

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(Registration number 2003/028948/07)
Annual financial statements
for the year ended 30 June 2011

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

GENERAL INFORMATION

Company registration number	2003/028948/07
Nature of business and principal activities	Providing funding to the Kagiso Group companies.
Directors	MR Shangase L Gcwabe FF Gillion
Registered office	Kagiso House 16 Fricker Road Illovo Boulevard Illovo 2196
Business address	Kagiso House 16 Fricker Road Illovo Boulevard Illovo 2196
Postal address	P O Box 55276 Northlands 2116
Country of incorporation and domicile	South Africa
Holding company	Kagiso Trust Investments (Proprietary) Limited incorporated in South Africa
AUDITORS	PricewaterhouseCoopers Inc. Registered Auditors
COMPANY SECRETARY	D Mtshali

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(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

INDEX

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

INDEX	PAGES
Directors' responsibility statement and approval	3
Independent auditor's report	4
Directors' report	5
Statement of financial position	6
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of cash flows	9
Accounting policies	10 - 16
Notes to the Annual Financial Statements	17 - 28

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL

In accordance with the South African Companies Act of 2008, the directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and the related information. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the South African Companies Act of 2008.

The auditors are responsible to report on the fair presentation of the annual financial statements.

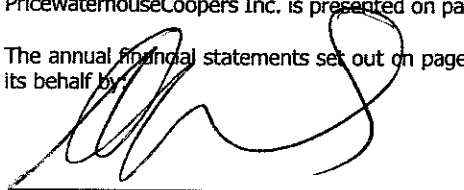
The directors are also ultimately responsible for the company's internal financial controls. The controls are designed to provide reasonable, but not absolute assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of the assets,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

The directors consider that in applying IFRS in the annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements, estimates and assumptions, and that all accounting standards that they consider to be applicable have been followed. Based on the information and explanations given by management, the directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the company at year end.

The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern assumption in preparing these annual financial statements.

The annual financial statements have been audited by the independent audit firm, PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all the board of directors' meetings. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. The unqualified audit report of PricewaterhouseCoopers Inc. is presented on page 4 of these annual financial statements.

The annual financial statements set out on pages 5 to 28 were approved by the board of directors on 16 August 2011 and are signed on its behalf by:



**FF Gillion
DIRECTOR**



**E Swabe
DIRECTOR**



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED

We have audited the annual financial statements of Kagiso Sizanani Capital (Proprietary) Limited, which comprise the statement of financial position as at 30 June 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 5 to 28.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2008 of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kagiso Sizanani Capital (Proprietary) Limited as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Ranesh P Hariparsad
Registered Auditor
Johannesburg
16 August 2011

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Reg. no. 1998/012055/21, T: +27 (11) 797 4000, F: +27 (11) 797 5800, www.pwc.com/za*

Executive: S P Kana (Chief Executive Officer) T P Blandin de Chalaïn D J Fölscher G M Khumalo S Subramoney F Tonelli
Resident Director in Charge: E R Mackeown
The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.
VAT reg.no. 4950174682.

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

DIRECTORS' REPORT

The directors present their annual report, which forms part of the audited annual financial statements of the company for the year ended 30 June 2011.

1. PRINCIPAL ACTIVITIES

Main business and operations

The principal activities of the company is that of providing funding to the Kagiso group companies under the Domestic Note and Redeemable Preference Share Programme.

2. SHAREHOLDER INFORMATION

The company is a wholly owned subsidiary of Kagiso Trust Investments (Proprietary) Limited, a company incorporated in South Africa. The ultimate holding entity of the company is Kagiso Charitable Trust which owns 50.3% of the holding company.

During the year, the company did not declare a dividend to the ordinary shareholders (2010:R nil).

3. DIRECTORS

The directors of the company during the year and to the date of this report are as follows:

MR Shangase	Non-executive Director	
Z J Matlala	Non-executive Director	Resigned 30 September 2010
L Gcwabe	Non-executive Director	
FF Gillion	Non-Executive Director	Appointed 24 January 2011

4. COMPANY SECRETARY

The secretary of the company is D Mtshali whose business and postal addresses are as follows:

Business address	Postal address
Kagiso House	P O Box 55276
16 Fricker Road	Northlands
Ilovo Boulevard	2116
Ilovo	
2196	

5. SHARE CAPITAL

5.1 There were no movements in the ordinary shares in the current year (2010:nil).

Refer to note 9 of the annual financial statements for further details on the authorised and issued shares.

