JCI LIMITED

(Registration number 1894/000854/06)

GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

JCI LIMITED

(Registration number 1894/000854/06)

GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

INDEX

The reports and statements set out below comprise the Group Annual Financial Statements presented to shareholders:

JCI LIMITED

(Registration number 1894/000854/06)

CORPORATE INFORMATION

Directors

P R S Thomas	Independent non-executive chairman
P H Gray	Chief executive officer
L A Maxwell	Financial director
D M P S Daly (appointed 23 August 2010)	Independent non-executive director
H W Cochrane (resigned 31 July 2011)	Independent non-executive director
A C Nissen (resigned 31 July 2011)	Independent non-executive director

Company Secretary and Registered Office of JCI Limited ("JCI" or "the Company")

(Registration number 1894/000854/06)
D H Eurelle
10 Benmore Road, Morningside, Sandton, 2146
(PO Box 650412, Benmore, 2010)
Telephone: +27 11 269 8400
Facsimile: +27 11 269 8550
Website: www.jci.co.za

Attorneys

Eversheds
(Registration number 1992/006150/21)
22 Fredman Drive, Sandton, 2196
(PO Box 78333, Sandton City, 2146)

South African Transfer Secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

United Kingdom Transfer Secretaries

JCI (London) Limited
6 St James's Place
London
SW1A 1NP
United Kingdom
Telephone: +44 (20) 7499 3916
Facsimile: +44 (20) 7491 1989

United Kingdom Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Auditors

KPMG Inc.
Registered Accountants and Auditors
(Registration No. 1999/012543/21)
KPMG Crescent, 85 Empire Road, Parktown, 2193
(Private Bag 9, Parkview, 2122)

Sponsor and Corporate Advisors

Investec Bank Limited
100 Grayston Drive, Sandton, 2146
(PO Box 785700, Sandton, 2146)
Telephone: +27 11 286 7000
Facsimile: +27 11 286 7320

JCI LIMITED

(Registration number 1894/000854/06)

REPORT OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER TO SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2011

We present this Report to Shareholders as part of the Group Annual Financial Statements for the year ended 31 March 2011.

REFERRAL

Shareholders are referred to the Group Annual Financial Statements for the year ended March 2010, together with those for the years ended March 2005 to March 2009 included therewith, which were distributed to shareholders on 23 August 2011 and contained detailed comments on relevant financial and non financial matters affecting the Group over that period: - many of which matters remain relevant for an appreciation of the 2011 Group Annual Financial Statements.

ASSETS HELD BY JCI ON 23 JULY 2012

The JCI Group no longer conducts normal business operations and is best described as the holder of:-

- a 62.67% controlling interest in Boschendal (Proprietary) Limited (ñBoschendalò), which is primarily a farming operation and property development in its early stages, and therefore requiring funding (see Boschendal below);
- shares held in Village Main Reef Limited (ñVMRò), which shares accrued to the Group from the Xelexwa settlement (refer to the Directors Report on page 9); and
- in addition there are various legal claims in process against a number of third parties including the previous auditors of the Group. The outcome of these claims is not certain and no recoveries have been provided for in the Groupœs Annual Financial Statements.

BOSCHENDAL

During the 2010 year the Group secured a 62.67% controlling shareholding in Boschendal and the number of shareholders in Boschendal reduced to two; namely JCI Investment Finance (Pty) Limited (ñJCIIFò) ï a wholly owned subsidiary of JCI Limited and IFA Boschendal Investments (Proprietary) Limited (ñIFAò). More importantly, this structure ensured that for the first time there was direction by a controlling shareholder which resulted in focus being placed on restoring the estateœs former grandeur and on developing a sustainable agricultural operation in concert with the process of property development.

PROPERTY DEVELOPMENT

Phase 1

Following approval from the Department of Agriculture an application was processed for subdivision and development of 19 Founder Estates, which approval was obtained in November 2008. Two of these Founder Estates have been sold, and a further five sales are under negotiation. The prices range from R15 million to R40 million per estate. Sales and marketing has been suspended pending the installation of services, which requires approximately R70 million to complete.

Phase 2

Preparation of applications for the rezoning of land have been in process for approximately three years with limited progress. However a recent change in the strategy has resulted in important strides being made in 2011. Initially phase 2 had in excess of 1 100 units for development but it is now more likely to be more in the region of 700 and, in fact, a footprint for the areas for development has now been identified and agreed upon. It is important to note that less than 4% of the whole Boschendal Estateœs land will be rezoned for development. The application includes a hotel site as well as a small commercial site in addition to three residential villages, and a retirement village, which appears to be in great demand in the area. The application also makes provision for an equestrian estate which has scope for further future development. These proposed developments significantly retain the rural character of Boschendal.

Formal lodgement of the applications for this phase are currently taking place.

An aggressive sales program was initially embarked upon whereby stands were reserved by payment of deposits pending approval of the rezoning applications. The current board of Boschendal decided to refund these deposits and only embark on a sales program when the requisite rezoning applications have been approved and the necessary permits granted.

Ultimately this is a long term project which should result in attractive returns over an extended time frame.

Old Bethlehem

In 2010, a transaction was concluded for the sale of the Old Bethlehem farm ï comprising 426 hectares for R76 million, of which R60.8 million is receivable around 30 September 2012. This was an important transaction in creating further sustainability and development for the area. The buyer has already embarked on a major upgrade, which has a beneficial effect for the Boschendal estate and the surrounding villages.

FARMING

Boschendal has 1 000 hectares under current, or proposed, farming operations and remains an estate with extensive vineyards and orchards which require upgrading and development. A recent diversification into a Black Angus Cattle breeding program resulted in the farm being awarded best new breeder status. Further opportunities are considered on an ongoing basis: - including the introduction of cash crops. New plantings completed during the year include 20ha of plums and 16ha of new vineyard.

Hospitality and Tourism

Hospitality and tourism activities have declined but a number of discussions are under way to re-energise these by a variety of functions and deals.

Funding

Delays, especially in respect of receipt of final approval for the rezoning and development of Phases 1 and 2, have resulted in a strain on Boschendal’s cash flow. The farming and tourism activities do not generate sufficient revenue and, until the real estate development generates cash flow, ongoing funding will be required from the shareholders or other suitable means.

From December 2008 to June 2010 Boschendal’s funding requirements, in consequence of the unavailability of bank or third party finance for Boschendal, were addressed and met by injections on loan account by the shareholders, in proportion to their shareholding, via a system of capital calls. Up to 30 June 2010 every capital call made by Boschendal was fully met by both shareholders in their respective shareholding proportions.

Certain disputes subsequently arose between the current shareholders of Boschendal, principally in regard to the validity and application of a prior Shareholders’ Agreement. IFA consequently decided, pending resolution, only to contribute it’s full proportionate share of Nedbank Limited interest, and to contribute nothing towards the funding of the Boschendal operation.

JCIIF, notwithstanding IFA’s decision to discontinue contributing it’s full proportionate share of each capital call, continued to contribute it’s full proportionate share and, in addition, in order to ensure the ongoing operation and welfare of Boschendal and it’s staff, under protest to IFA, contributed the shortfall to Boschendal’s necessary funding which resulted from IFA’s abovementioned limited contribution.

Shareholder matters

Negotiations between JCIIF and IFA regarding a resolution of their disputes having failed, JCIIF advised Boschendal and IFA that it would no longer continue to fund Boschendal until IFA contributed its full proportionate share of such funding, thereby resulting in the going concern status in Boschendal becoming uncertain.

IFA has, since the financial year end, sold its 37.33% shareholding in Boschendal, and ceded its loan account to Canombys Limited (“Canombys”).

Furthermore, since the year end, an agreement has been concluded between JCIIF and Canombys (refer to page 9) which, once it becomes unconditional, will resolve the liquidity and going concern position of Boschendal.

HEMISPHERX BIOPHARMA INC. (“Hemispherx”)

Shareholders are aware that Hemispherx has instituted proceedings against JCI. Further details of this action are contained in the Directors Report on page 9.

THE FUTURE OF JCI

The Board of Directors, following much debate between themselves and numerous discussions with its major shareholders, and taking cognisance of the Group’s illiquid situation, believe that there is no long term future for JCI as it is currently structured, and thus propose that:-

- JCI’s listing be terminated;
- Consideration be given to a consolidation of the JCI share register to reduce the existing number of JCI shareholders (at 31 March 2011 there were 15 210 shareholders);
- The investment in Boschendal be sold or distributed to JCI shareholders as a dividend *in specie;*
- Thereafter JCI’s remaining assets (including legal actions and claims) be realised at best value, its liabilities be settled, and it then be wound up.

APPRECIATION

We wish to express our appreciation to all parties whose contributions greatly assisted the Group’s operation during the year and the preparation and completion of these Group Annual Financial Statements, particularly: -

- all members of JCI’s permanent and temporary staff;
- all members of the JCI board;
- Chris Nissen who served on the board from 12 September 2005 until 31 July 2011; and
- Hylton Cochrane who served on the board from 15 August 2008 until 31 July 2011.

Finally, our appreciation to JCI shareholders for their patience and support.

Peter Thomas
Chairman

Peter Gray
Chief Executive Officer

JCI LIMITED

(Registration number 1894/000854/06)

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

The Board of Directors is responsible for the preparation and fair presentation of Group Annual Financial Statements of JCI Limited comprising the statement of financial position at 31 March 2011 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 March 2011 and the notes to the consolidated financial statements, which include a summary of significant bases of preparation and other explanatory notes, and the DirectorsôReport as set out on pages 7 to 12, in accordance with IFRS and in the manner required by the Companies Act of South Africa, 1973, as amended ("the Companies Actö).

