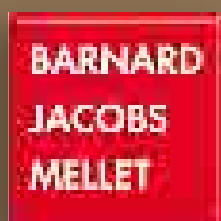




ANNUAL REPORT 2010



25
YEARS

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Our core values

- Uncompromising integrity
- Client focus
- Independence
- Passion for excellence
- Performance recognition

Member of the following exchanges

- JSE
- BESA
- LSE
- NASDAQ

Our offices are in

- Johannesburg
- Durban
- Bellville – Cape Town
- Constantia – Cape Town
- George
- London – UK
- Stamford, Connecticut – USA



25
YEARS

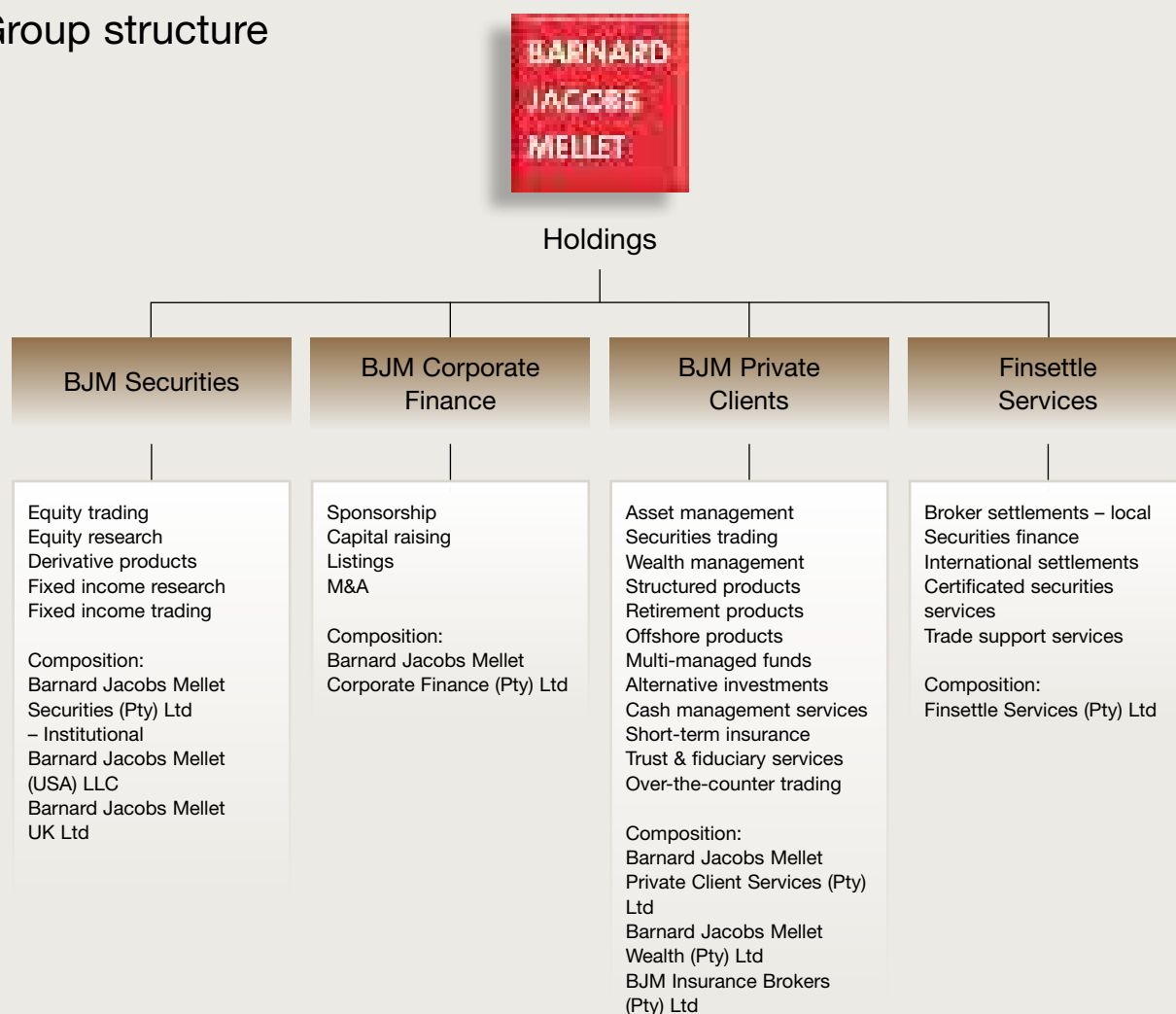
BARNARD JACOBS MELLET HOLDINGS LIMITED
Registration number: 1995/004798/06
Incorporated in the Republic of South Africa
ISIN: ZAE000014262 JSE code: BJM
("BJM" or "the Group")

Definitions of subsidiaries and business unit groups:

Barnard Jacobs Mellet Group is referred to as BJM or alternatively as the Group
Barnard Jacobs Mellet Holdings Ltd is referred to as BJM Holdings
Barnard Jacobs Mellet Securities (Pty) Ltd is referred to as BJM Securities
Barnard Jacobs Mellet UK Ltd is referred to as BJM UK
Barnard Jacobs Mellet (USA) LLC is referred to as BJM USA
Barnard Jacobs Mellet Corporate Finance (Pty) Ltd is referred to as BJM Corporate Finance
Finsettle Services (Pty) Ltd is referred to as Finsettle Services or Finsettle
Barnard Jacobs Mellet Private Client Services (Pty) Ltd is referred to as BJM PCS or BJM Private Client Services
Barnard Jacobs Mellet Wealth (Pty) Ltd is referred to as BJM Wealth (BJM Trust is a division of BJM Wealth)
BJM Insurance Brokers (Pty) Ltd is referred to as BJM Insurance Brokers
BJM Private Clients is the umbrella name for Barnard Jacobs Mellet Private Client Services (Pty) Ltd, Barnard Jacobs Mellet Wealth (Pty) Ltd and BJM Insurance Brokers (Pty) Ltd

Barnard Jacobs Mellet Holdings (BJM) is a South African holding company listed in the JSE's financial services sector and carries the abbreviation "BJM". Our securities broking business is South Africa's largest independent stockbroker while Finsettle Services, a custody and settlement member of the JSE, offers settlement and administration services. Other Group companies are BJM Private Clients, an asset manager and specialist adviser to high net worth individuals, and BJM Corporate Finance, a leading provider of corporate finance and corporate advisory services. BJM has direct international representation in the UK and USA. BJM is an authorised financial services provider.

Group structure



2010 at a glance

- Assets under administration **R36 billion**
- Headline earnings per share of **24 cents**
- Net asset value per share of **447 cents**

BJM heritage

In April 2010, BJM celebrated its 25th anniversary. The business was founded in 1985 as Jan Silvis & Co, a Johannesburg-based stockbroker focused on institutional business. Sustained growth resulted in a series of name changes, culminating in the adoption of the BJM brand identity.

Client needs drove growth and in 1991 a US business was launched. UK operations began in 1993. Expansion into retail services occurred in 2000 with the launch of BJM Private Client Services, an event attended by former President Nelson Mandela.

Strong black economic empowerment credentials were secured in 2004 through the acquisition of Mazwai & Co. Securities. Diversification continued in 2007 when BJM entered the corporate finance and advisory field following the acquisition of Quaestor Capital, subsequently rebranded as BJM Corporate Finance.

Growth of the BJM brand is supported by the growth of BJM's South African footprint. In addition to offices in Illovo, Johannesburg, regional offices have been established in Durban, George, Constantia and Tyger Valley, Cape Town.