5.2 No redeemable preference shares were issued as part of the Domestic Note and Redeemable Preference Share Programme in the current year (2010: 100 redeemable preference shares were issued) refer to note 10.

6. EVENTS AFTER THE REPORTING PERIOD

On the 01 July 2011 the shareholders of Kagiso Trust Investments (Pty) Ltd transferred their entire shareholding in the company to Kagiso Tiso Holdings Proprietary Limited (RF) (KTH) as part of the merger between Kagiso Trust Investments (Pty) Ltd and Tiso Group (Pty) Ltd. Thus the company has become a subsidiary of KTH with effect from that date.

No other significant matters or circumstances have arisen between the end of the financial year and the date of the approval of the annual financial statements.

7. AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90 of the Companies Act.

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF FINANCIAL POSITION

Figures in Rands	Notes	2011	2010
ASSETS			
Non-current assets			
Loans to shareholders	5	89,900,000	97,900,000
Preference shares	4	250,000,000	250,000,000
		339,900,000	347,900,000
Current assets			
Loans due from related parties	7	1,627,597	1,899,596
Loans to shareholders	5	16,624,352	10,415,487
Cash and cash equivalents	8	1,590,166	923,720
		19,842,115	13,238,803
Total assets		359,742,115	361,138,803
EQUITY AND LIABILITIES			
EQUITY			
Ordinary shares	9	3,300,300	3,300,300
Accumulated loss		(2,871,957)	(2,571,839)
		428,343	728,461
LIABILITIES			
Non-current liabilities			
Financial liabilities held at amortised cost	10	340,000,000	348,000,000
Current liabilities			
Financial liabilities held at amortised cost	10	12,246,066	4,259,096
Current income tax liabilities	6	11,870	11,870
Trade and other payables	11	143,404	83,390
Preference dividend payable		6,912,432	8,055,986
		19,313,772	12,410,342
Total liabilities		359,313,772	360,410,342
Total equity and liabilities		359,742,115	361,138,803

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rands	Notes	2011	2010
Preference dividend income	12	20,060,511	24,263,087
Operating expenses	13	(390,308)	(1,025,516)
Profit before interest and taxation		19,670,203	23,237,571
Interest income	12	11,848,205	13,384,537
Finance costs	15	(31,818,526)	(37,527,399)
Loss before taxation		(300,118)	(905,291)
Taxation	16	-	(27,056)
Loss for the year		(300,118)	(932,347)
Other comprehensive income		-	-
Total comprehensive loss		(300,118)	(932,347)
Total comprehensive loss attributable to:			
Owners of the parent		(300,118)	(932,347)

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF CHANGES IN EQUITY

Figures in Rands	Ordinary share capital	Share premium	Total share capital	Accumulated loss	Total equity
Balance at 01 July 2009	400	3,299,900	3,300,300	(1,639,492)	1,660,808
Changes in equity					
Total comprehensive loss for the year	-	-	-	(932,347)	(932,347)
Total changes	-	-	-	(932,347)	(932,347)
Balance at 01 July 2010	400	3,299,900	3,300,300	(2,571,839)	728,461
Changes in equity					
Total comprehensive loss for the year	-	-	-	(300,118)	(300,118)
Total changes	-	-	-	(300,118)	(300,118)
Balance at 30 June 2011	400	3,299,900	3,300,300	(2,871,957)	428,343

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF CASH FLOWS

Figures in Rands	Notes	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	19	(330,294)	(1,046,665)
Interest received		11,848,205	13,384,537
Dividends received		20,060,511	24,263,087
Finance costs		(31,818,526)	(37,527,399)
Net cash flows from operating activities		(240,104)	(926,440)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to group companies repaid		271,999	2,724,261
Loans advanced to group companies		-	(1,899,596)
Repayment of loans and preference shares by group companies		-	40,000,000
Redemption of held-to-maturity financial assets		-	(92,114,000)
Net cash flows from investing activities		271,999	(51,289,335)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of/proceeds from financial liabilities held at amortised cost		(13,030)	40,131,195
Proceeds from shareholder's loan		1,791,135	8,558,453
Dividends (paid)/received	17	(1,143,554)	2,415,242
Net cash flows from financing activities		634,551	51,104,890
Total cash movement for the year		666,446	(1,110,885)
Cash at the beginning of the year		923,720	2,034,605
Total cash at end of the year	8	1,590,166	923,720

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

ACCOUNTING POLICIES

1 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1. Basis of preparation

These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, International Financial Reporting Interpretations Committee ("IFRIC") Interpretations and the requirements of the South African Companies Act of 2008.