The DirectorsôReport states that the directors are unable to prepare financial statements on this basis and that the Group, whilst endeavouring to comply with IFRS and the Companies Act where practicable, have adopted the basis of preparation set out in note 1 to the Group Annual Financial Statements in the unusual circumstances described in the Directorsô Report. The directors have, as stated in the Group Annual Financial Statements for the years ended 31 March 2008, 2009 and 2010, disclaimed any responsibility for, or liability in respect of, the accuracy, correctness and/or completeness of the information reflected in the Group Annual Financial Statements for the years ended 31 March 2005, 2006 and 2007.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The Board of Directors has made an assessment of the Groupœs ability to continue as a going concern, and as noted in the DirectorsôReport on page 7, funding is required as the Group, while solvent, remains illiquid.

The auditor is responsible for reporting on whether the Group Annual Financial Statements are prepared in accordance with the bases of preparation described in note 1.

Approval of the Group Annual Financial Statements

The Group Annual Financial Statements of JCI, as identified in the first paragraph of this report were approved by the Board of Directors on 3 September 2012 and signed on its behalf by:

P R S Thomas	**P H Gray**	**L A Maxwell**
Independent non-executive chairman	Chief executive officer	Financial director

3 September 2012
Johannesburg, South Africa

DECLARATION BY THE COMPANY SECRETARY

I, declare that, in terms of Section 268 (G)(d) of the Companies Act and in my capacity as Company Secretary, that the company has, save for failure to lodge audited financial reports for the year ended 31 March 2011, lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date in respect of the financial period reported hereon.

D H Eurelle
Company Secretary

3 September 2012
Johannesburg, South Africa

KPMG Inc
Dynarc House
200 Nelson Mandela Drive, Brandwag, 9301
PO Box 12060, Brandhof, 9324, South Africa

Telephone +27 (0)51 403 2700
Fax +27 (0)11 647 6124
Docex 38 Bloemfontein
Internet http://www.kpmg.co.za/

Independent Auditor's Report

To the Members of JCI Limited

We have audited the group annual financial statements of JCI Limited, which comprise the statement of financial position at 31 March 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include the basis of preparation and other explanatory notes, and the directors' report, as set out on pages 7 to 35. These financial statements are prepared for the purpose of providing relevant financial information to the members, as described in the directors' report.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. The directors' report indicates that the directors are unable to prepare financial statements on the above basis and indicates the basis of preparation and the purpose of the financial statements in the unusual circumstances described. Accordingly, the company's directors are responsible for the preparation and presentation of these financial statements in accordance with the basis of preparation described in Note 1 to the financial statements. Furthermore, the directors are also responsible for determining the acceptability of the basis of preparation in these circumstances, and for such internal control as the directors determine necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 about the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the group financial statements of JCI Limited for the year ended 31 March 2011 have been prepared, in all material respects, in accordance with the basis of preparation described in Note 1 to the financial statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the directors' report which indicates that the basis of preparation of the financial statements and that this basis is considered by the directors to be relevant to the shareholders in the unusual circumstances of the group.

KPMG Inc.
Registered Auditor

Per: **Willem van der Merwe**
Chartered Accountant (SA)
Registered Auditor
Director
3 September 2012

JCI LIMITED

(Registration number 1894/000854/06)

DIRECTORS’ REPORT FOR THE YEAR ENDED 31 MARCH 2011

INTRODUCTION

JCI Limited (ñJCIò or ñthe Companyò) is incorporated in the Republic of South Africa with its registered address at 10 Benmore Road, Morningside, Sandton.

The Group Annual Financial Statements for the year ended 31 March 2011 comprise the consolidated position of the Company and its subsidiaries (together referred to as ñthe Groupò). The Group holds investments in unlisted shares including shares in subsidiaries which hold immovable property.

CURRENT STATUS OF THE COMPANY

The Companyqs shares, although still listed on the Johannesburg Stock Exchange, were suspended in 2005.

FINANCIAL STATEMENTS AND BASIS OF PREPARATION

These financial statements are for the year ended 31 March 2011, with comparatives for 31 March 2010.

The Companies Act requires the Annual Financial Statements to be prepared in accordance with IFRS and in the manner required by the Companies Act. As noted in the Annual Financial Statements for 2010 it is not considered beneficial to shareholders for the Group to prepare financial statements that comply with the requirements of IFRS and in the manner required by the Companies Act. Accordingly, these financial statements are prepared on a basis considered by the directors to be relevant in the unusual circumstances of the Group. The bases of preparation are described in note 1 to these Annual Financial Statements and are consistent with the bases of preparation for 2010.

The Group Annual Financial Statements for the year ended March 2010, together with those for the years ended March 2005 to March 2009 included therewith, were distributed to shareholders on 23 August 2011 and contained detailed comment on relevant financial and non financial matters affecting the Group over that period: - many of which matters remain relevant for an appreciation of the 2011 Group Annual Financial Statements.

In particular, the Groupqs Annual Financial Statements for the years ended 31 March 2005, 31 March 2006 and 31 March 2007 contained a disclaimer of responsibility from the directors of the Group that they were unable to substantiate the completeness, accuracy and correctness of the information in those Annual Financial Statements. Accordingly, the Groupqs auditors declined to give an audit opinion on those Annual Financial Statements (ñthe Disclaimed AFSò).

Whilst subsequent Group Annual Financial Statements contained no such disclaimer or lack of audit opinion, they obviously included information (financial or otherwise) whose origin dated from or before the Disclaimed AFS, or which had been computed in or based on computations made in the Disclaimed AFS years or before.

The Annual Financial Statements for the year ended 31 March 2011 record and report the disposal of certain listed shares, whose accounted and taxation base cost originated in the Disclaimed AFS years in terms of the assumptions made by the Group.

GOING CONCERN

At 31 March 2011 the Group was solvent but illiquid, as its major assets comprise the non-cash generating investment in Boschendal and the legal claim against Xelexwa. The Groupqs liquidity requirement was, until the Xelexwa settlement (refer to page 9), satisfied by short term funding from Investec Bank Limited (ñInvestecò).

The Groupqs current liquidity requirement is, and will continue to be, met by the cash received from the Xelexwa settlement including the sale of VMR shares received in the Xelexwa settlement.

In addition the Groupqs obligation to provide ongoing funding to Boschendal will cease when the agreement referred to on page 9 hereto under *“Sale of Boschendal”* becomes unconditional.

Whilst there is no certainty, given that the above agreement contains conditions precedent still to be fulfilled, that the agreement will become unconditional which would allow the Board to state conclusively that Boschendalqs future funding is secure, the directors are confident that the deal will be consummated.

The Board of Directors can therefore state, with an acceptable degree of certainty, that they are satisfied that the Groupqs funding requirements for the 12 months beyond 31 August 2012 are secured.

The financial statements do not reflect any adjustments to the carrying value of assets and liabilities, as well as the statement of financial position classifications, that would be necessary should the going concern assumption be inappropriate.

JCI LIMITED

(Registration number 1894/000854/06)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

MAJOR TRANSACTIONS

The following major transactions were concluded or completed during the year:

Settlements

In January 2010 the Group signed Agreements with, *inter alia*, Randgold & Exploration Company Limited (ñR&Eò), Investec and Letseng Diamonds Limited (ñLetsengò) in terms of which all claims and disputes between the parties were fully and finally settled. In particular:-

(i) R&E received 6 051 632 Gold Fields shares from JCI and 1 555 710 220 new issued shares in JCI (refer to the Directorsô Report on page 10, and note 12 on page 28), the settlement amounted to approximately R900 million;

(ii) Investec was paid a loan settlement fee of R267.5 million by JCI; and

(iii) Letseng was paid R40 million by JCI in respect of its legal and other costs on an indemnity basis in March 2010.

The settlements referred to in (i) and (ii) above were implemented by June 2010.

NET ASSET VALUE STATEMENT AT 23 JULY 2012

The directors have prepared an unaudited Group Net Asset Value Statement (ñNAVò) at 23 July 2012 for the purpose of providing shareholders with practical information which will contribute to their understanding and appreciation of the current financial position of the Group.

The significant differences between the unaudited NAV at 23 July 2012 and the Group Annual Financial Statements for the year ended 31 March 2011 for assets and liabilities at that date are detailed below:

	Unaudited NAV 23 July 2012	Annual Financial Statements 31 March 2011	Commentary
ASSETS	R'000	R'000	
Boschendal	250 000		During the 2010 financial year, JCI acquired and/or recovered a shareholding of 62.67% and loan accounts in Boschendal. The NAV value reflects the view of the directors of existing market conditions, as well as current negotiations with a third party. In the Annual Financial Statements Boschendal is a subsidiary at 31 March 2010 and 2011 (see note 34) and consequently the assets and liabilities of Boschendal are included in the assets and liabilities of the consolidated Annual Financial Statements. (Refer to note 34 on page 35 for a summary of Boschendalõs assets and liabilities at 31 March 2011).
Xelexwa	10 000	89 344	The NAV reflects an amount receivable of R10 million, being the cash settlement receivable in two equal tranches at the end of September 2012 and December 2012. (Refer to page 9). In the Annual Financial Statement, the claim is conservatively recorded at a value of the issue price of 25c per Xelexwa preference share issued to the Group (see note 6 and refer to the Directors Report on page 9 and refer to VMR below).
VMR	96 326	-	Arising from the Xelexwa settlement (see page 9 and refer to Xelexwa above) the JCI Group held 45 869 218 VMR shares at the NAV date, and was entitled to a dividend of 30 cents per share which was paid on 6 August 2012.
LIABILITIES			
Investec short term loan	79 042	45 332	The difference of R33.7 million is in respect of net operating costs for JCI and Boschendal for the period between 31 March 2011 and 23 July 2012 (16 months), plus interest accruing on the loan for that period.

NON-CONSOLIDATED SUBSIDIARIES

Certain subsidiaries of the Group have not been consolidated in the Group Annual Financial Statements:

(i) the Alongshore Resources group of companies have inadequate accounting records;

(ii) the Company appears to hold a 66.00% investment in Tantco Global (Proprietary) Limited, but no accounting or statutory records could be found; and

(iii) the Lyons group has not been consolidated as adequate books of account have not been maintained and the future of the Lyons group is uncertain. The amount owing by the Lyons group to the JCI Group included in Non-consolidated Group loans (see note 7) was substantially recovered in the current year.