BJM is noted for its intellectual property and innovative solutions. BJM is also known for prudent management and sustained growth. Profits have been recorded for 25 successive years.

1985

BJM is founded as Jan Silvis & Co, a Johannesburg-based stockbroker focused on institutional business.

1991

First international expansion is made with the opening of the New York office.



1993

International expansion continues with first operations in London.



1996

Name changes to Barnard Jacobs Mellet.

1998

Listed on the JSE main board.



2000

BJM PCS is officially launched by former President Nelson Mandela.

BJM UK is admitted as a member of the London Stock Exchange.

Finsettle Services is launched.

2001

BJM Securities is ranked top research house in the Financial Mail stockbroker survey.

2003

The BJM Fixed Income team is ranked first in the Spire awards for debt research.

Finsettle Services is approved by STRATE as the first non-bank Business Partner.

2004

Acquires Mazwai & Co. Securities in a BEE transaction.

The BJM Fixed Income team wins the Spire awards for debt research.

2005

BJM PCS extends its client services to encompass the spectrum of wealth management.

The BJM Fixed Income team wins the Spire awards for debt research.

2006

Celebrates 21 consecutive years of profitability.

BJM PCS establishes its national presence with offices in Johannesburg, Durban, George and Constantia and Bellville in Cape Town.

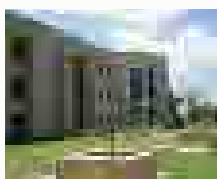
2007

Expands into corporate finance with the acquisition of Quaestor Capital.

Expands into multi-manager funds.

2008

BJM moves to its new office in Illovo, Johannesburg.



BJM PCS' five-year strategic objective of securing tenfold growth is achieved (R32 billion in assets under administration by end of period).

BJM Securities is voted the leading research and dealing house in the Financial Mail stockbroker survey.

2009

BJM Securities ranked top in research and dealing in the Financial Mail survey, ranking the analyst.

BJM PCS is admitted as an equities member of the JSE Limited, separating from BJM Securities.

The BJM Private



Clients service offering is further broadened when the wealth management division launches a specialist trust and fiduciary services business, later established as BJM Trust.

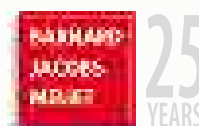
2009

BJM Private Clients launches BJM Insurance Brokers, short-term insurance specialists with dedicated focus on the needs of high net worth individuals.

BJM Private Clients innovates further by establishing British Capital, a closed-ended investment company that pursues value in UK property – a once-in-a-generation wealth and diversification opportunity.

2010

BJM celebrates its 25th anniversary.



Profits have been recorded for 25 successive years.

BJM Private Clients' assets under administration at R35,5 billion. The highest level yet.

Board of Directors

Executive directors

Andile Mazwai |38| BCom (Hons)

Andile, Group CEO, began his stockbroking career with BJM Securities in 1998. Andile serves as a non-executive director on the board of the Johannesburg Stock Exchange Ltd. He is also deputy chairman of the board of governors of Kearsney College.



Lionel Wilson |40| BCom (Hons) CA(SA) CMA

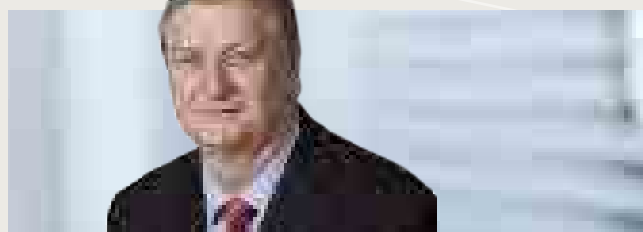
Lionel, our Chief Operating Officer, joined BJM in 1998, initially as financial manager. He completed articles with one of the big four auditing firms and gathered early managerial experience in the chemical manufacturing industry. Lionel, a member of Exco, was appointed to the Board in March 2009.



Non-executive directors

John Bester |64| BCom (Hons) CA(SA) AMP (UCT) AMP (Oxford)

Our Chairman was a partner of Ernst & Young for 10 years and is a former financial director of the Norwich Holdings Group. He is a non-executive director of Personal Trust International Ltd, Western Province (Pty) Ltd and Clicks Holdings Ltd. He chairs the audit committees of several companies.



Hendrik Bester |59| BCom (Hons) FIA (London) AMP:ISMP (Harvard)

Hendrik is an independent, non-executive director and serves in a similar capacity on the board of Vukile. In the past, he has sat on numerous boards. For 29 years Hendrik was with Sanlam, serving as managing director of various business units.



Alwyn Martin |72| BCom CA(SA)

Alwyn is an independent, non-executive director of BJM and Chairman of our Audit and Risk Committee. He is also a non-executive director of Medi-Clinic Ltd, DataCentrix Ltd, the TransHex Group, Northam Platinum Ltd and Petmin Ltd.



Thabo Seopa |45| BCom HDip Tax MDP

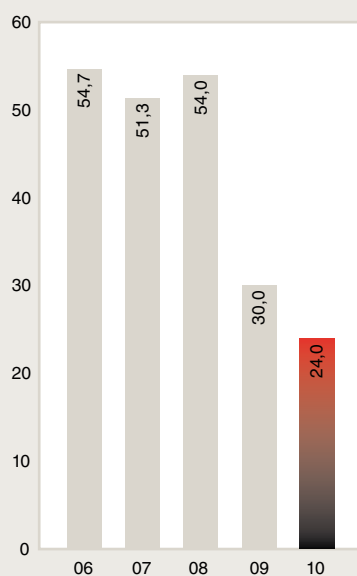
Thabo is Managing Director of Trudon (Pty) Ltd, a local commercial advertising company. He gathered financial sector experience during an eight-year tenure as an investment banker with global banks UBS and HSBC. In addition, Thabo has worked in executive positions in the accounting and finance area with SAB, NSB and Tongaat Aluminium. He is a trustee of the Children's Hospital Foundation Trust.

Financial summary

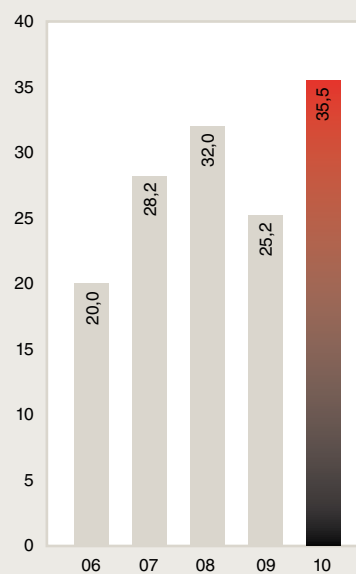
for the year ended 31 March 2010

	2010	2009	%
Group summary (R'000)			
Revenue	446 391	505 988	(11,8)
Headline earnings	16 841	29 963	(43,8)
Basic earnings	13 272	29 913	(55,6)
Dividends	10 782	12 977	(16,9)
Net asset value	336 387	349 585	(3,8)
Results per share (cents)			
Headline earnings per share	24,0	43,2	(44,4)
Fully diluted headline earnings per share	20,5	36,3	(43,5)
Basic earnings per share	18,9	43,1	(56,1)
Fully diluted earnings per share	16,1	36,2	(55,5)
Net asset value per share	446,5	499,2	(10,6)
Market statistics			
Market price (cents per share)	350	250	40,0
Market capitalisation (R'000)	350 000	250 000	40,0
Issued number of shares, net of treasury stock ('000)	75 335	70 024	7,6
Weighted average number of shares in issue, net of treasury stock ('000)	70 218	69 336	1,3
Shares in issue ('000)	100 000	100 000	—
Price earnings ratio	15	5	200,0

