at 31 March 2010

	Number of shares held		% of total issued shares	
	2010	2009	2010	2009
Directors' direct	**2 934 055**	2 943 855	**3.04**	3.06
Directors' indirect	**13 031 563**	12 883 365	**13.50**	13.35
Pension, provident funds, insurance companies and other corporate bodies	**68 021 842**	61 994 898	**70.50**	64.25
Individuals				
- holders of 5 000 or more shares	**9 061 064**	14 641 308	**9.39**	15.17
- holders of less than 5 000 shares	**3 442 080**	4 027 178	**3.57**	4.17
Total	**96 490 604**	96 490 604	**100**	100

Shareholders in Excess of Five Percent

as at 31 March 2010

	Number of shares	%
Giflo Investments (Pty) Ltd	10 639 353	11.03
Argent Employee Share Option Scheme	5 140 871	5.33

Directors' Shareholding

as at 31 March 2010

	Number of shares held	
	Direct	Indirect
Allen MP	266 709	56 082
Antonic MJ	527 392	57 082
Cox SJ	676 157	56 082
Day PA	63 980	
Etchells JA	70 000	
Hendry TR		1 807 686
Lawson PH	273 129	
Litschka AF	193 287	56 082
Scharrighuisen T	417 836	10 942 467
Smith D	138 598	56 082
Youngman GK	306 967	
Total	2 934 055	13 031 563

JSE Limited Performance

as at 31 March 2010

	2010	2009	2008	2007	2006
Number of shares traded (000)	**26 757**	30 510	37 899	31 916	32 452
% of total issued shares	**27.7**	31.6	39.3	39.7	40.3
Value of shares traded (R 000)	**214 685**	329 339	721 902	482 989	369 720
Prices quoted (cents per share)					
highest	**900**	1 830	2 309	1 850	1 465
lowest	**857**	685	1 432	1 160	931
closing	**899**	880	1 655	1 780	1 445
Market capitalisation at year-end (R 000)	**867 451**	849 117	1 596 919	1 432 224	1 162 676
Price earnings ratio	**70.8**	6.9	7.0	11.8	9.9
Earnings yield	**1.4**	14.8	14.3	8.5	10.1
Dividend yield	**1.0**	4.3	2.0	1.6	1.7

Summary of Shareholder Spread

as at 31 March 2010

	Members		Shares	
Shareholder Type	Number	%	Number	%
Public	3 996	99.45	75 524 113	78.27
Directors	21	0.52	15 825 620	16.40
Share option scheme	1	0.02	5 140 871	5.33
Total	4 018	100	96 490 604	100

Diary

Shareholders Diary

Financial year-end: 31 March
Annual General Meeting: 24 August 2010

Reports and Profit Statement

Half year interim report: September
Annual financial statements published: June
Annual financial statements posted to shareholders: June

Website address: www.argent.co.za
Email address: argent7@argent.co.za

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of shareholders of Argent Industrial Limited will be held on Tuesday 24 August 2010 at 10:30 in the Argent Industrial Limited Boardroom, First floor Ridge 63, 8 Sinembe Crescent, Sinembe, La Lucia Ridge Office Estate, Umhlanga to conduct the following business:

1. To consider and adopt the annual financial statements of the company and the group for the year ended 31 March 2010.

2. To reappoint Grant Thornton as independent auditors of the company and the group and to appoint Mr D Nagar as the designated auditor to hold office for the ensuing year.

To consider and, if deemed fit, to pass with or without modification, the following resolutions.

3 Ordinary Resolution Number 1

"RESOLVED THAT the directors of the company be and they are hereby authorised, by way of a general authority, to issue all or any of the authorised but un-issued shares in the capital of the company for cash, as and when they, in their discretion, deem fit.

This resolution is subject to the Listings Requirements of the JSE Limited, which currently provide:

- that this authority shall be valid until the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date that this authority is given;
- that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue of shares representing, on a cumulative basis within one year, 5% or more of the number of the company's shares in issue prior to any such issue;
- that issues in the aggregate in any one year shall not exceed 10% of the number of shares in the company's issued share capital;
- that, in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors. Issues at a discount greater than 10% (ten percent) may be undertaken subject to specific shareholder consent; and
- that any such issue will only be made to public shareholders as defined by the JSE Limited.

In terms of the Listings Requirements of the JSE Limited a 75% majority of the votes cast by shareholders present or represented by proxy at the general meeting must be cast in favour of Ordinary Resolution Number 1 for it to be approved."