The annual financial statements have been prepared under the historic cost convention, as modified by the revaluation of financial assets (including derivative instruments) held at fair value through profit or loss.

The preparation of annual financial statements in accordance with IFRS necessitates the use of estimates, assumptions and judgement that affect the reported amounts in the statement of financial position and comprehensive income. Although estimates are based on management's best knowledge and judgement of current facts as at financial position date, the actual outcome may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the companies financial statements are disclosed in note 3.

1.2 Financial instruments

Classification

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

- Financial assets at fair value through profit or loss - held for trading
- Financial liabilities measured at amortised cost

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

1.2.1 Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

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

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

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value. These instruments are carried at amortised cost using the effective interest rate method. They are included in current assets, except for those maturing more than twelve months from the financial position date, in which case they are included in non-current assets.

A provision for impairment of loans and receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

a) Fair value considerations

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (as for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

ACCOUNTING POLICIES

1.2 Financial instruments (continued)

b) Impairment of financial assets

The company assesses, at each financial position date, whether there is objective evidence that a financial asset or a company of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in comprehensive income on equity instruments are not reversed through profit or loss.

c) Derecognition of financial assets

Investments are de-recognised when the rights to receive cash flows from investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

d) Trade and other receivables

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

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

e) Trade and other payables

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

f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1.2.2 Financial liabilities

a) Recognition and measurement

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in comprehensive income over the period of the borrowings using the effective interest method.

b) Classification of financial liabilities

Financial liabilities are classified as current liabilities in the statement of financial position unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the financial position date.

c) Preference shares

Preference shares, which carry a mandatory coupon, or are redeemable at the option of the shareholder or if dividend payments are not discretionary, are classified as financial liabilities or compound financial instruments. All other preference shares are classified as equity. Dividends on preference shares classified as financial liabilities are recognised in comprehensive income as interest expense on an amortised cost basis using the effective interest rate method.

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

ACCOUNTING POLICIES

1.2 Financial instruments (continued)

d) Debt security

Debt securities which carry a mandatory coupon, or are redeemable at specific dates at the option of the holder are recognised initially at fair value, net of transaction costs incurred. Debt securities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in comprehensive income over the period of the borrowing using the effective interest rate method. Interest paid on these debt securities is charged in comprehensive income on the effective interest rate method.

Debt securities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

e) Derecognition of financial liabilities

Financial liabilities are derecognised when the company's obligation specified in the contract is discharged or cancelled or has expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it, is included in comprehensive income.

1.2.3 Derivative financial instruments and hedging activities

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

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

Changes in the fair value of derivative financial instruments are recognised in comprehensive income as they arise.

Derivatives are classified as financial assets at fair value through profit or loss - held for trading.

Any derivatives embedded in financial instruments are separated from the host contract when their economic characteristics are not closely related to those of the host contract and the host contract is not carried at fair value. The host contract is accounted for at fair value. Gains and losses are reported in the statement of comprehensive income.

All derivatives are disclosed as assets if positive, and as liabilities when the fair value is negative, subject to offsetting principles.

1.3 Impairment of non-financial assets

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

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

ACCOUNTING POLICIES

1.3 Impairment of non-financial assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.4 Taxation

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

Income tax and capital gains tax on the profit or loss for the year comprise current and deferred tax. Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the financial position date, and any adjustments to tax payable in respect of previous years.

Deferred income tax and deferred capital gains tax are provided for on a comprehensive basis, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is also not recognised on the initial recognition of goodwill, nor is it recognised on investments in subsidiaries and joint ventures where the company controls the timing of the reversal of temporary differences and it is possible that these differences will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax income assets and deferred capital gains tax are reviewed at each financial position date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of each asset or liability, and is not discounted.

Current and deferred tax relating to items charged or credited directly to equity, is also charged or credited directly to equity and is subsequently recognised in the statement of comprehensive income when the related deferred gain or loss is recognised.

Secondary Tax on Companies (STC)

To the extent that it is probable that dividends will be declared against which unused STC credits can be utilised, a deferred tax asset is recognised for STC credits. The STC effect of dividends paid on equity instruments is recognised in the period in which the dividends are declared. For financial instruments classified as financial liabilities, the STC relating to any contractual payments is accrued in the same period as the interest accrued.