BORROWINGS

In terms of the Company's Articles of Association, its borrowing powers are unlimited. In the year under review, the Group primarily borrowed money from Investec to fund loans to Boschendal and to meet it's ongoing operating costs.

LITIGATION

Hemispherx

On 21 December 2004, Hemispherx, a US based pharmaceutical company instituted a civil action in the United States against Brett Kebble, JCI, Hennie Buitendag and certain other parties under the United States Federal Securities law and for common law fraud.

Hemispherx *inter alia* alleged that its shares were manipulated "*for purposes of bringing about a hostile takeover of the company*".

On 8 July 2005 The United States District Court for Southern Florida dismissed both Hemispherx claims on the basis that the Complaint did not disclose a cause of action and that the dispute had to be adjudicated in South Africa in terms of an Arbitration Agreement between the parties.

Hemispherx appealed against this decision and on 2 February 2009 the United States Supreme Court of Appeal (Eleventh Circuit) affirmed the dismissal of the Federal Securities law claim but reversed the dismissal of the fraud claim and referral to Arbitration.

JCI filed a further motion to dismiss the claim for lack of jurisdiction and due to the fact that no cause of action was disclosed in the claim. On 25 August 2009 the United States District Court for Southern Florida again dismissed the fraud claim on the ground that no cause of action was disclosed.

Hemispherx filed a further amended complaint which asserted only common law fraud. On 2 November 2009 JCI applied to dismiss this amended complaint on the basis that no cause of action was disclosed and for lack of jurisdiction by the Court.

On 7 April 2010 the United States District Court for Southern Florida rejected both JCI's grounds and ordered JCI to file a plea within 30 days.

JCI was advised that any further involvement by JCI in the USA litigation might be construed as a submission by JCI to the jurisdiction of the USA courts. Accordingly instructions were given to withdraw from the case which motion was filed on 27 May 2010.

The United States District Court for Southern Florida granted judgment ("the Judgement") against JCI on 11 August 2010 for US$188 million ("the Award").

On 27 June 2011 Hemispherx served an application on JCI in terms of which it requests the High Court of South Africa to recognise and enforce the judgement of the USA court, which application is being opposed by JCI.

The board of directors has been advised by its legal advisors that prospects of successfully resisting the application are good.

Other Matters

The Group is pursuing other legal claims and recoveries, and is at various stages of assessment or process in regards thereto. Prudently, due to the uncertainty that attaches to such matters, the Group has not taken account of potential recoveries in respect thereof.

EVENTS AFTER THE REPORTING PERIOD

Settlement of the Xelexwa claim

The claim against Xelexwa was settled on 23 March 2012 and the settlement comprised of the transfer to JCIIF of 50 000 000 VMR shares and R10 million in cash. Whilst the directors and the Group's legal advisors were confident that they would have been successful in being awarded the full claim of R166 million, it was decided, after consideration of the probable time and costs involved to accept the settlement which had an approximate value of R115 million, comprising 50 000 000 VMR shares at a market value of R1.80, a cash settlement of R10 million and a dividend paid shortly after the settlement date of R15 million.

Sale of Boschendal

An agreement for the sale for the Group's total interest in Boschendal, which was reported in the Annual Financial Statements for 2010, was not consummated due to the non-fulfilment of certain suspensive conditions therein by the Purchaser.

Subsequently JCI entered into negotiations with Canombys (who have acquired a minority 37.33% stake in Boschendal - refer to page 4) and on 2 August 2012 an agreement was concluded with Canombys, in terms of which Canombys will:-

1. subscribe for new shares in Boschendal, such that Canombys will increase the 37.33% stake to 51.0%;
2. inject R80 million into Boschendal on loan account;
3. will take cession of approximately R44 million of JCIIF's loan to Boschendal; and
4. a rights issue of R20 million will in due course be injected into Boschendal by shareholders.

This agreement should become unconditional on or before 15 October 2012 when all of the conditions precedent are fulfilled.

EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

Legal award

An award of R6 million was made in favour of JCI against Richtrau and Vulisango, payable in respect of costs incurred in setting aside the attempted liquidation and deregistration of Xelexwa.

Loan settled

The non-consolidated Group loan to JCI Properties Solutions (Proprietary) Limited was substantially recovered after March 2011 by the excussion of all the issued shares in various Lyons property owning companies.

SHARE OPTION SCHEME

No options were exercised during the year ended 31 March 2011; and the scheme, which had been dormant, was terminated in January 2011.

SHARE CAPITAL

Full details of the Company's authorised and issued share capital are set out in note 12 to the consolidated financial statements. During the year under review the company increased its authorised share capital to 3 800 000 000 shares (2 700 000 000 in 2010) and issued 1 555 710 220 new shares (Refer to the Directors' Report on page 8 and note 12 on page 28).

DIVIDENDS

No dividends were declared during 2011 (2010: Nil)

CORPORATE GOVERNANCE

JCI has for some time been and is still in the process of winding up all of its operations, and is endeavouring to accomplish this in the most cost effective manner. Accordingly, the directors consider it impractical to comply with the requirements of King III. However, the directors are committed to the principles of good corporate governance and implement this as far as it is practically possible.

SUBSIDIARIES

Particulars of the major South African subsidiaries of the Group appear below:

Name of company	***Held by***
Boschendal (Proprietary) Limited	JCI Investment Finance (Proprietary) Limited
Consolidated Mining Management Services Limited	JCI Limited
JCI Gold Limited	JCI Limited
JCI Investment Finance (Proprietary) Limited	JCI Limited
Letseng Investment Holdings (South Africa) (Proprietary) Limited	JCI Limited

FOREIGN SUBSIDIARIES

The Company held shares, directly and indirectly in the following subsidiaries:

Name of company	***Held by***	***Country of incorporation***
Consolidated African Mines Australia Pty Limited	Consolidated African Mines Jersey Limited	Australia
Consolidated African Mines Jersey Limited	JCI Limited	Jersey
Consolidated Bullion Limited	JCI Limited	Isle of Man
Goldbrands Limited	Consolidated Bullion Limited	Isle of Man
Goldspark Limited	Consolidated African Mines Jersey Limited	Australia
Discus Holdings Limited	JCI Gold Limited	Liberia
Discus Limited	JCI (Isle of Man) Limited	Isle of Man
JCI East Africa Company Limited	Discus Holdings Limited	Isle of Man
JCI (Isle of Man) Limited	Discus Holdings Limited	Isle of Man
Loom Limited	Discus Holdings Limited	Isle of Man
Spindle Limited	Discus Holdings Limited	Isle of Man
Ridek Corporation Limited	Weston Investments Pty Limited	Australia
Weston Investments Pty Limited	Consolidated African Mines Jersey Limited	Australia

DIRECTORATE

Directors in office at 31 March 2011 were:

P R S Thomas	Independent non-executive chairman
P H Gray	Chief executive officer
L A Maxwell	Financial director
H W Cochrane	Independent non-executive director
A C Nissen	Independent non-executive director
D M P S Daly	Independent non-executive director

D M P S Daly was appointed to the Board of Directors on 23 August 2010. H W Cochrane and A C Nissen resigned from the Board of Directors with effect from 31 July 2011.

DIRECTORS' INTEREST

There were no changes in the Board of Directorsô interests, either directly or beneficially. L A Maxwell continues to hold 100 shares in the Company directly and beneficially, and no other directors hold any shares in the Group.

DIRECTORS' REMUNERATION

Cost to the Group in respect of directors for the year end 31 March 2011 was as follows:-

Director	Salary R'000	Bonus R'000	Directors fees R'000	Group Life R'000	Leave pay R'000	Company Contributions ï SDL and UIF R'000	TOTAL 2011 R'000	TOTAL 2010 R'000
Paid by the Company								
P H Gray	3 345	5 283	-	206	551	44	**9 429**	**3 842**
L A Maxwell	2 515	3 207	-	155	-	29	**5 906**	**2 903**
	5 860	**8 490**	**-**	**361**	**551**	**73**	**15 335**	**6 745**
P R S Thomas	-	-	867	-	-	10	**877**	**387**
H W Cochrane	-	-	478	-	-	5	**483**	**211**
A C Nissen	-	-	213	-	-	3	**216**	**196**
D M P S Daly	-	-	129	-	-	-	**129**	**-**
TOTAL	-	-	1 687	-	-	18	**1 705**	**794**
	5 860	**8 490**	**1 687**	**361**	**551**	**91**	**17 040**	**7 539**
Paid by subsidiaries								
P R S Thomas	-	-	95	-	-	-	**95**	**-**
D M P S Daly	-	-	90	-	-	-	**90**	**-**
	-	**-**	**185**	**-**	**-**	**-**	**185**	**-**
TOTAL	**5 860**	**8 490**	**1 872**	**361**	**551**	**91**	**17 225**	**7 539**

DIRECTORS ATTENDANCE AT THE BOARD MEETINGS DURING THE YEAR UNDER REVIEW

Director	Board Meetings
Number of meetings held during the year	9
P R S Thomas (Independent non-executive) Appointed 12 September 2005; Appointed Chairman 31 July 2008	9
P H Gray (Chief executive officer) Appointed 24 August 2005	9
L A Maxwell (Financial director) Appointed 13 December 2006	8
D M P S Daly (Independent non-executive) Appointed 23 August 2010	5
H W Cochrane (Independent non-executive) Appointed 15 August 2008; resigned 31 July 2011	8
A C Nissen (Independent non-executive) Appointed 12 September 2005; resigned 31 July 2011	6

COMPANY SECRETARY

The Board is responsible for the appointment of the Company Secretary, who is responsible for the duties set out in the Companies Act and for compliance with the JSE Listings Requirements.

D H Eurelle, who was appointed on 1 November 2011, replaced D O Jones (BA LLB), who was appointed on 1 February 2008 and resigned with effect from 31 October 2011.