HEADLINE EARNINGS
R'million



FUNDS UNDER ADMINISTRATION
R'billion



Directors' interests



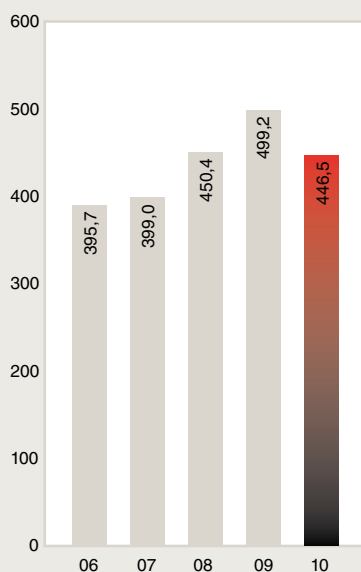
The directors during the 2010 financial year and as at the date of this report were:

Name	Designation	Date of appointment	Date of resignation
JA Bester	Chairman	1 June 2002	
HSC Bester		1 June 2002	
AR Martin		27 July 2004	
AM Mazwai*		1 June 2002	
TS Seopa		30 July 2004	
MS Rebe*	Chief Executive Officer	11 May 2007	13 August 2009
L Wilson*		5 March 2009	

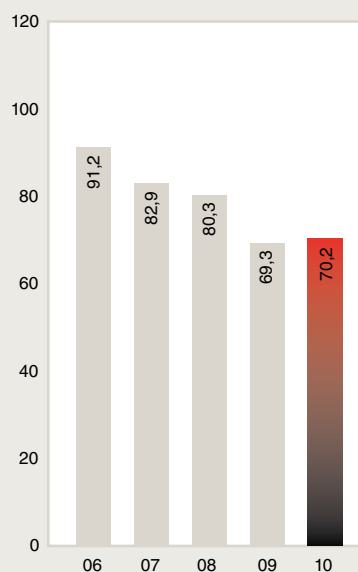
* Executive

Directors' interests at 31 March	2010	%	2009	%
Number of shares held:				
Directly beneficial				
AM Mazwai	805 500	0,81	479 200	0,48
L Wilson	159 400	0,16	84 400	0,08
Total	964 900	0,97	563 600	0,56
Indirectly beneficial				
AM Mazwai	8 394 597	8,39	8 394 597	8,39
L Wilson	65 000	0,07	65 000	0,07
Total	8 459 597	8,46	8 459 597	8,46
Total interests	9 424 497	9,43	9 023 197	9,02

**NET ASSET VALUE
PER SHARE**
cents



**WEIGHTED AVERAGE
NUMBER OF SHARES**
million



Chairman's statement



We did not falter in our quest for selective growth over the last year and will remain prudent in our approach, staying committed to growth in the business.

John Bester **Chairman**

I am proud that in a tough year for global and local financial markets BJM has delivered its 25th consecutive year of profits and remains the leading research and dealing house in the country. Nonetheless, the decline in share-trading values continued in the year under review and as a result the Group experienced a decline in business in all its subsidiaries, with the exception of BJM Private Clients which achieved organic growth. Careful management by Andile Mazwai and his team has helped to mitigate some of the potential negative impact of the weak economy. As a broker serving a number of clients and acting as the steward of their wealth we remain cognisant of the fact that our people are our greatest asset.

Professional standards

We welcome the intention of regulators to better clarify the obligations of directors and their duty to practise rigorous corporate governance. The diligent director has no reason to fear the trend toward more precise regulation and the Board is committed to the highest professional standards in pursuit of its fiduciary duty and responsibility. We continue to draw competitive advantage from the fact that we attract high-calibre people with modern skills, traditional values and a conservative attitude to investment.

Dividend policy

The Board deviated from its dividend policy and did not declare an interim dividend in the prior year. A similar strategy has since been adopted by several other blue-chip companies in response to the global liquidity crisis of that time. It remains our policy to align the interests of all

stakeholders. The general economic climate has tempered the remuneration prospects of many groups. This is true of wider society and is reflected this past year in distributions to our shareholders and rewards to our executives. The dividend policy of two times cover remains unchanged. Post statement of financial position date, the Board declared a dividend of 4 cents per share.

Sustainable empowerment

Our belief in sustainable business practices serves us well. We selected suitable black economic empowerment (BEE) partners and were careful not to develop a BEE structure that depended on a constantly improving share price. As a result, we are happy to report that our BEE partners continue to bring value to the business and their commitment to BJM is unimpaired by market weakness.

Directorate

We benefit from the collective wisdom of an extremely stable Board and I thank all directors for their invaluable contribution.

During the year Sidney Rebe resigned as an executive director of the Group, but will remain a member of the Group Executive Committee. We thank Sidney for dedicating his time and effort to the Group.

I thank all executives, staff members, clients and business partners of our business for their input during the year.

Annual meeting

Our annual general meeting is scheduled for 28 July 2010. The official notice of the meeting appears on page 75.

Conclusion

We remain confident of BJM's ability to meet continued challenges head on. We view the FIFA Soccer World Cup™ in South Africa to be positive for the country and expect it to provide some support for the economy. We did not falter in our quest for selective growth over the last year and will remain prudent in our approach, staying committed to growth in the business. Opportunities await well-capitalised companies with a sound business model and these will be carefully explored.



John Bester

Chairman

Chief Executive Officer's statement



The Board identified a number of strategic imperatives which it recognised as opportunities to improve the Group's competitive position.

Andile Mazwai **Chief Executive Officer**

The past BJM year has been defined by bold strategic action borne out in a transformational transaction.

In undertaking corporate action the Board carefully considered the impact to clients, staff, shareholders and the Company itself.

During the months of October and November BJM traded under cautionary as it negotiated a transaction which was contemplated to broaden the product range to our retail clients as well as add an international offering to the institutional client base. Unfortunately these negotiations became protracted, and the probability of success diminished. In light of this we considered it prudent to withdraw from the transaction. At about the same time BJM received an unsolicited and opportunistic interest from a competitor. In weighing up the merits, we did not believe that the proposed transaction would have necessarily benefited clients, staff or shareholders. I wish to thank the Board and senior staff who showed their mettle in defending the Company when the approach became hostile.

Notwithstanding this episode, we stayed true to our strategic path and I am pleased to report on its first material success. On 3 May 2010, the Group announced that it had concluded negotiations to sell BJM Securities to Renaissance Securities Holdings (SA) (Pty) Ltd, the local franchise of the emerging market bank. This fulfils two strategic goals, firstly it strengthens BJM Securities to compete with the global banks and secondly, it frees BJM Private Clients to pursue its asset management ambitions without fear of conflict. We are confident that both the clients and staff of BJM Securities will be better off and that shareholders saw full value for the business.

Operational performance

I am pleased to report that the business weathered the "great recession" by staying with its "bear market strategy". This entailed managing costs downwards to combat the revenue decline as a result of reduced market activity. It is incumbent upon me to express gratitude to our staff members whose maturity made this possible.

During the year the business experienced some senior management changes, including the CEO of BJM Securities, Corporate Finance and Finsettle Services. While such changes are often disruptive in the short term we are confident that the business can look forward to greater harmony and stability.