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

ACCOUNTING POLICIES

1.5 Share capital

Ordinary shares issued by the company are recorded at the net proceeds received, which is the fair value less costs that are incurred in connection with the share issue. The nominal par value of the shares issued is taken to the share capital account and any excess is recorded in the share premium account, including the costs that were incurred with the share issue.

1.6 Provisions

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

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

Provisions are not recognised for future operating losses.

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

Contingent assets and contingent liabilities are not recognised.

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

When the effect of discounting is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.7 Interest income and expenses

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company. Interest income on impaired loans is recognised using the original effective interest rate. Dividends on preference shares are recognised when the right to receive payment is established.

1.8 Dividends paid

The company recognises dividends when the company's rights to receive payment is established. Dividends are recorded in the company's financial statements in the period in which they are approved by the company's shareholders.

ACCOUNTING POLICIES

1.9 Standards, interpretations and amendments to published standards

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards.

Standards, amendments and interpretations effective in 2011 financial year and adopted by the company as of 1 July 2010.

The company has adopted the following new and amended standards effective for the first time for 30 June 2011 year-end.

Amendments to IFRS 2: Group Cash-Settled Share-based Payment Transactions.

The amendment clarifies the accounting for group cash-settled share-based payment transactions. The entity receiving the goods or services shall measure the share-based payment transaction as equity-settled only when the awards granted are its own equity instruments, or the entity has no obligation to settle the share-based payment transaction. The entity settling a share-based payment transaction when another entity in the group receives the goods or services recognises the transaction as equity-settled only if it is settled in its own equity instruments. In all other cases, the transaction is accounted for as cash-settled.

Significant Amendments to IFRS 2: Group Cash-Settled Share-based Payment Transactions.

The amendment clarifies the accounting for group cash-settled share-based payment transactions. The entity receiving the goods or services shall measure the share-based payment transaction as equity-settled only when the awards granted are its own equity instruments, or the has no obligation to settle the share-based payment transaction. The entity settling a share-based payment transaction when another entity in the group receives the goods or services recognises the transaction as equity-settled only if it is settled in its own equity instruments. In all other cases, the transaction is accounted for as cash-settled.

Improvements to IFRSs (Issued April 2009)

This is a collection of amendments to IFRS. These amendments are the result of conclusions to IASB reached on proposals made in its annual improvements projects. The annual improvement projects provides a vehicle for making non-urgent but necessary amendment to IFRSs. Some amendments involve consequential amendment to IFRSs.

The statements affected by the improvements are not deemed to have a significant impact on the company's results.

Standards, amendments and interpretations that are not yet effective and have not yet been adopted by the company.

The effect of all new standards, amendments and interpretations to existing standards that have been issued but which are not yet effective is evaluated by management. The expected implications of applicable standards, amendments and interpretations are dealt with below.

Amendment to IAS 24: Related party disclosure

The amendment provides partial relief from the requirement for government related entities to disclose details of all transactions with the government and the other government related-entities. It also clarifies and simplifies the definition of a related party.

The amendment is not relevant to the company nor does it have any effect to the company's results.

Amendment to IFRS 1: 'First time adoption' on hyperinflation and fixed dates.

The first amendment replaces references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs', thus eliminating the need for companies adopting IFRSs for the first time to restate de-recognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how the entity should resume presenting financial statements in according with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation

The amendment is not relevant to the company nor does it have any effect to the company's results.

Amendments to IFRS 7: Disclosures-Transfer of financial assets.

The amendments are intended to address concerns raised during the financial crisis by the G20, among others, that financial statements did not allow users to understand the ongoing risks the entity faced due to derecognised receivables and other financial assets.

Management is still evaluating the impact of these amendments however they are not expected to have a significant impact on the company's results.

Amendments to IAS 12: 'Income taxes' on deferred tax

Currently IAS12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces the exception to the existing principle for the measure of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC21, 'Income taxes-recovery of revalues non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendment also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is currently withdrawn

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

ACCOUNTING POLICIES

Standards, interpretations and amendments to published standards (continued)

Management is still evaluating the impact of these amendments however they are not expected to have a significant impact on the company's result.

IFRS 9 Financial Instruments

The IFRS is part of the IASB's project to replace IAS39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

Management is still evaluating the impact of these amendments on the company's results.