The Company's business and postal address is as follows:

10 Benmore Road, Morningside, Sandton, 2146
(PO Box 650412, Benmore, 2010)

AUDITORS

KPMG Inc. will continue in office in accordance with section 270(2) of the Companies Act.

UNITED KINGDOM SECRETARIES

St James's Corporate Services acted as secretaries to the Group in the United Kingdom for the period under review.

UNITED KINGDOM REGISTRARS

Capita Registrars Limited acted as registrars and transfer agents in the United Kingdom for the period under review.

AUDIT COMMITTEE

This Committee comprised two non-executive directors, initially being P R S Thomas and H W Cochrane, and the financial director L A Maxwell, and its responsibilities include the review of the Annual Financial Statements. H W Cochrane resigned with effect from 31 July 2011, on which date D M P S Daly became a member of the audit committee. The Committee meets when necessary or appropriate, and during the year under review it met once formally and a number of times informally.

The Committee is satisfied that the auditor was independent as is required in terms of Section 270 A (i)(f) of the Companies Act.

NOMINATION AND REMUNERATION COMMITTEE

This Committee comprises the Chairman and Chief executive officer who meet when necessary or appropriate.

COMPANY ANNUAL FINANCIAL STATEMENTS

The directors do not consider the Company's stand alone Annual Financial Statements to be relevant, and they are therefore not presented. The Company's Annual Financial Statements will nevertheless be prepared and be available at the Company's registered offices when completed.

JCI LIMITED
(Registration number 1894/000854/06)

GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
STATEMENT OF FINANCIAL POSITION

	Note	Group 2011 R'000	Group 2010 R'000
Assets			
Non-current assets			
Biological assets	3	9 309	8 425
Property, plant and equipment	4	406 640	443 478
Cost of control	5	6 795	52 290
Other financial assets	6	115 646	101 146
Deferred tax	8	-	54 055
Non-consolidated Group loans	7	-	21 730
		538 390	**681 124**
Current assets			
Inventories	9	130 907	122 974
Other financial assets	6	12 586	710 928
Trade and other receivables	10	75 736	19 561
Cash and cash equivalents	11	31 584	116 860
		250 813	**970 323**
Total assets		**789 203**	**1 651 447**
Equity and Liabilities			
Equity			
Equity attributable to equity holders of the parent			
Share capital and premium	12	2 108 000	1 776 689
Reserves		(101 873)	(95 591)
Accumulated loss		(1 816 615)	(1 677 253)
		189 512	3 845
Non-controlling interest		13 774	39 003
		203 286	**42 848**
Liabilities			
Non-current liabilities			
Other financial liabilities	13	215 006	277 503
Finance lease obligation		-	39
		215 006	**277 542**
Current liabilities			
Other financial liabilities	13	224 913	30 790
Current tax payable		49 692	26 546
Finance lease obligation		7	125
Trade and other payables	17	87 419	36 108
Provisions	15	8 880	282 639
R&E settlement provision	16	-	954 849
		370 911	**1 331 057**
Total liabilities		**585 917**	**1 608 599**
Total equity and liabilities		**789 203**	**1 651 447**

JCI LIMITED

(Registration number 1894/000854/06)

GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
STATEMENT OF COMPREHENSIVE INCOME

	Note	Group 2011 R'000	2010 R'000
Revenue	18	17 450	43 294
Cost of sales	19	(3 342)	(32 870)
Gross profit		**14 108**	**10 424**
Other income	22	45 037	134 407
Operating expenses		(239 785)	(40 164)
Operating (loss) / profit	20	**(180 640)**	**104 667**
Investment income	21	114 516	38 778
Fair value adjustments	23	47 585	(85 446)
Finance costs	24	(39 391)	(37 976)
(Loss) / profit before taxation		**(57 930)**	**20 023**
Taxation	25	(76 964)	(16 582)
(Loss) / profit for the year		**(134 894)**	**3 441**
Other comprehensive income:			
Exchange difference on translating foreign operations		-	(6 990)
Total comprehensive loss		**(134 894)**	**(3 549)**
(Loss) / profit attributable to:			
Owners of the parent:		(109 665)	3 441
Non-controlling interest		(25 229)	-
		(134 894)	**3 441**
Total comprehensive loss attributable to:			
Owners of the parent		(109 665)	(3 549)
Non-controlling interest		(25 229)	-
		(134 894)	**(3 549)**
Basic (loss) / earnings per share (in cents)	31	**(2.90)**	**0.15**
Headline loss per share (in cents)	31	**(2.99)**	**(0.50)**

JCI LIMITED

(Registration number 1894/000854/06)

GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Fair value adjustment assets available for sale reserve	Treasury shares	Total reserves	Accumu-lated loss	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Balance at 01 April 2009	**22 248**	**1 754 441**	**1 776 689**	**(56 701)**	**2 925**	**(35 934)**	**(89 710)**	**(1 680 097)**	**6 882**	**-**	**6 882**
Profit for the year	-	-	-	-	-	-	-	3 441	3 441	-	3 441
Other comprehensive income / (loss) for the year	-	-	-	(6 990)	-	-	(6 990)	-	(6 990)	-	(6 990)
Other movements	-	-	-	-	-	1 109	1 109	(597)	512	-	512
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	39 003	39 003
Total changes in equity	-	-	-	(6 990)	-	1 109	(5 881)	2 844	(3 037)	39 003	35 966
Balance at 01 April 2010	**22 248**	**1 754 441**	**1 776 689**	**(63 691)**	**2 925**	**(34 825)**	**(95 591)**	**(1 677 253)**	**3 845**	**39 003**	**42 848**
Issue of new shares	15 557	-	15 557	-	-	-	-	-	15 557	-	15 557
Share premium ï new share issue net of expenses	-	315 754	315 754	-	-	(33 054)	(33 054)	-	282 700	-	282 700
Loss for the year	-	-	-	-	-	-	-	(109 665)	(109 665)	(25 229)	(134 894)
Other movements	-	-	-	-	(2 925)	-	(2 925)	-	(2 925)	-	(2 925)
Impairment of treasury shares	-	-	-	-	-	29 697	29 697	(29 697)	-	-	-
Total changes in equity	15 557	315 754	331 311	-	(2 925)	(3 357)	(6 282)	(139 362)	185 667	(25 229)	160 438
Balance at 31 March 2011	**37 805**	**2 070 195**	**2 108 000**	**(63 691)**	**-**	**(38 182)**	**(101 873)**	**(1 816 615)**	**189 512**	**13 774**	**203 286**
Note	12	12	12								

JCI LIMITED

(Registration number 1894/000854/06)

GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
STATEMENT OF CASH FLOWS

	Note	Group 2011 R'000	Group 2010 R'000
Cash flows from operating activities			
Cash receipts from customers		38 437	38 138
Cash paid to suppliers and employees		(164 760)	(197 742)
Cash utilised in operations	28	(126 323)	(159 604)
Interest income		8 833	7 231
Dividends received		5 094	31 547
Finance costs		(34 367)	(37 976)
Tax paid	27	-	(1 222)
Net cash from operating activities		**(146 763)**	**(160 024)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(5 476)	(47)
Sale of property, plant and equipment		15 394	97
Acquisition of subsidiary	29	-	(26 256)
Disposal of / sale of financial assets including treasury shares		149 475	526 359
Net cash from investing activities		**159 393**	**500 153**
Cash flows from financing activities			
Loans from associates repaid		-	(252 001)
Proceeds from non-Group loans		-	500
Non-Group loans advanced by lenders		194 361	-
Non-Group loans repaid to lenders		(24 608)	-
Payment of loan settlement fee		(267 500)	-
Finance lease obligations		(157)	156
Dividends paid		-	(597)
Net cash from financing activities		**(97 906)**	**(251 942)**
Total cash movement for the year		**(85 276)**	**88 187**
Cash at the beginning of the year		116 860	26 432
Effect of exchange rate movement on cash balances		-	2 241
Total cash at end of the year	11	**31 584**	**116 860**

Reporting entity

JCI Limited (the "Company") is domiciled and incorporated in the Republic of South Africa. The consolidated financial statements of the Group for the year ended 31 March 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates. The Group has no operating businesses, and merely remains the holder of unrelated investments, principally in listed and unlisted shares and property.

1. Basis of preparation

The financial statements have been prepared on the basis more fully described below. The financial statements include:

- All significant assets - assets are recorded where the directors have been able to establish legal title to the asset, and the Group is able to benefit from that asset (either whilst held or on disposal).
- Contingent assets - contingent assets are disclosed where the directors are in the process of establishing legal title to the asset or certain cash flows relating to that asset.
- All significant liabilities - liabilities are recorded where the directors have established that there is a legal obligation to make a payment which cannot otherwise be avoided.
- Contingent liabilities - contingent liabilities are disclosed where the legal obligation to make a payment has not been established and where the directors believe that there is a reasonable possibility of defending the claim.

Assets are classified as current where the directors expect to realise the asset in the next twelve months. Liabilities are classified as current where there is an obligation to settle in the next twelve months, or where law requires settlement in the event that the counterparty demands repayment. In all other circumstances, assets and liabilities are classified as non-current.

The following assumptions were made in the preparation of the statement of cash flows:

- Unless specific evidence indicated to the contrary, the assumption was that movements between the 2010 and 2011 assets and liabilities represented cash flows.
- Unless specific evidence indicated to the contrary, interest income, dividends received and finance costs per the statement of comprehensive income was assumed to be received / settled in cash in the current financial year.

As a result of the above assumptions, the amounts as disclosed in the statement of cash flows may not represent actual cash flows.

1.1 Going concern

The valuations included in the financial statements presume that the Group will continue as a going concern, and will therefore be able to realise assets and settle liabilities in the ordinary course of business.

1.2 Reporting currency

The Company is domiciled in the Republic of South Africa and the consolidated financial statements of the Group are presented in South African Rand which is the currency in which the significant transactions of the company occur. All financial information presented has been rounded to the nearest thousand Rand.