Results

Gross revenue decreased by 11,8% year-on-year, whereas costs were managed down by 8,7%. While this represents a squeeze in the pre-tax profit margin, management is comforted by the fact that costs were managed downwards without compromising the franchise's product and service set. Headline earnings per share declined by 44,4% to 24 cents per share. Net asset value decreased from 499 cents per share to 447 cents per share as a consequence of the appreciation of the Rand against the Pound Sterling and US Dollar.

Strategy intact

Following the anticipated sale of the South African institutional business to Renaissance Securities Holdings (SA) (Pty) Ltd, the Group's strategy is to forge ahead with the growth of BJM Private Clients by increasing its product offering to clients.

The future

With the anticipated sale of BJM Securities we expect earnings to be under pressure as the Group will have to manage down its infrastructural cost base to the requisite level for the rest of the businesses.

BJM Securities

Notwithstanding a recovery in equity markets, the turnover value on all exchanges fell for a second consecutive year. Consequently revenues declined in the South African institutional business.

The US and UK offices enjoyed improved fortunes, where revenues were up in their respective currencies. This was driven by management changes (in the UK) and the resumption of risk post the credit crisis.

“And it ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.”

Niccolo Machiavelli, 1515



Andile Mazwai

Chief Executive Officer

BJM Private Clients



Jan van Staden |41| MCom (Economy) BCom (Hons)

Jan is Head of BJM Private Clients and Chairman of its Investment Committee. Before joining BJM Securities in 1998 he was senior portfolio manager at SMK Securities and prior to that was senior portfolio manager, private clients and fiduciary entities, at Standard Bank. Jan is a certified financial planner and holds a Post-graduate Diploma in Financial Planning. He is a member of the Financial Planning Institute and the Investment Analysts Society.

Nature of business

BJM Private Clients offers complete financial services solutions to high net worth individuals, including:

- asset management: personal portfolio management, offshore and structured products, alternative investments, multi-managed funds and access to UK property investments;
- stockbroking as a licensed member of the JSE: in listed and unlisted equity securities, bonds, futures, contracts for difference, offshore securities trading and money broking;
- short-term insurance;
- wealth management: financial planning, trust and fiduciary services, retirement products and corporate cash management; and
- charitable giving.

Year in review

Severe recession at the beginning of the period had a major negative impact on markets and trading volumes. Uncertainties persist and a key theme for the year was risk management on behalf of ourselves, our clients and our partners.

Recovery in 2010 vindicated the strategic decision in 2008/2009 to maintain our long-term expansion plans rather than put growth on hold. As the year progressed we drew substantial benefit from increased business volumes across a broader product spectrum. Rather than step up the rate of growth across the business, we preferred to take a largely conservative approach in many areas, complemented by selective growth in others.

There were no additions to the branch network.

A significant milestone was the celebration of our 10th anniversary and a decade of sustained profitability.

In a joint venture with Cornerstone Asset Management we successfully launched the offshore property investment company, British Capital Property Investments, giving clients direct access to growth opportunities in the UK property market. Client response was pleasing.

Simultaneously, we finalised the acquisition of Quadro Executive Estate Planning, a Johannesburg fiduciary services company. The operation has been successfully rebranded as BJM Trust and integrated into our wealth business. Expansion into trust services is a major step in the growth of our franchise and substantiates the brand promise of complete financial services solutions supported by expert advice from highly qualified specialists in every discipline.

One new product was introduced – the Direct Offshore Equity Unit Trust – which has achieved inflows well above expectations.

All teams performed well, driving solid growth in our asset management, wealth and stockbroking businesses. Our position as an independent stockbroker was strengthened by the acquisition of our own JSE stockbroking licence.

Recent achievements include the integration of BJM Insurance Brokers since the time of its 2009 launch. The only constraint on growth was personnel as we refuse to compromise recruitment standards. BJM Insurance Brokers has been integrated into all branches except Durban.

Prospects

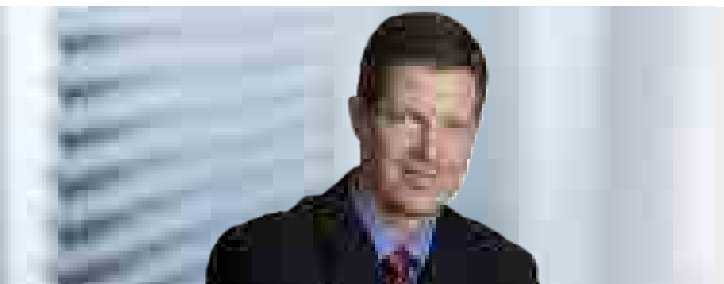
The sale of our sister company BJM Securities after the end of our financial year will contribute to greater focus and give further impetus to plans for strategic expansion by BJM Private Clients. The national economy has moved out of recession while investor confidence has improved, creating conditions that will foster judicious growth. Further expansion of our geographic footprint is envisaged. Efforts will also be stepped up to optimise the potential of existing businesses.

Our franchise now covers all significant areas of client need, creating opportunities for significant growth in business volumes as we alert clients to synergies and efficiencies. In 2011 we will also benefit from the full-year effect of the roll-out of our short-term insurance and trust businesses.

We are fortunate to have an excellent team of people who bestow considerable competitive advantage on the business. This will be leveraged to the utmost in an aggressive quest for sustained market share gains by a more focused and considerably strengthened business.

Highlights

- Assets under administration rose to R35,5 billion – the highest level yet
- Revenue rose 7,3%, a pleasing result as many equity investors moved to the sidelines as the recession took hold
- Client numbers rose by 3% overall, but growth of 11,3% was achieved among wealth management clients, enhancing our annuity income
- Staff numbers rose by 10%
- Costs were well contained, rising 7,3% overall (below prevailing inflation). The cost base grew by 7,5% while staff costs moved 5,9% higher.



Koos van Niekerk [41] CA(SA), MCom (Hons) BCom M.Inst.D

Koos rejoined the BJM Group as CEO of Finsettle Services in 2009. He started his career in a global auditors and advisory firm, and thereafter furthered his financial services experience and expertise in the management of a major global banking and financial services group. Koos has served as trustee of the group pension funds of two listed groups.

Nature of business

A licensed custody services provider of the JSE, Finsettle provides tailored solutions for our clients by intermediating, managing and advising on settlement and custody risk while providing administrative and settlement solutions for stockbrokers, asset managers, fund managers, hedge funds, corporates, individuals and other clients. Our judicious approach to settlement risk is evident, with constant focus on client and business risk. In a climate in which local and foreign stockbrokers and their clients face heightened risk and severe margin pressures, Finsettle adds considerable value through process efficiency and our ability to provide innovative settlement solutions. The business is positioned as a source of strategic advantage for its clients and the Group. The need for proven capacity to manage settlement risk at competitive rates continues, while Finsettle's clients benefit from significant recent investments in our technology and information infrastructure, systems, risk management and operational effectiveness.

Year in review

The last 18 months saw significant global developments and changes in capital and liquidity deployment and management. No less so in the local financial services industry. Banks and related institutions were impacted by Basel 2 and 3 and the changing interest rate environment. Liquidity premium levels since the end of 2008 have remained at elevated levels in South Africa, while international markets have seen improvements in the availability and pricing of funding.

Our total settlement volumes remained fairly constant as some of our stockbroker clients experienced reduced deal flow and a move to alternative structuring, while others experienced a recovery in the equity markets and resultant deal flow.

Internationally, but specifically in Europe and the USA, restrictions and regulatory controls were placed on short selling and securities borrowing activities. Most of these restrictions have now been lifted, but the suppressed levels of those activities have had an overflow into the local environment. South African industry data indicate a contraction of between 40% to 60% in securities lending and borrowing levels. Finsettle was impacted by this, albeit to a lesser extent.