Improvement to IFRSs (Issued May 2010)

This is a collection of amendments to IFRSs. These amendments are the results of conclusions the IASB reached on proposals made in its annual improvements project. The annual improvement project provides a vehicle for making non-urgent but necessary amendment to IFRSs. Some amendments involve consequential amendment to IFRSs.

Management is currently considering the effect of the statements affected by the improvements.

IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

This interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditors. A gain or loss is recognised in profit or loss account based on the fair value of the equity instruments compared to the carrying amount of the debt.

The amendment is not relevant to the company nor does it have any effect to the company's results.

Amendment to IFRIC 14: Prepayment of a minimum funding requirements

This amendment will have no impact as it applies only to companies that are required to make minimum funding contributions to a defined pension plan. It removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement.

The amendment is not relevant to the company nor does it have any effect to the company's results.

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

Notes to the Annual Financial Statements

Figures in Rands

2011

2010

2. RISK MANAGEMENT

2.1 FINANCIAL RISK MANAGEMENT

MARKET RISK

Interest rate risk - The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate.

Interest rate risk arises from the re-pricing of floating rate debt securities as well as incremental funding/new borrowings and the roll-over of maturing debt securities/refinancing of existing borrowings. All material borrowings are at floating rates.

Management of risk

Interest rate risk is regularly assessed to determine:

1. The period for which interest rate swaps are required to hedge interest rate against adverse movements in interest rates.
2. The portion of interest rate risk that needs to be hedged. In principle the company applies the following policy guidelines for evaluating interest rate risk should a hedge strategy be implemented:
 - a) 50% hedged, 50% unhedged
 - b) 40% hedged, 60% unhedged
 - c) 60% hedged, 40% unhedged

Interest rate risk is hedged with hedge counter parties that have a long-term rating of A1 and short-term rating of A1 on a National Scale of Rating Agencies recognised pursuant to the Collective Investments Schemes Control Act.

Hedging arrangements are not used for speculative purposes and as such hedging arrangements on funding are mirrored on a back-to-back basis on loans disbursed into the rest of the Group.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash deposits and cash equivalents, advances to Kagiso Group companies and other receivables. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The company is exposed to credit-related losses in the event of non-performance by counterparties. The counterparties to these contracts are other financial institutions and inter-group companies. The company continually monitors its positions and the credit ratings of its counterparties and limits the extent to which it enters into contracts with any one party.

The credit exposure as at 30 June 2011 was limited predominantly to financial institutions with short-term ratings not less than A1 and inter-group companies.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2011	2010
Loans to shareholders - held-to-maturity	97,900,000	97,900,000
Preference shares -held-to-maturity financial assets (refer to note 4)	250,000,000	250,000,000
Cash and cash equivalents	1,590,166	923,720

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands	2011	2010
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LIQUIDITY RISK

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Liquidity risk arises from existing commitments associated with financial instruments and the management of funds in order to meet these commitments. The company manages liquidity risk by maintaining counterparty relations on a professional and sound basis and only issues specifically defined instruments within set limits and policy guidelines being set by the company's holding company.

The table below analyses the company's financial liabilities and net-settled financial liabilities into relevant maturity groupings based on the remaining period at the financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. All balances reprice within 12 months and as a result their carrying balances are not significantly affected by discounting.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 June 2011				
Preference share liability	-	250,000,000	-	-
Debt securities instruments	8,000,000	89,900,000	-	-
Other payables	143,404	-	-	-
At 30 June 2010				
Preference share liability	-	-	250,000,000	-
Debt securities instruments	-	8,000,000	89,900,000	-
Other payables	83,390	-	-	-

The company borrows from the market and lends the Kagiso Group companies at the same rates, as a result any movements in the interest rates will not have different results on the statement of comprehensive income.

2.2 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) and advances to Kagiso group companies as disclosed in notes 5, 7 and 10, cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amounts of dividends paid to shareholders, return capital to stakeholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

During 2011 the company's strategy, which was unchanged from 2010, was to maintain a Baa2 credit rating for long-term and A2 for short-term commitments. The gearing ratios at 30 June 2011 and 2010 were as follows:

	2011	2010
Total borrowings	359,158,498	360,315,082
Less: cash and cash equivalents	(1,590,166)	(923,720)
Less: advances to Group companies	(358,151,949)	(360,215,083)
Net debt	(583,617)	(823,721)
Total equity	428,343	728,461
Total capital	(155,274)	(95,260)
Gearing ratio	376 %	865 %

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirement from the previous year. Since the company borrows to fund companies in the Group, the net debt is calculated after adjusting for advances to Group companies. The change in the gearing ratio in the current year is mainly attributable to the timing between advances to Group companies and borrowings as well as the fact that borrowing costs decreased during this current period.