1.3 Significant judgements and sources of estimation

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

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using certain valuation techniques and directorsô valuations. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

Provisions and R&E settlement provision

Provisions were raised based on information available and management determined best estimates. Additional disclosures of these estimates of provisions are included in note 15 and note 16.

Non-consolidated Group loans and loans to Group companies

Where agreements or financial records are not available to confirm the terms and amounts of loans to Group companies, the directors have estimated the amounts of and terms of the loans using any available information which the directors believe relevant in establishing the terms.

1.4 Biological assets

Biological assets comprise the vineyard development costs, lavender fields and livestock which are capitalised. Vineyard costs and lavender fields are capitalised during the first five years during which the vines and lavender are being prepared for full production. Once the vineyards and lavender fields have reached full production, all further maintenance costs are expensed. Vineyards and lavender fields are amortised from year to year, as fair value cannot be measured.

Subsequent to initial recognition: - livestock are carried at fair value less estimated point-of-sale costs; and
- vineyards and lavender fields are carried at cost less accumulated depreciation.

The carrying values of biological assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts.

The recoverable amount of biological assets is the greater of 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. Impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

A biological asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the item is derecognised.

1.5 Consolidation

Basis of consolidation

The Group financial statements, except as otherwise disclosed in the DirectorsôReport, incorporate controlled entities for which financial records are available. Those entities with no or inadequate accounting records are not included in the consolidation.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The power to govern is demonstrated by legal ownership of the shares in the company.

The results of consolidated subsidiaries are included in the Group financial statements from the legal date of acquisition to the legal date of disposal, which is when there is a transfer of the risks and rewards relating to the investment.

For consolidated subsidiaries:

Adjustments are made when necessary to the Group financial statements of subsidiaries to bring their bases of preparation in line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Interests in the net assets of consolidated subsidiaries which are held other than by the Group are identified and recognised separately from the Group's interest, and are recognised within equity as a non-controlling interest. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest to Nil. Profit or loss is divided into that portion in which the Group has an interest, and the interest of the other shareholders based on the relevant legal shareholding.

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

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

Where a subsidiary is disposed of any difference between the net assets sold and the proceeds received is included in profit or loss and as part of operating profit / loss. The proceeds on disposal are determined with reference to the sale agreement, where relevant.

For non-consolidated subsidiaries:

Intra-group balances and transactions are not eliminated. Instead the balances and transactions remaining in the Company or other subsidiary company financial statements are retained. The accounting policies in respect of these balances is described on page 20 under the heading Loans and receivables.

1.6 Acquisition of controlling interest - Boschendal

During the 2010 financial year, the Group obtained control over Boschendal by acquiring both shares and shareholder claims from certain of the previous shareholders. With the exception of the items noted in 1.10 and 1.17, the acquisition has been accounted for using the values provided by Boschendal in their management accounts. The purchase price was settled by cash, the conversion of debentures and the transfer of a loan receivable by the previous shareholder from Boschendal. For the purposes of determining the cost of acquisition, the debentures were measured at their carrying amount immediately prior to conversion and the loan acquired at the amount recorded in the general ledger of Boschendal.

Any difference between the net assets acquired and the consideration paid is recorded as cost of control. Impairment of the investment in Boschendal is first recorded against cost of control thereafter systematically to all other assets.

1.7 Foreign currency transactions and balances

Transactions in currencies other than Rand are translated at the rate at the date of the transaction. Foreign currency balances are translated at the year-end rate. All foreign currency gains and losses are recorded in profit or loss. Gains are disclosed as other income.

1.8 Foreign currency translation for consolidation

Foreign subsidiaries which retain their accounting records in currencies other than Rand are translated into Rand for the purposes of consolidation. The results for the year are translated at the average exchange rate for the year and assets and liabilities at the exchange rate at the reporting date. Any difference arising on applying this translation method are shown as a separate reserve in equity ï the foreign currency translation reserve, and any changes during the year are shown as part of other comprehensive income.

1.9 Assets - general

Except where otherwise noted, assets are initially recorded at cost, and are subsequently carried at the lower of cost or net realisable value. Cost is determined by reference to invoices received for the asset or the contractual arrangement, together with any directly related transaction costs. Where there is no documentation available to support a cost, the asset is recognised at nil.

Net realisable value is determined as follows:

- For investments in subsidiaries and associates and loans to subsidiaries, net asset value was determined by reference to the audited financial statements of the entity and the directorsôexpectations that there will be sufficient resources available to support the carrying value.
- For loans and receivables the net realisable value is the amount the directors expect to recover under the loan, on a non-discounted basis. For non-consolidated Group loans, the directorsôexpectations are based on the anticipated sale of assets owned by the non-consolidated subsidiaries and which are known to exist.
- Any write-downs to net realisable value are described as impairments.

1.10 Boschendal assets

Assets of Boschendal have been recorded on acquisition at amounts reflected in the management accounts of Boschendal. Management accounts are prepared on a historical cost basis except for land and buildings which are carried at agricultural values. Subsequently the amounts recorded in the annual financial statements of Boschendal have been used.

Cost of control arising on acquisition is carried at cost less any accumulated impairment losses. Cost of control is amortised on a systematic basis as the Group sells its Boschendal properties.

Land and buildings were revalued to farming value (value if sold for agricultural purposes) on the date of acquisition. Revaluation surplus is accounted for in other comprehensive income. Deferred tax is not raised on a revaluation surplus.

1.11 Property, plant and equipment

Land is not depreciated. Property, plant and equipment is initially recognised at cost, and is subsequently carried at cost less accumulated depreciation.

Property, plant and equipment are depreciated on the straight-line basis over their useful lives (as disclosed below) to a nil value. Land is not depreciated. Depreciation is included in operating expenses.

Item	**Useful life**
Buildings	20 years
Plant and machinery	10 - 20 years
Furniture and fixtures	5 - 8 years
Motor vehicles	5 years
Office equipment	1 - 5 years
IT equipment	2 - 5 years
Paintings and other	5 - 10 years

1.11 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in profit or loss as part of operating expenses. When property, plant and equipment is sold, any gain or loss arising is included in profit (as other income) or loss (as part of operating expenses). The gain or loss is determined as the difference between the disposal proceeds (net of transaction costs) and the carrying amount of the item. A disposal is recorded when risks and rewards of ownership transfer in accordance with the sale contract.

1.12 Financial assets

Financial assets are contracts which will be settled in cash or represents an ownership in another entity which is not sufficient for control. Financial assets are recognised when the contractual rights come into force or legal title passes. Financial instruments are derecognised where the contractual rights expire or there is a transfer of legal title.

Financial assets are classified into the following categories:

Financial assets at fair value through profit or loss (intention to trade in the short term)

Listed shares and single stock futures are recognised on acquisition and subsequently at fair value, with all gains and losses recorded in profit or loss as part of the fair value adjustments line. Fair value is determined using the closing price of the security at the reporting date. The R&E shares were valued at the suspended share price of R8.90 per share at 31 March 2010.

Where listed shares are carried at no cost, and these investments are subsequently sold, the proceeds are recognised in profit or loss.

Unlisted investments are initially recognised at cost and are subsequently carried at the lower of cost or net realisable value.

Available for sale (no intention to trade in the short term)

These assets are recorded at cost on acquisition and subsequently at the closing share price at year end. These gains or losses are recorded in a reserve (fair value adjustment assets available for sale reserve). These gains are shown as other comprehensive income, being gains not recorded as part of profit or loss. Where there are losses when compared to cost and the losses are expected to exist for an extended period, any gains previously recorded are removed from reserves and recognised in profit or loss. Losses are thereafter recognised in profit or loss. The losses and gains removed from reserves are recorded in the profit or loss as part of the fair value adjustments line.

For listed investments fair value is determined using the closing price of the security at the reporting date.

Held to maturity investments (intention to hold the asset to its maturity date)

Held to maturity investments consist of debentures and preference shares.

Preference shares are carried at cost per the subscription agreement. Debentures are accounted for at the face value per the debenture agreement plus accrued interest based on the nominal interest rate in terms of the debenture agreement.

Loans and receivables

Loans and receivables consist of non-consolidated Group loans, and trade and other receivables. Loans and receivables are carried at the lower of the face value (per the agreement) or the net realisable value. Where the agreement provides for interest, interest is accrued at the rate and on the basis provided in the agreement.

Where no agreement can be found and the loan is with a local subsidiary, the loan balance as reflected in the respective lending Group company's accounting records was accepted as correct. The loans are unsecured, interest fee and not repayable within twelve months of the reporting date.

Where no agreement can be found and the loan is with a foreign subsidiary, the loan is recorded at the historical value of the subsidiary's accounts and this loan amount is presumed to be in the foreign currency in which the subsidiary is domiciled.

Cash and cash equivalents

Cash and cash equivalents are initially recognised at and subsequently measured at cost.

1.13 JCI Investment Finance (Proprietary) Limited – a special purpose vehicle ("SPV")

JCI Investment Finance (Proprietary) Limited was formed as a SPV specifically to provide Investec the security it required (by way of the encumbrance of certain assets within the JCI Group) for the funding lent to the JCI Group in order to fund its operational and structural requirements. JCIIF was intended to act as custodian for these assets, but was not intended to trade in these assets in any way. JCIIF would then, as instructed by JCI, re-route (on inter-company loan account) the funding received from Investec on the same terms and conditions (including interest charged) as those levied on it by Investec. The subsequent sale or realisation of any of the encumbered assets would be facilitated by the transfer back to the relevant JCI Group company, from which it was initially transferred into JCIIF, where it would be encashed and, the funds received from the encashment, would then be re-routed back to JCIIF in order for JCIIF to settle the Investec loan facility.