In broad terms the market activity and values were lower due to continued risk aversion. Clients' assets under

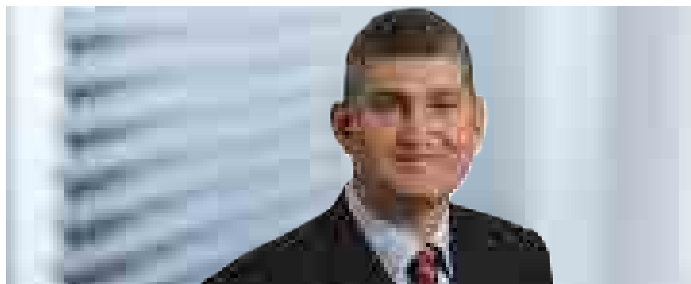
Finsettle's control and administration grew to R56 billion at the end of March 2010 (R41 billion at March 2009). The business continued to make a positive contribution to the Group.

Prospects

An exciting array of new advisory and service offerings is currently under development. In addition to managing our own capital requirements in a more structured manner, we also advise our clients on their regulatory and operational capital requirements. Management is positive about profitable growth prospects for the coming year and considers Finsettle to be an exciting contributor to the Group's future growth.

Highlights

Our extensive involvement and mutually beneficial relations with the JSE, STRATE and the CSDPs is both a non-negotiable and a highlight for our team. We represent our clients and their interests on various industry forums, for example our CEO has been appointed to the JSE's Clearing and Settlement Advisory Committee, our involvement as a Business Partner to STRATE and our involvement in the South African Securities Lending Association.



Jan van Staden |41| MCom (Economy) BCom (Hons)

Jan is Acting Head of BJM Corporate Finance. Before joining BJM Securities in 1998 he was senior portfolio manager at SMK Securities and prior to that was senior portfolio manager, private clients and fiduciary entities, at Standard Bank. Jan is a certified financial planner and holds a Post-graduate Diploma in Financial Planning. He is a member of the Financial Planning Institute and the Investment Analysts Society.

Nature of business

BJM Corporate Finance offers a comprehensive range of advisory services to corporate clients, including:

- mergers and acquisition services;
- regulatory and statutory advisory support (including independent expert opinions as demanded by the JSE's Listings Requirements and in terms of the Rules and Code of the Securities Regulation Panel on Takeovers and Mergers);
- capital raisings and corporate restructurings;
- secondary placements;
- listings; and
- JSE sponsor.

Year in review

As a result of the challenging economic environment our industry witnessed an overall decline in the level of corporate activity. Falling business volumes within our sector were particularly evident in the first half of the year.

In these circumstances BJM Corporate Finance did well to maintain the momentum that had built up in the previous period. Activities relating to new JSE listings showed a sharp drop and the emphasis shifted to capital raisings through rights offers – an area of strength for the Corporate Finance team. These opportunities were aggressively pursued and the business exceeded its growth targets.

BJM Corporate Finance currently also acts as JSE Sponsor to approximately 19 JSE main board listed companies.

Continuing success was achieved with the effort to maximise synergies with the Group's Private Clients and Securities businesses. Providing added value in this way supports our industry positioning as a highly professional and proactive team able to deliver a complete range of solutions.

Staff numbers remained stable.

Prospects

Business confidence is slowly returning as the economy moves out of recession. As the year progressed, the number of enquiries across a wide range of services showed a marked increase. Indications are that deal flow will continue to improve and we are well positioned to benefit from improved industry prospects. We also expect to benefit from the forward momentum of the strengthened BJM Group in the wake of the Renaissance Capital transaction.

The BJM Corporate Finance model has proved itself. We establish strong relationships and aim to add value and exceed expectations. The advantage of dealing with such a focused, service-driven team is becoming increasingly evident and we anticipate another year of growth.

Highlights

- New account gains included work for several blue-chip clients, confirmation of our ability to compete with some of the country's largest financial service groups
- Pleasing results were achieved with our strategy of growing revenue streams from existing clients by extending the range of advisory work undertaken on their behalf.

BJM is committed to the principles of good corporate governance, and has adopted a risk-based compliance management programme that is characterised by monitoring of all business practices and procedures. This will enable the Group to give substance to its commitment to the principles set out in the King III Report on Corporate Governance.

Matters of conscience

In addition to working towards compliance with King III, we are focused on meeting all of the requirements of South Africa's new Companies Act. Doing the right thing should be a matter of conscience, not a matter of compulsion. The objective is to put BJM ahead of the curve on ethical questions. BJM believes reputation management is a strategic business issue and sees accountability as a key driver of a culture of corporate governance, with clearly defined and uncluttered areas of responsibility to ensure individual accountability. Sturdy habits of ethical dealing and robust governance structures are already in place at BJM. They are regularly reviewed, renewed and reinforced.

Board of Directors

The Group benefits from the guidance of an experienced and stable Board of Directors and comprises a balance of executive and non-executive directors, with a majority of independent non-executive directors. The Board is responsible for the Company's compliance with laws and regulations and ensures that the Company implements an effective compliance framework and process. The Board is governed by a Charter setting out broad principles, functions, duties and procedures and is led by an independent non-executive director, informed by a CEO and assisted by an Executive Committee.

The roles of Chairman and CEO are distinct. Appointments are for a period of three years and one-third of directors retire by rotation to facilitate staggered rotation of directors and to ensure continuity of the Board.

Board composition

The following tabulation lists our current Board members and their status:

JA Bester	Independent non-executive Chairman
HSC Bester	Independent non-executive
AR Martin	Independent non-executive
AM Mazwai	Chief Executive Officer
TS Seopa	Independent non-executive
L Wilson	Chief Operating Officer

Timely meetings

Meetings take place at least once a quarter. Timing is also dictated by the need for strategic scenario planning at times when markets change significantly or when major events occur with the potential to challenge previous assumptions. All directors have unfettered access to Company information, records and property and to senior management. Directors have the discretion to call for independent professional advice at Company expense, should this be necessary to fulfil their fiduciary responsibilities.

Strategic role

The Board's primary function is to ensure the business is conducted in a manner that accords with the best interests of the Company. In addition, it must set, implement and monitor Group strategy while ensuring that policies, procedures and practices are followed that reflect BJM values and respect all relevant laws and regulations. The Board acts as a focal point for corporate governance. A key role is that of business risk identification and mitigation. Directors act in the best interest of the Company, effectively manage conflict of interest and insist on effective risk-based reporting. Directors also ensure that adequate resources are available for the proper running of the business. The Board may delegate its responsibilities to certain Board committees.

Appraisal and evaluation

The Board oversees succession and continuity planning for the Executive, senior management and the Board. The Board annually reviews its own effectiveness and the effectiveness of its sub-committees, applying a formal evaluation process. The effectiveness of individual Board members is also assessed.

Corporate governance (continued)

Attendance

The attendance record of Board members for the period under review is:

Name	Jun '09	Aug '09	Oct '09	Oct '09	Nov '09	Feb '10
JA Bester	P	P	P	P	P	P
HSC Bester	P	P	P	P	P	P
AR Martin	P	P	P	P	P	P
AM Mazwai	P	P	P	P	P	P
MS Rebe	P	NA	NA	NA	NA	NA
TS Seopa	A	P	P	P	P	P
L Wilson	P	P	P	P	P	P

P – Present

NA – Not appointed

A – Apology

Executive Committee (Exco)

Exco convenes every week to receive and consider reports on Group and subsidiary operations, staffing matters and developments affecting the day-to-day running of the businesses. Exco operates within an established framework of delegated authority approved by the Board. The Group CEO communicates between the Board, Group executives and the subsidiaries. Matters of a strategic nature or those requiring an opinion are escalated to the Board. Formal Exco processes ensure comprehensive management reporting, the development of business plans that can be critically assessed by one's managerial peers and the presentation and monitoring of precise divisional and departmental budgets. Minutes by the Company Secretary provide documentary evidence that minds were applied to all material business decisions.