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands

2011

2010

2.3 FAIR VALUE ESTIMATION

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is at the current market interest rate that is available to the company for similar financial instruments.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, judgements and assumptions are made that could affect the reported amounts of assets and liabilities within the next financial year. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income taxes

The company is subject to complex tax legislation. Significant judgement is required in determining the provision for income taxes. The company recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of each asset or liability, and is not discounted.

Refer to note 16 for detail regarding the taxation charge and the deferred tax charge for the year ended 30 June 2011.

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands

2011 **2010**

4. PREFERENCE SHARES

Held-to-maturity

Redeemable preference shares	250,000,000	250,000,000
The preference shares in Kagiso Trust Investments (Proprietary) Limited and Kagiso Financial Services Limited have the same terms and conditions as the listed redeemable preference share liability on the Kagiso Domestic Medium Term Note Programme listed on the Johannesburg Stock Exchange. Refer to note 10 for terms and conditions.		

Held-to-maturity financial assets are invested as follows:

KTI share capital	194	194
KTI preference shares	193,999,806	193,999,806
KFS share capital	56	56
KFS preference shares	55,999,944	55,999,944
	250,000,000	250,000,000

Reconciliation of held-to-maturity instruments:

Balance at the beginning of the year	250,000,000	169,886,000
Arising during the year	-	100,000,000
Repayment	-	(19,886,000)
	250,000,000	250,000,000

Total other financial assets

Held-to-maturity financial assets	250,000,000	250,000,000
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Non-current assets

Held-to-maturity	250,000,000	250,000,000
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The company has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2011 and 2010, as all the financial assets were disposed of at their redemption date.

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

Notes to the Annual Financial Statements

Figures in Rands

2011 **2010**

5. LOANS TO SHAREHOLDERS

Kagiso Trust Investments (Proprietary) Limited 106,524,352 108,315,487
Advances to the Kagiso Trust Investments (Proprietary) Limited are made on the same terms and conditions associated with the issuing of debt securities. Such advances are governed by proper approval and loan agreements that incorporate the terms and conditions attached to the Registered Domestic Note and Redeemable Preference Share Programme dated 16 September 2005. Refer to note 10 for terms and conditions attached to debt securities.

Non-current assets	89,900,000	97,900,000
Current assets	16,624,352	10,415,487
	106,524,352	108,315,487

Credit quality of loans to shareholders

The credit quality of loans to shareholders that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Credit rating		
Baa2	106,564,352	108,315,487

Fair value of loans to and from shareholders

The loans reprice within 12 months and as a result approximate fair values (none of the loans are past due nor impaired).

6. CURRENT INCOME TAX LIABILITIES

Normal tax liabilities	11,870	7,918
STC	-	3,952
	11,870	11,870

Reconciliation of current income tax liabilities

At beginning of the year	11,870	-
Arising during the year	-	11,870
	11,870	11,870

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands

2011 **2010**

7. LOANS DUE FROM RELATED PARTIES

Fellow subsidiaries

Kagiso Financial Services Limited ("KFS")	1,627,597	1,899,596
Advances to KFS are made on the same terms and conditions associated with the issuing of debt securities. Such advances are governed by proper approval and loan agreements that incorporate the terms and conditions attached to the Registered DMTN Programme dated 16 September 2005. Refer to note 10 for terms and conditions attached to debt securities.		

Credit quality of loans to related parties

The credit quality of loans to group companies that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Counterparties without external credit rating

Existing customers (more than 6 months) with no defaults in the past	1,627,597	1,899,596
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Fair value of loans to related parties

Existing customers (more than 6 months) with no defaults in the past	1,627,597	1,899,596
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None of the loans to related parties have been impaired or past due. These amounts are guaranteed by KTI to the extent of R56,000,000 (2010: R56,000,000).