JCIIF was to return all assets remaining, after settlement of the Investec loan balance and subsequent release from the assets from the Investec security, to the JCI Group company from whence the assets had been transferred to JCIIF (on inter company loan account) as instructed by JCI and then wound up. This was anticipated to occur within 18 months of the formation of the SPV, i.e. March 2007. However, such settlement was not possible as a result of a court interdict initiated by a shareholder, who disputed the original loan settlement fee / profit share in particular, and the validity of the Investec Loan Agreement in general.

The earliest date JCIIF could have been wound up was June 2010 and the remaining assets transferred back to the Group companies was on signature of the Litigation Settlement Agreement (and all the completion of all the suspensive conditions) and on payment of the Investec Loan Settlement fee.

JCIIF remains active and its main asset is Boschendal, which remains encumbered for the Investec loan (Refer to note 13 on page 29).

Once Boschendal is sold or transferred back to another JCI Group company, JCIIF will be wound up.

1.14 Inventories

Properties

Certain properties acquired as part of the acquisition of the Boschendal Wine Estate have been earmarked for resale. These properties are reflected as inventory and are stated at the lower of cost or net realisable value at the date of acquisition plus all costs incurred at acquisition as well as the costs required to prepare the asset for its intended use. These activities include obtaining the approvals for subdivision and rezoning from relevant authorities. The borrowing costs related to these properties have also been capitalised.

Other inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

1.15 Prepayments

Expenses paid in advance of being accrued are recognised as prepayments. The prepayment is released to the statement of comprehensive income once the expense has accrued.

1.16 Non-current assets held for sale

Where the directors have decided to dispose of a non-current asset or group of non-current assets in the following year they are shown separately on the statement of financial position. Non-current assets held for sale are measured at the lower of its carrying amount (as determined under the policy relevant to that asset) or net realisable value. The profit or loss on sale is recorded as the difference between the sale proceeds per the contract and the carrying value of the assets sold. The profit or loss is included in operating profit or loss.

1.17 Boschendal liabilities

For the 2010 financial year, unless otherwise noted, liabilities of Boschendal have been recorded on acquisition at amounts reflected in the management accounts of Boschendal. Subsequently the amounts recorded in the annual financial statements of Boschendal have been used.

1.18 Financial liabilities

Financial liabilities are contractual obligations which will be settled in cash. Financial instruments are recognised when the contractual obligations come into force. Financial liabilities are derecognised where the contractual obligations expire.

Financial liabilities consist of finance lease obligations, other financial liabilities and trade and other payables.

Financial liabilities are recorded at cost (determined by reference to the contractual arrangement). Where the agreement provides for interest, interest is accrued at the rate and on the basis provided in the agreement. This method is described as amortised cost.

1.19 Provisions and R&E settlement provision

Provisions are determined according to the directorsôbest estimates at year end.

The R&E settlement provision has been determined as disclosed in note 16.

1.20 Current tax

Income tax expense comprises current tax for the year, which is determined using the relevant provisions of the Income Tax Act for the relevant financial year. Current tax payable / receivable represents amounts due by / to the Group, but as yet unpaid / received. Interest is accrued where relevant in accordance with the methods specified in the Income Tax Act.

1.21 Deferred tax

Deferred tax is only recognised in respect of temporary differences that relate to Boschendal. Other than Boschendal, the Group does not account for deferred tax. Changes in deferred tax raised by Boschendal are mirrored in the Group.

Deferred taxation is recognised on all temporary differences at the reporting date, between the carrying amounts for financial reporting purposes and the tax bases of assets and liabilities. Deferred taxation is calculated using the taxation rates that have been enacted at the reporting date that are expected to apply when the asset is realised or the liability settled. Deferred tax assets are recognised to the extent that it is probable that the future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets and liabilities are not discounted.

Deferred tax relating to items which are charged or credited directly to other comprehensive income is also charged or credited directly to other comprehensive income and is subsequently recognised in the statement of comprehensive income together with the deferred gain or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.22 Share capital and premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share capital is repurchased, the amount of the consideration paid (net of directly attributable costs), is recognised as a deduction from equity in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

1.23 Disposal of assets

The disposal of an asset in terms of an agreement of sale for such asset is only recorded once all suspensive conditions contained in such agreement of sale have been fulfilled. A potential impairment loss which may result on sale of such asset is postponed until the date such agreement becomes unconditional, unless other impairment indicators are present.

1.24 Treasury shares

Treasury shares are carried at the net asset value at balance sheet date.

1.25 Revenue

Revenue is measured as the amounts receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates and value added tax. Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sale or service agreement, that the significant risks and rewards of ownership have been transferred to the buyer or the delivery of the service is complete, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

1.26 Other income

Other income includes profits on sales of investments; profits on sale of property, plant and equipment; profits on sales of subsidiaries, reversals of provisions and foreign exchange gains. The calculation of these amounts is disclosed above under the respective asset or liability.

Any other income is recognised when the related goods or services have been delivered.

1.27 Investment income

Interest income is recognised, in profit or loss, in the manner and using the basis described in the relevant contract.

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

1.28 Finance costs

Finance costs are recognised, in profit or loss, in the manner and using the basis described in the relevant contract.

1.29 Other expenses

Other expenses are recognised when incurred. The amount recognised is based on the invoice amount or contract.

1.30 Cost of sales

Cost of sales relates to expenses that can be directly attributed to the goods or services provided when earning revenue.

1.31 Earnings / (loss) per share

Earnings / (loss) per share is calculated as the earnings / (loss) attributable to shareholders of JCI divided by the weighted average number of ordinary shares in issue for the year. In determining the weighted average number of shares, treasury shares held by JCI are treated as issued share capital.

2. Segment reporting

The Group has no operating businesses, and merely remains the holder of unrelated investments principally in listed and unlisted shares and property, and segmental reporting is therefore not appropriate.

3. Biological assets

	2011			2010		
	Capitalised cost R'000	Accumulated depreciation R'000	Carrying value R'000	Capitalised cost R'000	Accumulated depreciation R'000	Carrying value R'000
Group						
Livestock	676	-	676	567	-	567
Vineyards	10 458	(1 971)	8 487	7 712	-	7 712
Lavender	146	-	146	146	-	146
	11 280	**(1 971)**	**9 309**	**8 425**	**-**	**8 425**

Reconciliation of biological assets – Group 2011	Opening balance R'000	Additions/ expansion R'000	Depreciation and / or amortisation R'000	Total R'000
Livestock	567	109	-	676
Vineyards	7 712	2 746	(1 971)	8 487
Lavender	146	-	-	146
	8 425	**2 855**	**(1 971)**	**9 309**

Reconciliation of biological assets – Group 2010	Opening balance R'000	Additions through business combinations R'000	Decrease due to harvest / sales R'000	Total R'000
Livestock	-	567	-	567
Vineyards	-	9 358	(1 646)	7 712
Lavender	-	146	-	146
	-	**10 071**	**(1 646)**	**8 425**

4. Property, plant and equipment

	2011 Cost R'000	2011 Accumulated depreciation R'000	2011 Carrying value R'000	2010 Cost R'000	2010 Accumulated depreciation R'000	2010 Carrying value R'000
Group						
Land and buildings	411 150	(10 105)	401 045	446 557	(9 168)	437 389
Plant and machinery	-	-	-	1 826	(1 300)	526
Furniture and fixtures	9 272	(4 860)	4 412	9 338	(4 592)	4 746
Motor vehicles	1 508	(691)	817	1 374	(808)	566
Office equipment	2 905	(2 622)	283	1 090	(1 076)	14
IT equipment	2 226	(2 143)	83	2 219	(1 982)	237
Paintings and other	-	-	-	1 025	(1 025)	-
	427 061	**(20 421)**	**406 640**	**463 429**	**(19 951)**	**443 478**

Reconciliation of property, plant and equipment – Group 2011	Opening balance R'000	Additions R'000	Transfer to / from other asset category R'000	Disposals R'000	Depreciation/ impairment R'000	Total R'000
Land and buildings	437 389	4 185	-	(40 529)	-	401 045
Plant and machinery	526	-	(274)	(252)	-	-
Furniture and fixtures	4 746	22	-	-	(356)	4 412
Motor vehicles	566	367	-	-	(116)	817
Office equipment	14	873	274	-	(878)	283
IT equipment	237	29	-	-	(183)	83
	443 478	**5 476**	**-**	**(40 781)**	**(1 533)**	**406 640**

Reconciliation of property, plant and equipment – Group 2010	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Disposals R'000	Depreciation R'000	Total R'000
Land and buildings	-	-	437 389	-	-	437 389
Plant and machinery	-	-	526	-	-	526
Furniture and fixtures	100	20	4 697	(7)	(64)	4 746
Motor vehicles	-	-	566	-	-	566
Office equipment	-	-	14	-	-	14
IT equipment	365	27	27	-	(182)	237
Paintings and other	-	-	-	-	-	-
	465	**47**	**443 219**	**(7)**	**(246)**	**443 478**

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

Land and buildings are encumbered as stated in note 13.

5. Cost of control

	2011			2010		
	Cost R'000	Accumulated depreciation / impairments R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Group						
Cost of control	**52 290**	**(45 495)**	**6 795**	**52 290**	**-**	**52 290**

The directors reviewed the carrying value of Boschendal at year end. Based on the directors valuation, an impairment of R45.5 million was recorded in the current year.