Audit and Risk Committee

The Board has delegated certain of its risk management responsibilities to the Audit and Risk Committee. The committee is governed by a charter and comprises suitably skilled and qualified independent non-executive directors. The Chief Operating Officer, other executives and external professionals may be invited to attend to provide advice and guidance as required, but may not vote.

The committee is led by an independent non-executive director and meets at least four times a year. The committee has access to both management and compliance reports that monitor and manage risk. The committee is integral to the risk management programme implemented by the Board and focuses on the control environment within BJM. The committee assesses risk

exposure and determines the appropriate response in line with BJM's risk tolerance.

The risk process developed by the committee imposes an obligation on each business within the Group to assess and calibrate its key risks. Any change in the nature, likelihood or severity of business risk must be noted and steps taken to address the risk. While ensuring compliance with the company's risk policies and strategy, the committee also has the task of inculcating a culture of risk awareness throughout the organisation. The committee has unlimited access to BJM's internal and external auditors and senior managers and may consult independent experts as required.

In the auditing sphere, the committee:

- recommends the appointment of independent external auditors and facilitates the exchange of views and information among Board members and the auditors;
- aligns the audit and risk processes and reviews the internal/external auditors' audit plan and scope of the audit;
- approves budgets and fees for the internal and external auditors, agrees to the terms of engagement and considers any proposed contract with the auditor for non-audit services;
- evaluates the effectiveness and quality of the audit while determining that the internal/external auditors are free of management restrictions;
- considers any matters identified by the internal/external auditors, evaluates the Group's accounting system and guards against exposure to fraud;
- considers any accounting treatments, unusual transactions or accounting judgements that could be contentious; and
- reviews financial information presented to the Board, investors and regulators and evaluates the adequacy and effectiveness of the Group's administrative, operating and accounting policies.

The composition of the committee and the record of attendance are:

Name	May '09	Jul '09	Oct '09	Feb '10
AR Martin	P	P	P	P
HSC Bester	P	P	P	P
T Seopa	A	P	A	P

P – Present

A – Apology

Remuneration and Nominations Committee (Remco)

Remco is a Board-appointed committee that operates according to an established Remco Charter. Talent attraction and retention are strategic business issues. This committee assists the Board in the task of securing the future of the business by securing the requisite skills, knowledge and experience at senior management and Board level.

Its primary responsibility is to ensure fair remuneration for senior managers and directors. To this end, compensation levels across the financial services industry are regularly monitored. In addition, the committee reviews and facilitates the implementation of Group succession plans. As skills shortages remain an industry challenge and talent "leakage" is a key business risk at BJM, the committee also reviews all restraint-of-trade agreements and mechanisms for rewarding superior performance. In carrying out these duties, the committee must maintain a balance between the interests of all stakeholders, including shareholders, directors, executives and staff.

In addition, the committee:

- evaluates and nominates new members for the Board and the chairperson and members of various Board committees;
- determines Group remuneration policy and the promotion and salary of senior executives and members of Exco; and
- determines the BJM code of conduct and human resources policy for the Group and all subsidiaries.

Non-executive directors are excluded from the Group's annual bonus plan and share incentive scheme. Their fees are reviewed annually.

The composition of the committee and the record of attendance are:

Name	Jun '09	Jul '09	Oct '09	Apr '10
JA Bester	P	P	P	P
T Seopa	P	P	P	P
AM Mazwai	P	P	P	P

P – Present

HIV/Aids

BJM's policy on HIV/Aids insists on non-discrimination, confidentiality and the right to dignity and respect of those living with HIV/Aids.

Empowerment and equity

BJM embraces broad-based black economic empowerment. BJM views BBBEE as a critical component of business sustainability in South Africa. BJM continues to strive towards the achievement of employment equity targets while its investment in skills development has increased.

BJM has given an investment industry lead by pioneering an enterprise development model focused entirely on critical needs as identified by the beneficiary businesses themselves. Our development partners all operate in the financial services field and include start-ups and black women-led enterprises.

In addition to financial backing, they receive ongoing support while enjoying regular engagement with senior BJM executives and specialists. Interaction with BJM adds value to the partner business and makes good deficiencies of specialist expertise and company resources. All beneficiary companies are 100% black owned and typically have a turnover of R5 million or less.

Corporate social investment

As a business, we believe we have a fundamental responsibility to help improve the lives of those living in disadvantaged communities in South Africa and to embrace the need for transformation and the eradication of poverty. Our social responsibility policy is a key means of giving expression to this commitment. Our policy is set and periodically reviewed by our Board and we have made a formal commitment to earmark an amount equal to 1% of our annual dividend (or a minimum of R150 000 per year) for corporate social investment activities.

A key focus area is to provide education in impoverished areas, particularly through initiatives that will ultimately assist our own industry to address the shortage of well-qualified black professionals. We believe that education is the foundation of success and our initiatives include an annual primary school art competition, the conversion of school classrooms into computer centres and the provision of software. In making allocations, we are careful not to neglect those with disabilities.

We have found that many of our clients share our passion and enthusiasm for helping those less fortunate and supporting the growth and development of our nation. The BJM Charitable Foundation was formed to create an efficient, well-monitored and managed vehicle for charitable giving with its primary focus on education. It attracts donations from the BJM Group, its staff and its clients. In addition, trustees identify appropriate projects and monitor the outcomes achieved by our project partners. In this way the Foundation facilitates the development and transformation of South Africa while addressing critical areas of need.

Some of the initiatives we have supported include:

- We show our support of primary school education through several initiatives, including our annual art competition. Through the competition we provide children with an opportunity to express themselves creatively while providing assistance to their schools.
- Another key intervention involves the early learning programme at two preschools in the KwaZulu-Natal Midlands run by the iThemba Foundation. All programme funding comes from the BJM Charitable Foundation.
- The growing need for improved environmental awareness and “green” activity led to an initiative to encourage employees to help us reduce our Company carbon footprint. Numerous suggestions from staff were implemented at our Illovo offices, including newspaper recycling, having office lights switched off automatically each evening and the use of environmentally friendly cleaning products. This initiative is ongoing and all our offices are encouraged to implement as many environmentally friendly practices as possible.
- We have also encouraged our staff to get directly involved in helping those in need. A “Do It Day” was held for staff to volunteer to help with certain projects and activities, from painting to planting and digging. The day was well supported and received positive feedback and input from our staff.

The BJM Charitable Foundation is making a real difference in the lives of young children in particular. Returns from these initiatives are not financial, but are even more crucial to the ongoing development of our country and its people.

Built-in integrity

Absolute integrity cannot be an optional extra in the financial services sector and has to be integral to every aspect of operations. Absolute integrity and honesty have to be the prime requirements of the position when recruitment takes place.

They must remain non-negotiable along any individual's career path, from the mail-room to the boardroom. This uncompromising attitude towards integrity has characterised the BJM brand since inception. BJM's vision and values of uncompromising and passion for excellence are clearly set out.

They guide the conduct of our business and our relationship with our clients, peers and suppliers. All staff members are required to adhere to a code of conduct. Strict policies and procedures are in place to ensure the interests of our clients remain paramount during all engagements.