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	1,590,166	923,720
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Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

A1	1,590,166	923,720
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9. ORDINARY SHARES

Authorised

1 000 Ordinary shares of R1 each	1,000	1,000
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Reconciliation of number of shares issued:

Reported at beginning and end of the year	400	400
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Issued

Ordinary	400	400
Share premium	3,299,900	3,299,900
	3,300,300	3,300,300

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands	2011	2010
10. FINANCIAL LIABILITIES HELD AT AMORTISED COST		
Held at amortised cost		
Redeemable preference shares	250,000,000	250,000,000
Debt securities - bonds	102,246,066	102,259,096
	352,246,066	352,259,096

10.1 PREFERENCE SHARE LIABILITIES

Authorised preference shares		
1 000 000 redeemable preference shares of R1 each	1,000,000	1,000,000
Issued preference share liabilities		
250 redeemable preference shares of R1 each	250,000,000	250,000,000

The holders of fixed and variable rate cumulative redeemable preference shares have no voting rights at any meeting of the company.

Reconciliation of issued preference share liabilities

At beginning of year	250	170
Arising during the year	-	100
Repaid during the year	-	(20)
Total share capital	250	250
At beginning of year	249,999,750	169,999,830
Arising during the year	-	99,999,900
Repaid during the year	-	(19,999,980)
Total share premium	249,999,750	249,999,750
	250,000,000	250,000,000

Redeemable preference shares issued under the Domestic Note and Redeemable Preference Share Programme dated 16 September 2005 comprise the following:

KSP003 with redemption date 1 February 2013

- Shares at cost	78	78
- Share premium	77,999,922	77,999,922
	78,000,000	78,000,000

KSP004 with redemption date 01 April 2013

- Shares at cost	72	72
- Share premium	71,999,928	71,999,928
	72,000,000	72,000,000

**KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

Notes to the Annual Financial Statements

Figures in Rands

2011

2010

10. FINANCIAL LIABILITIES HELD AT AMORTISED COST (continued)

KSP005 with redemption date 31 July 2012

- Shares at cost	100	100
- Share premium	99,999,900	99,999,900
	100,000,000	100,000,000

On 16 September 2005, Kagiso established a Domestic Note and Redeemable Preference Share Programme for a total programme value of R1 billion.

KSP003, for a nominal value of R78 million is a floating yield Redeemable Preference Share. The shares bear dividend which is payable and repriced six monthly at 77% of prime on a NACS basis. The shares redeem on 1 February 2013 and are listed on the Johannesburg Stock Exchange (JSE).

KSP004, for a nominal value of R72 million is a floating yield Redeemable Preference Share. The shares bear dividend which is payable and repriced six monthly at 77% of prime on a NACS basis. The shares redeem on 1 April 2013 and are listed on the Johannesburg Stock Exchange (JSE).

KSP005, for a nominal value of R100 million is a floating yield Redeemable Preference Share. The shares bear a dividend which is payable and repriced six monthly at 90% of prime on a NACS basis. The shares redeem on the 31 July 2012 and are listed on the Johannesburg Stock Exchange (JSE).

The nominal proceeds of Redeemable Preference Shares in issue at financial year-end have been invested in Redeemable Preference Shares of Kagiso Group companies as follows

Kagiso Trust Investments (Proprietary) Limited	194,000,000	194,000,000
Kagiso Financial Services Limited	56,000,000	56,000,000
	250,000,000	250,000,000

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands	2011	2010
10. FINANCIAL LIABILITIES HELD AT AMORTISED COST (continued)		
10.2 DEBT SECURITIES - BONDS		
KSB004	52,469,613	52,469,613
KSB004, for a nominal value of R50 million is a floating rate note. The instrument bears interest which is payable and repriced quarterly at a fixed yield of 12%. The instrument matures on 1 February 2013. It is listed on the JSE.		
KSB005	41,664,902	41,664,902
KSB005, for a nominal value of R40 million is a floating rate note. The instrument bears a coupon half-yearly on a determination date at a fixed margin of 2.70 above a fixed coupon of Government Stock R201. The instrument matures on 28 February 2013. It is listed on the JSE.		
KSB006	8,111,551	8,124,581
KSB006, for a nominal value of R8 million is a floating rate note. The instrument bears interest which is payable and repriced quarterly at a fixed margin of 3.2% above 3-month JIBAR. The instrument matures on the 01 February 2012. It is listed on the JSE.		
Total debt securities - bonds	102,246,066	102,259,096
Total debt securities		
In conformance to internal company and group authority an amount of R152 million (2010: R152 million) is available for issuing of new and additional instruments in the short-to-medium term.		
The nominal proceeds of debt instruments in issue at financial year-end have been on-lent to Kagiso group companies as follows:		
Kagiso Trust Investments (Proprietary) Limited	291,900,000	291,900,000
Kagiso Financial Services Limited	56,000,000	56,000,000
	347,900,000	347,900,000
Availability of future and immediate capabilities for the issuance of debt securities are as follows:		
Registered Programme Value	1,000,000,000	1,000,000,000
Total financial liabilities held at amortised cost- non-current		
At amortised cost	340,000,000	348,000,000
Total financial liabilities held at amortised cost -current		
At amortised cost	12,246,066	4,259,096
	352,246,066	352,259,096