Reconciliation of cost of control – Group 2011	Opening balance R'000	Impairments R'000	Total R'000
Cost of control	**52 290**	**(45 495)**	**6 795**

Reconciliation of cost of control – Group 2010	Opening balance R'000	Additions through business combinations R'000	Total R'000
Cost of control	**-**	**52 290**	**52 290**

6. Other financial assets

	Group 2011 R'000	Group 2010 R'000
At fair value through profit or loss – held for trading		
Listed shares	-	25 015
Unlisted shares	-	**
	-	**25 015**

** Values are less than R1 000

Available for sale		
Listed shares	**-**	**684 148**
Held to maturity		
Xelexwa legal claim (2010: Preference shares)	89 344	89 344
	89 344	**89 344**

Although the actual claim comprises the computed redemption value of R142 million of the redeemable preference shares on the redemption date of 31 December 2010 plus a cost recovery of R4 million, in these Annual Financial Statements it has been recorded at the conservative value of the redemption price of the face value per Xelexwa preference share plus a premium comprising 20.00% of the increase in value above 25c per share of 357 374 000 Simmer and Jack Mines Limited ("Simmers") shares from date of issue of the preference shares to date of redemption thereof.
This premium has not been included in the R89 344 000 reported here.
In 2010, the preference shares comprised 357 374 000 preference shares in Xelexwa. The preference shares earned dividends equal to 5.00% of the issue price of the preference share only to the extent that Xelexwa received a dividend from Simmers and is non cumulative.
The preference shares were redeemable at a redemption price of the face value per preference share plus a premium comprising 20.00% of the increase in value above 25c per share of 357 374 000 Simmers shares from date of issue of the preference shares to date of redemption thereof, being 31 December 2010.
This premium was not included in the R89 344 000 reported here.

6. Other financial assets (continued)

	Group 2011 R'000	Group 2010 R'000
Loans and receivables		
Non-Group loans	155 497	68 353
The loans bear interest at various interest rates ranging between prime and prime less 1.00% and are unsecured and have no fixed terms of repayment.		
	155 497	68 353
Impairment of loans and receivables	(116 609)	(54 786)
	38 888	**13 567**
Total other financial assets	**128 232**	**812 074**
Non-current assets		
Held to maturity	89 344	89 344
Loans and receivables	26 302	11 802
	115 646	**101 146**
Current assets		
Available for sale	-	684 148
At fair value through profit or loss ï held for trading	-	25 015
Loans and receivables	12 586	1 765
	12 586	**710 928**
	128 232	**812 074**
Investments at fair value		
Listed – at fair value included the following major investments:		
R&E	-	73 922
Gold Fields	-	643 988
Loans – Non-Group include the following major loans:		
Coralline Limited	11 323	11 587

The Coralline Limited loan bears interest at a rate equivalent to the Bank of Scotland prime lending rate. The loan is unsecured and has no fixed terms of repayment. Settlement of the loan was received subsequent to year end.

7. Non-consolidated Group loans

Non-consolidated group loans comprises loans to the Lyons group of companies whose holding company is Lyons Financial Solutions (Proprietary) Limited, a wholly owned subsidiary of the JCI Group. Management has excluded the Lyons group from the Group consolidated accounts and therefore these loans do not eliminate. (Refer to the DirectorsôReport for an explanation.)

The loan to JCI Properties Solutions (Proprietary) Limited bears interest at prime, is unsecured and has no fixed terms of repayment.

	2011	2010
JCI Properties Solutions (Proprietary) Limited (formerly Lyons Property Solutions (Proprietary) Limited)	-	21 730
	-	**21 730**

8. Deferred tax

	2011	2010
Deferred tax asset	-	59 573
Deferred tax liability	-	(5 518)
	-	**54 055**

	Group 2011 R'000	Group 2010 R'000

9. Inventories

	2011 R'000	2010 R'000
Land and buildings for resale	129 575	122 432
Wine	23	26
Other inventories for resale	1 309	516
	130 907	**122 974**

Inventory pledged as security

Land and buildings for resale are encumbered as set out in note 13.

10. Trade and other receivables

	2011 R'000	2010 R'000
Trade receivables	68 041	9 066
Sundry debtors	5 634	7 235
VAT	1 485	787
Prepayments	412	-
Deposits	164	2 473
	75 736	**19 561**

11. Cash and cash equivalents

Cash and cash equivalents consist of:

	2011 R'000	2010 R'000
Bank balances	31 548	105 248
Cash on hand	36	20
Other cash and cash equivalents	-	11 592
	31 584	**116 860**

Credit quality of cash at bank and short term deposits, excluding cash on hand

All cash at bank and short term deposits are held at major banks.

12. Share capital and premium

	2011 R'000	2010 R'000
Authorised		
3 800 000 000 (2010: 2 700 000 000) ordinary shares of 1 cent each	38 000	27 000

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

	2011 R'000	2010 R'000
Issued		
3 780 509 213 (2010: 2 224 798 993) ordinary shares of 1 cent each	37 805	22 248
Share premium	2 070 195	1 754 441
	2 108 000	**1 776 689**

During the year under review the company issued 1 555 710 220 new shares for the resolution of the R&E settlement provision (Refer to the DirectorsôReport on page 8 and page 10).

13. Other financial liabilities

	Group 2011 R'000	Group 2010 R'000
Held at cost		
Nedbank Limited The loan bears interest at prime less 0.50% and is secured over first and second mortgage bonds in favour of Nedbank over all the land shown under note 4 and land and buildings for resale under note 9. The loan is repayable on 31 October 2012. The loan is further secured by a surety from JCI for R109 million and sureties from various Boschendal Founders Estates covering mortgage bonds.	169 673	169 281
IFA Boschendal Investments (Proprietary) Limited The loan bears interest at prime overdraft interest rates less 1.00%. The loan is unsecured and has no fixed terms of repayment. All shareholder loans in Boschendal have been subordinated as security for the Nedbank loan.	146 272	133 222
Investec Bank Limited The loan is unsecured, bears interest at varying rates and has no fixed terms of repayment.	45 332	-
Other non-Group loans The loans are unsecured, interest free and have no fixed terms of repayment.	78 642	5 790
	439 919	**308 293**
Non-current liabilities		
At cost	215 006	277 503
Current liabilities		
At cost	224 913	30 790
	439 919	**308 293**

14. Current tax payable

Due to the complexity of the various past and present transactions and settlements in the JCI Group, JCI has sought legal advice on numerous tax issues. The amount owing to or due by JCI to / by SARS will be finally calculated after taking such advice into account. The amount shown as income tax payable is based on an evaluation of such legal advice, which advice is ongoing.

15. Provisions

Reconciliation of provisions - Group 2011	Opening balance R'000	Additions R'000	Reversed during year R'000	Utilised / paid during year R'000	Total R'000
Boschendal infrastructure	12 389	-	(4 292)	-	8 097
Leave pay provision	-	783	-	-	783
Investec loan settlement fee	267 500	-	-	(267 500)	-
Legal proceedings	2 750	-	(2 750)	-	-
	282 639	**783**	**(7 042)**	**(267 500)**	**8 880**

Reconciliation of provisions - Group 2010	Opening balance R'000	Additions R'000	Reversed during year R'000	Utilised during year	Total R'000
Boschendal infrastructure	-	12 389	-	-	12 389
Investec loan settlement fee	373 335	-	(105 835)	-	267 500
Legal proceedings	2 750	-	-	-	2 750
	376 085	**12 389**	**(105 835)**	**-**	**282 639**

16. R&E settlement provision

	Group 2011 R'000	Group 2010 R'000
Opening balance	954 839	828 187
Movements	(954 839)	126 662
	-	**954 849**

The JCI Group, as a conduit, had received assets and cash from R&E, and on instructions of certain then incumbent board members of R&E or employees of R&E transferred these assets or cash amounts to third parties, including share trading accounts. The Group, equally, received cash from such third parties on behalf of R&E (Refer to the DirectorsôReport on page 8).

The JCI Group had no interest or right to any profits, nor was it liable for any of the losses which may have resulted from such activities.

As a result the JCI Group reflected, in the above account, only the net effect of the cash which flowed into or out of the conduit account on behalf of R&E.

The subsequent changes to this provision are the result of additional information and documentation which became available in the previous year and necessitated adjustments to the initial transactions recorded.

R&E lodged claims on JCI in respect of numerous individual transactions and/or matters, including some which passed through the above account, or which are included in the above account, pertaining to losses it had allegedly suffered from the actions of former co-directors and / or employees of R&E and JCI.

The above balance was settled in terms of a settlement agreement between JCI, JCIIF and R&E in July 2010.

17. Trade and other payables

	Group 2011 R'000	Group 2010 R'000
Trade payables	53 302	6 241
Sundry creditors	33 177	28 308
Deposits received	234	228
VAT	186	310
Accrued salary expenses	185	170
Accrued bonus and leave pay	184	112
Amounts received in advance	120	120
Accrued directors fees	31	11
Unclaimed dividends ï local shareholders	-	605
Unclaimed dividends ï London shareholders	-	3
	87 419	**36 108**

18. Revenue

	2011	2010
Rendering of services	10 098	10 846
Rental income	3 460	2
Sale of goods	3 138	-
Property sales	754	25 076
Farming sales	-	7 370
	17 450	**43 294**

19. Cost of sales

	2011	2010
Sale of goods		
Cost of goods sold	-	21 838
Rendering of services		
Cost of services	3 342	11 032
	3 342	**32 870**

	Group 2011 R'000	Group 2010 R'000
20. Operating (loss) / profit		
Operating (loss) / profit for the year includes the following:		
Operating lease charges		
Equipment	317	821
Premises	581	1 012
	898	**1 833**
Impairment of cost of control	45 495	-
Employee costs	16 420	16 955
Legal fees	7 271	17 681
Depreciation on property, plant and equipment	3 504	246
Forensic expenses	601	-
Impairment of other financial assets	-	24 890
Loss on sale of investments	-	1 195

21. Investment income

	Group 2011 R'000	Group 2010 R'000
Dividend income		
Listed financial assets - local	100 589	12 367
Unlisted financial assets - local	5 094	19 180
	105 683	**31 547**
Interest income		
Other	6 775	69
Bank	1 478	1 715
Loans	580	2 052
Debentures	-	3 395
	8 833	**7 231**
	114 516	**38 778**

22. Other income

	Group 2011 R'000	Group 2010 R'000
Profit on sale of property, plant and equipment	37 471	141
Other income	5 054	1 374
Rentals and recoveries	2 400	2 587
Bad debts recovered	112	892
Reversal of R&E settlement provision	-	100 000
Profit on sale of investment	-	29 387
Management and administration fees received	-	26
	45 037	**134 407**

23. Fair value adjustments

	Group 2011 R'000	Group 2010 R'000
Investment in R&E	47 686	-
Other financial assets	(101)	(85 446)
	47 585	**(85 446)**

	Group 2011 R'000	Group 2010 R'000

24. Finance costs

	2011 R'000	2010 R'000
Other interest paid	33 117	940
Loan from Goldridge	4 772	10 296
Bank	1 250	9 570
Current borrowings	237	161
Finance leases	15	8
Loan from FSD	-	8 860
Letseng	-	5 733
Shareholders	-	2 408
	39 391	**37 976**

25. Taxation

Major components of the tax expense / (credit)

	2011 R'000	2010 R'000
Current		
Local income tax	49 181	34 282
Foreign income tax or withholding tax	-	1 172
STC	-	60
Prior year		
Change in estimation of tax basis	(26 286)	-
	22 895	**35 514**
Deferred		
Current period	54 069	(18 932)
	76 964	**16 582**

The income tax rate of 28.00% in 2011 remained unchanged.