Professional dealings within the investment environment are further guided by the BJM employee share trading rules and the standards of practice adopted by the Association of Investment Management and Research.

A dedicated compliance department works full time to inform all staff members on the laws and industry regulations governing the activities of financial service companies and their employees. This same department monitors compliance with all high-risk legal and industry standards and with BJM's own policy. No material contraventions were reported in the last year.

Meticulous tracking and monitoring of all trades are maintained. Particular rigour is applied to ensure that no one exploits information asymmetries. Advice to clients is independent and objective. Our ownership structure provides further reassurance that our advice is untainted by any connection with any parent or shareholder in the banking and investment banking field. We serve the best interests of our clients at all times and without equivocation.

Internal audit

The BJM internal audit function is an independent, objective assurance and consulting activity designed to add value and improve the operations of BJM, its subsidiaries, and offshore operations. Internal audit will help executive management and the Audit and Risk Committee to accomplish their objectives by adopting a systematic, disciplined approach to evaluate and improve the effectiveness of risk management control and governance processes. Internal audit will follow a risk-based audit approach and adhere rigorously to the Institute of Internal Auditors' standards and code of ethics.

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BARNARD JACOBS MELLET HOLDINGS LIMITED
Registration number: 1995/004798/06 Incorporated
in the Republic of South Africa
ISIN: ZAE000014262 JSE code: BJM
("BJM" or "the Group")

Directors' responsibility for the financial statements



The directors are responsible for the preparation and fair presentation of the Group annual financial statements and annual financial statements of Barnard Jacobs Mellet Holdings Limited, comprising the statements of financial position at 31 March 2010, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibilities include: 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' responsibilities also include maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Group and Company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the Group annual financial statements and annual financial statements of Barnard Jacobs Mellet Holdings Limited are fairly presented in accordance with the applicable financial reporting framework.

Approval of Group annual financial statements and annual financial statements of Barnard Jacobs Mellet Holdings Limited

The Group annual financial statements and annual financial statements of Barnard Jacobs Mellet Holdings Limited, as identified in the first paragraph, were approved by the Board of directors on 2 June 2010 and signed on their behalf by:

A stylized, handwritten signature in black ink.

AM Mazwai
Chief Executive Officer

2 June 2010

Declaration by Company Secretary

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

A stylized, handwritten signature in black ink.

Nexia Levitt Kirson Management Services CC
Company Secretary

2 June 2010

Independent auditors' report

To the members of Barnard Jacobs Mellet Holdings Limited

We have audited the Group annual financial statements and the annual financial statements of Barnard Jacobs Mellet Holdings Limited, which comprise the statements of financial position at 31 March 2010, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 23 to 74.

Directors' responsibility for the financial statements

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

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 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 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.

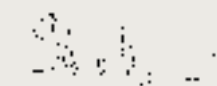
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Barnard Jacobs Mellet Holdings Limited at 31 March 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc

Registered auditor



Per NKS Malaba
Chartered Accountant (SA)
Registered auditor
Director

85 Empire Road
Parktown
2093
(Private Bag X9, Parkview, 2122)

2 June 2010

The Audit and Risk Committee has pleasure in presenting its report for the year ended 31 March 2010.

Composition of the committee

The membership of the committee comprises independent non-executive directors. At the date of this report the members were:

- AR Martin – Chairman
- HSC Bester
- TS Seopa

Committee activities

In the financial year ended 31 March 2010, and in addition to the duties set out in the committee's Charter, a summary of which is provided in the corporate governance section of this annual report, the committee carried out its functions as follows:

- Nominated the appointment of KPMG Inc ("KPMG") as the registered independent auditor after satisfying itself, through inquiry, that KPMG is independent.
- Agreed in consultation with management the provisional audit fee for the 2010 financial year.
- Ensured that the appointment of KPMG complied with the Corporate Laws Amendment Act, No. 24 of 2006 and any other legislation relating to the appointment of auditors.
- Reviewed the external audit reports and management comments.
- Considered and approved assignments in terms of which KPMG performed non-audit services on behalf of the Company.
- Considered and ensured that KPMG is registered on the JSE Register of Auditors.
- Considered and approved the Internal Audit Charter.

The committee has considered and satisfied itself of the appropriateness of the experience and expertise of the director responsible for financial information.

Furthermore, the committee satisfied itself, through enquiry, that KPMG and Mr NKS Malaba, the designated auditor, are independent from the Company.

Recommendation of financial statements

The committee recommended the Group financial statements and annual financial statements of Barnard Jacobs Mellet Holdings Limited for the year ended 31 March 2010, for approval to the Board. The Board has subsequently approved the Group financial statements and annual financial statements of Barnard Jacobs Mellet Holdings Limited which will be open for discussion at the forthcoming annual general meeting.



Alwyn Martin

Chairman

Audit and Risk Committee

2 June 2010

Directors' report

The directors have pleasure in presenting their report for the year ended 31 March 2010.

Nature of business

The principal activity of the Company is that of an investment holding company for the stockbroking, corporate finance and asset management activities of the Group.

Share capital

There were no changes to the authorised and issued share capital during the year. The Company cancelled 2 919 450 ordinary shares during the previous financial year.

Dividends

Details of dividends declared and paid are disclosed in note 12.5 to the annual financial statements.

After the statement of financial position date a dividend of 4 cents per share was proposed by the directors. The dividends have not been provided for. The secondary tax on companies payable on this dividend will be calculated at 10%.

Subsidiaries

The interest of the company in the profits and losses of its subsidiaries, prior to consolidation is:

	2010 R'000	2009 R'000
Profits	35 009	21 232
Losses	5 369	10 140

Details of the company's subsidiaries are set out in note 16 of these financial statements.

Company Secretary

Nexia Levitt Kirson Management Services CC

Business address

4th Floor Aloe Grove
Houghton Estate Office Park
2 Osborn Road
Houghton
2198

Postal address

PO Box 62200
Marshalltown
2107

Events subsequent to the balance sheet date

On Monday, 3 May 2010, BJM announced the sale of the entire issued share capital of BJM Securities, for an amount not exceeding R207 million, to Renaissance Securities Holdings (SA) (Pty) Ltd.

BJM Securities is the largest subsidiary of the Group by net asset value.

Interest of directors in share capital

Details of directors' interests in the company's share capital are disclosed on page 7 of this report.

Directors' interests in contracts

No contracts, involving directors' interests, were entered into in the current or previous year.

Directors

Details of directors are disclosed on page 7 of this report.