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands

	2011	2010
11. TRADE AND OTHER PAYABLES		
Accrued audit fees	97,361	79,720
Other payables	46,043	3,670
	143,404	83,390
12. INVESTMENT REVENUE		
Preference dividend income		
Listed financial assets - Local	20,060,511	24,263,087
Interest income		
Listed financial assets	11,757,814	13,249,044
Bank	90,391	135,493
	11,848,205	13,384,537
	31,908,716	37,647,624
13. OTHER OPERATING EXPENSES		
Auditor's remuneration (refer to note 14)	132,029	97,902
Strate Fees	7,524	-
Other expenses	250,755	927,614
	390,308	1,025,516
14. AUDITOR'S REMUNERATION		
Fees	201,489	83,366
Adjustment for previous year	(79,720)	14,536
Tax and secretarial services	10,260	-
	132,029	97,902
15. FINANCE COSTS		
Non-current borrowings	11,758,015	13,255,107
Preference dividends	20,060,511	24,272,292
	31,818,526	37,527,399
Finance costs consists of the following:		
Finance costs:		
Dividend on preference shares	20,060,511	24,275,292
Interest expense on debt securities	11,758,015	13,252,107
	31,818,526	37,527,399

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands

2011 **2010**

16. TAXATION

Major components of the tax expense

Current

Local income tax	-	23,104
STC	-	3,952
	-	27,056

No provision for current income tax has been made because the company has an assessed loss of R300,118.

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Standard tax rate	28.00 %	28.00 %
Exempt income	- %	(31.00)%
Impact of assessed loss	(28.00)%	- %
	- %	(3.00)%

17. DIVIDENDS PAYABLE

Balance at beginning of the year	(8,055,986)	(5,640,744)
Balance at end of the year	6,912,432	8,055,986
	(1,143,554)	2,415,242

18. INCOME TAX PAID

Balance at beginning of the year	(11,870)	15,186
Current tax for the year recognised in profit or loss	-	(27,056)
Balance at end of the year	11,870	11,870
	-	-

19. CASH USED IN OPERATIONS

Loss before taxation	(300,118)	(905,291)
Adjustments for:		
Dividends received	(20,060,511)	(24,263,087)
Interest received	(11,848,205)	(13,384,537)
Finance costs	31,818,526	37,527,399
Changes in working capital:		
Trade and other payables	60,014	(21,149)
	(330,294)	(1,046,665)

KAGISO SIZANANI CAPITAL (PROPRIETARY) LIMITED
(REGISTRATION NUMBER 2003/028948/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Notes to the Annual Financial Statements

Figures in Rands

2011

2010

20. RELATED PARTIES

Relationships

Ultimate holding company
 Holding company
 Fellow subsidiary
 Fellow subsidiary

Kagiso Charitable Trust
 Kagiso Trust Investments (Proprietary) Limited
 Kagiso Securities Limited (until 01 November 2010)
 Kagiso Financial Services Limited

Related party balances

Loan accounts - Owing by related parties

Kagiso Trust Investments (Proprietary) Limited	89,900,000	117,836,000
Kagiso Financial Services Limited	1,627,597	1,899,596

There is no provision for doubtful debts, nor any bad debt written off during the year, that relates to related parties.

Investment in preference shares (refer to note 10)

Kagiso Trust Investments (Proprietary) Limited	194,000,000	213,886,000
Kagiso Financial Services Limited	56,000,000	56,000,000

Related party transactions

Interest received from related parties

Kagiso Trust Investments (Proprietary) Limited	11,757,814	(10,501,595)
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Dealer fees paid to related parties

Kagiso Securities Limited	137,705	75,294
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