4 Special Resolution Number 2

"RESOLVED THAT that the company hereby approves, as a general approval contemplated in sections 85(2), 85(3) and 89 of the Companies Act 1973 (Act 61 of 1973) as amended ("the Act"), and in terms of the company's articles of association, the acquisition by the company or any of its subsidiaries from time to time of the issued ordinary shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine but subject to the articles of association of the company, the provisions of the Act and the Listings Requirements of the JSE Limited ("JSE") as presently constituted and which may be amended from time to time, and provided:

a) that in any one financial year, any repurchase of shares shall not exceed 20% of the company's issued share capital of that class of share;
b) any such acquisition of ordinary shares shall be effected through the order book of the JSE trading system and done without any prior understanding or arrangement between the company and any of its subsidiaries and the counterparty;
c) this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
d) the company (or subsidiaries) must be authorised to do so in terms of its articles of association;
e) that in determining the price at which the company's ordinary shares are acquired by the company or any of its subsidiaries in terms of this general authority, the maximum price at which such ordinary shares may be acquired will be at a premium of no more than 10% of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the five business days immediately preceding the date of repurchase of such ordinary shares by the company or any of its subsidiaries;
f) after the company (or subsidiaries) has acquired ordinary shares which constitute on a cumulative basis, 3% of the number of ordinary shares in issue (at the time that authority from ordinary shareholders for the repurchase is granted), the company publishes a paid press announcement to such effect containing full details of such acquisitions;
g) the company (or subsidiaries) appoints only one agent to effect any repurchases on its behalf;
h) repurchases may not take place during a prohibited period in compliance with paragraph 3.67 of the Listings Requirements of the JSE; and
i) the company shall ensure that any repurchase shall only be undertaken if, after the proposed repurchase, the company still complies with paragraphs 3.37 to 3.41 concerning shareholder spread requirements.

Pursuant to and in terms of the Listings Requirements of the JSE, directors of the company hereby state:

- that the intention of the company and / or any of its subsidiaries is to utilise the authority if at some future date the cash resources of the company are in excess of its requirements. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the company and the long-term cash needs of the company and will ensure that any such utilisation is in the interest of shareholders;
- that after considering the effect of a maximum permitted repurchase of securities, the company and its subsidiaries are, as at the date of this notice convening the annual general meeting of the company, able to fully comply with the Listings Requirements of the JSE. Nevertheless, at the time that the contemplated purchase is to take place, the directors of the company will ensure that:

  - the company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the annual general meeting;
  - the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited annual group financial statements;
  - the share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting;
  - the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting; and
  - the company will provide its sponsor and the JSE with all documentation as required in schedule 25 of the Listings Requirements of the JSE, and will not commence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

The reason for the special resolution is to grant the company or any of its subsidiaries a general authority in terms of the Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent annual general meeting of the company, provided that the general authority shall not extend beyond 15 months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company."

5 Ordinary Resolution Number 3

"RESOLVED THAT any one director or the secretary of Argent be and is hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to implement the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution will be considered."

Other Disclosures in Terms of Section 11.26 of the JSE Listings Requirements

The annual report, to which this notice of the annual general meeting is attached, provides details of:

- the directors and secretary of the company on page 6;
- the major shareholders of the company on page 53;
- the directors' interest in shares in the company on page 53; and
- the share capital of the company in note 10 on page 34, and an analysis of the shareholders on page 53.

There have been no material changes to the company and the group's financial or trading position (other than as disclosed in the accompanying annual report) nor are there any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had, a material effect on the financial position of the group between 31 March 2010 and the reporting date.

The directors, whose names are given on page 6 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice contains all information required by law and the JSE Listings Requirements.

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names appear on page 6 of this annual report of which this notice forms part, are not aware of any legal or arbitration proceedings that are pending or threatened except for the contingent liabilities in note 25 that may have or have in the previous year had a material effect on Argent's financial position.

Voting and Proxies

On a show of hands every Argent shareholder holding ordinary shares who (being an individual) is present in person, or (being a company) is present by a representative or proxy not being himself a member, is allowed to vote at the annual general meeting and shall have one vote and upon a poll every member holding Argent ordinary shares who is present in person or by proxy (or being a company is represented) shall have one vote for every Argent ordinary share of which he is the registered member.

A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and speak and, on a poll, vote in such a member's stead. A proxy need not be a member of the company.

Registered shareholders of certificated Argent shares and holders of dematerialised Argent shares in their "own name" who are unable to attend the annual general meeting, must complete and return the attached form of proxy in accordance with the instructions contained therein so as to be received by the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, Fifth Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 14:00 Friday, Monday, 23 August 2010.

Important Notice to Holders of Dematerialised Shares

Holders of dematerialised Argent ordinary shares which are not registered in their "own name" must provide their Central Securities Depository Participant (CSDP) or broker with their voting instructions in terms of the custody agreement entered into with such CSDP or broker. If such holders wish to attend the annual general meeting in person, then they will need to request such CSDP or broker to provide them with the necessary authority to attend and to vote such shares.