26. Auditors' remuneration

	2011 R'000	2010 R'000
Fees	14 791	5 546
Other services	-	1 677
	14 791	**7 223**

27. Tax paid

	2011 R'000	2010 R'000
Balance at beginning of the year	(26 546)	7 746
Current tax for the year	(23 146)	(35 514)
Balance at end of the year	49 692	26 546
	-	**(1 222)**

28. Cash utilised in operations

	Group	
	2011 R'000	**2010 R'000**
(Loss) / profit before taxation	(57 930)	20 023
Adjustments for:		
Depreciation and amortisation	3 504	246
Loss on foreign exchange	-	1
Dividends received	(105 683)	(31 547)
Interest received	(8 833)	(7 231)
Finance costs	39 391	37 976
Fair value adjustments	(47 585)	85 446
Impairment of other financial assets	-	24 890
Impairment of cost of control	45 495	-
Increase in biological assets	2 746	-
Profit on sale of investments	-	(29 387)
Profit on sale of property, plant and equipment	(2 000)	(141)
Reversal of impairment of loan	(23 344)	-
Loss on sale of investments	-	1 195
Reversal of R&E settlement provision	-	(100 000)
Other non-cash movements	(67)	-
Movements in provisions	-	(93 440)
Changes in working capital:		
Inventories	(7 933)	5 596
Trade and other receivables	(15 394)	(7 559)
Trade and other payables	51 310	(65 672)
	(126 323)	**(159 604)**

29. Acquisition of Boschendal

	Group	
	2011 Cents	**2010 Cents**
Assets acquired		
Property, plant and equipment	-	441 599
Biological assets	-	8 622
Deferred tax assets	-	35 803
Inventories	-	128 570
Trade and other receivables	-	3 071
Trade and other payables	-	(7 033)
Borrowings	-	(507 367)
Cash	-	2 009
Other current liabilities	-	(612)
Total net assets acquired	-	104 662
Less: Non-controlling interest in net assets / reserves	-	(39 003)
Net assets acquired	-	65 659
Recognised as cost of control	-	52 290
	-	**117 949**
Consideration paid		
Cash	-	(28 265)
Conversion of Kovacs debentures	-	(159 684)
Transfer of loan	-	70 000
	-	**(117 949)**
Net cash outflow on acquisition		
Cash consideration paid	-	(28 265)
Cash acquired	-	2 009
	-	**(26 256)**

Boschendal was consolidated from 30 June 2009.

30. Commitments

The Group has no significant commitments.

31. (Loss) / earnings per share

	Group	
	2011	**2010**
	Cents	**Cents**
Basic (loss) / earnings per share (in cents)	(2.90)	0.15
Headline loss per share (in cents)	(2.99)	(0.50)

The calculation of basic earnings per ordinary share is based on a loss of R109 665 000 (2010: earnings of R3 441 000) attributable to holders of the Group and weighted average of 3 391 581 658 (2010: 2 224 798 993) ordinary shares in issue during the year.

The calculation of the headline loss per share is based on a headline loss of R113 195 000 (2010: R11 215 000) attributable to holders of the Group and weighted average of 3 391 581 658 (2010: 2 224 798 993) ordinary shares in issue during the year.

Reconciliation between Basic (loss) / earnings for the year and Headline loss:

	Group	
	2011	**2010**
	R'000	**R'000**
(Loss) / profit for the year attributable to holders of the Group	(109 665)	3 441
Reversal of R&E settlement provision	-	(100 000)
Profit on sale of property, plant and equipment	(2 000)	(141)
Impairment of cost of control	45 495	-
Fair value adjustments on other financial assets	(47 585)	85 446
Total before tax adjustments	**(113 755)**	**(11 254)**
Tax effects of adjustments:		
Profit on sale of property, plant and equipment	560	39
	(113 195)	**(11 215)**

32. Related parties

Relationships

Shareholders with significant influence	Investec, Allan Gray Limited, Hawkhurst Investments (Proprietary) Limited and Letseng
Common directorship	During the 2011 and 2010 financial years, certain directors had common directorships with Investec and Boschendal, and as a result, Investec and Boschendal have been identified as related parties.
Members of key management	The directors, and details of their emoluments are listed in the Directorsô Report. Other than the directors, there were no other members of key management during 2010 and 2011.

33. Events after the reporting period

All material events after the reporting period are disclosed in the Directorsô Report.

34. Business combinations

Boschendal

During June 2009 the Group acquired / recovered 62.67% of the voting equity interest of Boschendal which resulted in the Group obtaining control.

Cost of control of R52 290 000 arising from the acquisition consists largely of the Group's portion of the expected proceeds on sale of land and buildings for resale (see note 5). The land and buildings for resale are held as inventory and was accounted for at the lower of historical cost or net realisable value, in the group accounts. This cost of control has been impaired during the current year to a carrying value of R6 795 000 (Refer to note 5 on page 26).

At year end Boschendal is one of the Group's major assets. Below is a summary of Boschendal's assets and liabilities which are included in the Group's Annual Financial Statements:

	2011 R'000	2010 R'000
Assets		
Non-current assets		
Biological assets	9 309	8 425
Property, plant and equipment	406 547	443 233
Cost of control	6 795	52 290
Deferred tax	-	54 055
	422 651	**558 003**
Current assets		
Inventories	130 907	122 974
Trade and other receivables	69 190	7 463
Cash and cash equivalents	1 535	3 295
	201 632	**133 732**
Total assets	**624 283**	**691 735**
Equity	**288 693**	**373 192**
Liabilities		
Non-current liabilities		
Other financial liabilities	146 272	271 713
Finance lease obligation	-	39
	146 272	**271 752**
Current liabilities		
Other financial liabilities	169 673	30 790
Finance lease obligation	7	125
Taxation	280	-
Trade and other payables	10 478	3 487
Provisions	8 880	12 389
	189 318	**46 791**
Total liabilities	**335 590**	**318 543**
Total equity and liabilities	**624 283**	**691 735**

JCI LIMITED

(Registration number 1894/000854/06)

SHAREHOLDERS ANALYSIS
Register date: 1 April 2011
Issued Share Capital 3 780 509 213

Shareholder spread		No of shareholders	%	No of shares	%
1 -	1 000 shares	8 929	58.70	2 001 361	0.05
1 001 -	10 000 shares	3 643	23.95	13 613 245	0.36
10 001 -	100 000 shares	1 965	12.92	65 745 965	1.74
100 001 -	1 000 000 shares	479	3.15	145 866 614	3.86
1 000 001 shares	and over	194	1.28	3 553 282 028	93.99
Total Shareholder Spread		**15 210**	**100.00**	**3 780 509 213**	**100.00**

Distribution of shareholders	No of shareholders	%	No of shares	%
Banks	138	0.91	1 144 078 720	30.26
Brokers	39	0.26	123 142 846	3.26
Close Corporations	151	0.97	15 369 963	0.41
Endowment Funds	30	0.20	16 158 866	0.43
Individuals	12 913	84.90	192 116 308	5.08
Insurance companies	9	0.06	13 294 141	0.35
Investment companies	6	0.04	10 555 894	0.28
Issuersôshare scheme	1	0.01	1 966 436	0.05
Medical aid schemes	1	0.01	37 435	0.00
Mutual funds	46	0.30	519 226 133	13.73
Nominees and trusts	1 320	8.68	125 619 773	3.32
Other corporations	159	1.05	17 654 012	0.47
Own holdings	4	0.03	331 430 310	8.77
Pension funds	93	0.61	385 980 899	10.21
Private companies	203	1.33	134 954 853	3.57
Public companies	97	0.64	748 922 624	19.81
Total distribution of shareholders	**15 210**	**100.00**	**3 780 509 213**	**100.00**

Non-public and public shareholders	No of shareholders	%	No of shares	%
Non-public shareholders	**5**	**0.04**	**1 308 100 808**	**34.60**
Directors and associates	1	0.01	2 611	0.00
Strategic holdings (more than 10.00%)	1	0.01	883 798 318	23.38
Own Holdings	3	0.02	424 299 879	11.22
Public shareholders	**15 205**	**99.96**	**2 472 408 405**	**65.40**
Total non-public and public shareholders	**15 210**	**100.00**	**3 780 509 213**	**100.00**

Resident and non-resident shareholders	No of shareholders	%	No of shares	%
Resident	11 013	72.41	2 797 952 806	74.01
Non-resident	4 197	27.59	982 556 407	25.99
Total resident and non-resident shareholders	**15 210**	**100.00**	**3 780 509 213**	**100.00**

Beneficial shareholders holding 3% or more	No of shares	%
Investec Bank Limited	883 798 318	23.38
Black Bear Resources Limited	326 173 367	8.63
JCI Gold Limited	206 082 818	5.45
Letseng Diamonds Limited	187 266 534	4.95
Allan Gray Equity Fund	157 804 033	4.17
JCI Investment Finance (Proprietary) Limited	125 347 492	3.32
Hawkhurst Investments Limited	121 976 478	3.23