Important Notice to Certificated Holders through a Nominee

Holders of certificated Argent ordinary shares through a nominee must provide such nominee with their voting instructions in terms of the custody agreement entered into with such nominee. If such holders wish to attend the annual general meeting in person, then they will need to request such nominee to provide them with the necessary authority to attend and vote such shares.

By Order of the Board

Lindsay Grobler (Ms)
Company secretary

Notes

Form of Proxy

Argent Industrial Limited
(Incorporated in the Republic of South Africa) • (Registration number 1993/002054/06)
(Share code: ART ISIN: ZAE000019188) • ("Argent" or "the company")

This form is only for the use of registered holders of certificated ordinary shares in the company and the holders of dematerialised ordinary share in their "own name" in the capital of the company at the annual general meeting of members to be held at 10:30 on Tuesday 24 August 2010 in the Argent boardroom ("the annual general meeting").

Holders of dematerialised ordinary shares in the company which shares are not registered in their ''own name" must not complete this form of proxy but should timeously inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request such CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person. Such ordinary shareholders must not return this form of proxy to the Transfer Secretaries.

Holders of certificated ordinary shares in the company through a nominee must provide such nominee with their voting instructions in terms of the custody agreement entered into with such nominees. If such holders wish to attend the annual general meeting in person, then they will need to request such nominee to provide them with the necessary authority to attend and vote such shares.

I / We ______________________________ of ______________________________

being a holder / s of ______________________________ordinary shares in Argent Industrial Limited

hereby appoint **(see Note 1)** ______________________________

of ______________________________

or failing him / her, ______________________________

of ______________________________

or failing him / her, the chairman of the annual general meeting as my / our proxy to attend and speak and vote for me / us on my / our behalf at the annual general meeting of members of the company, which will be held for the purpose of consideration, and if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed at the annual general meeting and to vote for or against or to abstain from voting. I / We hereby direct that my / our proxy shall exercise his / her discretion as to the manner in which he / she votes, except as indicated.

Agenda item	Vote in favour	Vote against	Abstain
1. Approval of the adoption of the annual financial statements			
2. Reappointment of independent auditor and appointment of designated auditor			
3. Ordinary resolution number 1 (Authority to allot and issue unissued ordinary shares for cash)			
4. Special resolution number 2 (To grant a general authority to Argent (or a subsidiary) to buy back shares of the company)			
5. Ordinary resolution number 3 (To authorise directors to give effect to resolutions)			

Insert an X in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares that you own in the company, insert the number of ordinary shares held in respect of which you desire to vote **(see note 9)**.

Signed at ______________________________ on ______________________________

Signature(s) ______________________________ Date ______________________________

Assisted by me (where applicable) ______________________________

Each member is entitled to appoint a proxy (who need not be a member of the company) to attend and speak and vote in place of that member at the meeting.

Please read the notes on the reverse side of this proxy form.

Notes to the Form of Proxy

Instructions on signing and lodging of the annual general meeting proxy form.

1. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.

2. The chairman shall be entitled to decline or to accept the authority of a signatory:

   (a) under a power of attorney; or
   (b) on behalf of a company

   unless the power of attorney or authority is deposited with the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001, (PO Box 4844, Johannesburg, 2000) not later than 14:00 on Monday 23 August 2010.

3. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her proxy in the blank space/s provided for that purpose.

4. When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name appears first in the register of members in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

5. The completion and lodging of this form of proxy will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat should such person wish to do so, to the exclusion of any proxy appointed in terms hereof.

6. If, in the appropriate place on the face of the proxy, there is no indication of how to vote in respect of any resolution the proxy shall be entitled to vote as he/she deems fit in respect of that resolution.

7. The chairman of the annual general meeting may reject or accept any proxy form which is completed other than in accordance with these instructions, provided that in the event of acceptance, he/she is satisfied as to the manner in which a member wishes to vote.

8. If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the member's name.

9. Please insert an X in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares than you own in the company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she deems fit in respect of the entire ordinary shareholder's votes exercisable at the meeting. An ordinary shareholder or his/her proxy is not obliged to use all the votes exercisable by the ordinary shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of votes exercisable by the ordinary shareholder or by his/her proxy.

10. A form of proxy sent by electronic medium to the secretary or transfer secretaries within the time allowed for submission, shall be deemed to constitute an instrument of proxy.

11. Proxy forms should be forwarded to reach the company's transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001, (PO Box 4844, Johannesburg, 2000) no later than 14:00 on Monday 23 August 2010.

ARGENT
Industrial Limited

K-8170 [www.kashan.co.za]