Statements of comprehensive income

for the year ended 31 March 2010

	Notes	Group		Company	
		2010 R'000	2009 R'000	2010 R'000	2009 R'000
Operating income		237 934	236 430	46 485	49 531
Interest income		15 171	21 146	13 018	10 070
Revenue	6	253 105	257 576	59 503	59 601
Profit/(loss) on sale of investments		20	—	14 275	(3 258)
Total income		253 125	257 576	73 778	56 343
Operating costs		(230 880)	(214 531)	(46 728)	(48 715)
Operating profit before finance costs	7, 8	22 245	43 045	27 050	7 628
Finance costs		(9 853)	(6 905)	(12 350)	(8 945)
Income from investments	9	39	—	2 780	54 058
Profit before tax		12 431	36 140	17 480	52 741
Income tax expense	10	(8 208)	(15 625)	(3 352)	(2 367)
Profit from continued operations		4 223	20 515	14 128	50 374
Reallocation of costs, net of income tax	11	(7 720)	(9 150)	—	—
Adjusted profit from continued operations		(3 497)	11 365	14 128	50 374
Profit from discontinued operations	11	16 770	18 548	—	—
Profit for the year		13 273	29 913	14 128	50 374
Other comprehensive income					
Exchange differences in translating foreign operations		(26 982)	943	—	—
Fair-value adjustment on available-for-sale instruments		28	(27)	—	—
Income tax on other comprehensive income		(4)	4	—	—
Other comprehensive income for the year, net of income tax		(26 958)	920	—	—
Total comprehensive income for the year		(13 685)	30 833	14 128	50 374
Earnings per share					
Basic earnings per share (cents)	12.1	18,9	43,1		
Diluted earnings per share (cents)	12.2	16,1	36,2		
Continued operations					
Basic earnings per share (cents)	12.1	(5,0)	16,4		
Diluted earnings per share (cents)	12.2	(4,2)	13,8		

Statements of financial position

as at 31 March 2010



	Notes	Group		Company	
		2010 R'000	2009 R'000	2010 R'000	2009 R'000
Assets					
Non-current assets					
Equipment	13	22 444	33 096	14 892	19 428
Investments	14	276	511	—	—
Investment in equity-accounted investees	15	66	—	—	—
Investment in subsidiary companies and joint venture	16	—	—	156 322	131 933
Amounts owing by subsidiaries	17	—	—	120 000	52 500
Intangible assets	18	9 229	19 582	—	—
Deferred tax assets	19	8 836	12 601	1 850	2 480
Total non-current assets		40 851	65 790	293 064	206 341
Current assets					
Amounts receivable in respect of stockbroking activities	30.1	3 427 244	5 593 804	—	—
Amounts owing by subsidiaries	17	—	—	8 000	58 001
Trade and other receivables		43 582	45 482	7 393	1 525
Listed securities holdings	20	517	723 955	—	—
Current tax assets		2 784	5 239	890	2 645
Cash and cash equivalents	21	193 368	200 485	2 386	246
Assets classified as held for sale	22	7 888 785	—	—	—
Total current assets		11 556 280	6 568 965	18 669	62 417
Total assets		11 597 131	6 634 755	311 733	268 758
Equity and liabilities					
Equity					
Share capital	23	753	700	885	885
Share premium		55 643	33 641	107 843	107 843
Non-distributable reserves	23	27 875	65 619	9 732	20 203
Retained earnings		252 116	249 625	46 433	43 811
Total equity		336 387	349 585	164 893	172 742
Non-current liabilities					
Loans, borrowings and deferred payments	24	106 886	50 000	106 886	50 000
Amounts owing to subsidiaries	25	—	—	869	2 857
Deferred tax liabilities	19	94	1 502	40	21
Total non-current liabilities		106 980	51 502	107 795	52 878
Current liabilities					
Amounts payable in respect of stockbroking activities		3 319 306	5 486 488	—	—
Amounts owing to subsidiaries	25	—	—	30 159	31 168
Listed securities sold short	20	381	640 853	—	—
Trade and other payables		52 866	101 887	8 676	10 366
Current tax liabilities		1 615	910	—	—
Shareholders for dividends		210	195	210	195
Bank overdraft	21	9 219	3 335	—	1 409
Liabilities classified as held for sale	22	7 770 167	—	—	—
Total current liabilities		11 153 764	6 233 668	39 045	43 138
Total liabilities		11 260 744	6 285 170	146 840	96 016
Total equity and liabilities		11 597 131	6 634 755	311 733	268 758

Group statement of changes in equity

for the year ended 31 March 2010

	Share capital R'000	Share premium R'000	Non- distributable reserves R'000	Retained earnings R'000	Total R'000
Balance at 1 April 2008	762	52 001	57 725	232 689	343 177
Total comprehensive income for the year:					
Profit for the year	—	—	—	29 913	29 913
Other comprehensive income:					
Exchange differences in translating foreign operations	—	—	943	—	943
Fair value adjustment on available-for-sale instruments	—	—	(23)	—	(23)
Total other comprehensive income	—	—	920	—	920
Total comprehensive income for the year	—	—	920	29 913	30 833
Transaction with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Equity-settled share-based payments to employees	—	—	5 985	—	5 985
IFRS 2 recognition of BEE credential	—	—	606	—	606
Additional settlement on BEE transaction	—	—	383	—	383
Cancellation of ordinary shares	(29)	(10 924)	—	—	(10 953)
Treasury stock acquired	(71)	(29 545)	—	—	(29 616)
Treasury stock issued	38	22 109	—	—	22 147
Dividends paid	—	—	—	(12 977)	(12 977)
Total transactions with owners	(62)	(18 360)	6 974	(12 977)	(24 425)
Balance at 31 March 2009	700	33 641	65 619	249 625	349 585
Total comprehensive income for the year:					
Profit for the year	—	—	—	13 273	13 273
Other comprehensive income:					
Exchange differences in translating foreign operations	—	—	(26 982)	—	(26 982)
Fair value adjustment on available-for-sale instruments	—	—	24	—	24
Total other comprehensive income	—	—	(26 958)	—	(26 958)
Total comprehensive income for the year	—	—	(26 958)	13 273	(13 685)
Transaction with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Equity-settled share-based payments to employees	—	—	(11 503)	—	(11 503)
IFRS 2 recognition of BEE credential	—	—	606	—	606
Additional settlement on BEE transaction	—	—	111	—	111
Treasury stock acquired	(2)	(412)	—	—	(414)
Treasury stock issued	55	22 414	—	—	22 469
Dividends paid	—	—	—	(10 782)	(10 782)
Total transactions with owners	53	22 002	(10 786)	(10 782)	487
Balance at 31 March 2010	753	55 643	27 875	252 116	336 387

Company statement of changes in equity

for the year ended 31 March 2010



	Share capital R'000	Share premium R'000	Non- distributable reserves R'000	Retained earnings R'000	Total R'000
Balance at 1 April 2008	914	118 767	13 043	6 919	139 643
Total comprehensive income for the year:					
Profit for the year	—	—	—	50 374	50 374
Transaction with owners, recorded directly in equity:					
Contribution by and distributions to owners:					
Equity-settled share-based payments to employees	—	—	24 840	—	24 840
Subsidiaries' settlement of equity-settled share-based payments	—	—	(18 669)	—	(18 669)
IFRS 2 recognition of BEE credential	—	—	606	—	606
Additional settlement on BEE transaction	—	—	383	—	383
Cancellation of ordinary shares	(29)	(10 924)	—	—	(10 953)
Dividends paid	—	—	—	(13 482)	(13 482)
Total transactions with owners	(29)	(10 924)	7 160	(13 482)	(17 275)
Balance at 31 March 2009	885	107 843	20 203	43 811	172 742
Total comprehensive income for the year:					
Profit for the year	—	—	—	14 128	14 128
Transaction with owners, recorded directly in equity:					
Contribution by and distributions to owners:					
Equity-settled share-based payments to employees	—	—	(629)	—	(629)
Subsidiaries' settlement of equity-settled share-based payments	—	—	(10 559)	—	(10 559)
IFRS 2 recognition of BEE credential	—	—	606	—	606
Additional settlement on BEE transaction	—	—	111	—	111
Dividends paid	—	—	—	(11 506)	(11 506)
Total transactions with owners	—	—	(10 471)	(11 506)	(21 977)
Balance at 31 March 2010	885	107 843	9 732	46 433	164 893

Statements of cash flows

for the year ended 31 March 2010

		Group		Company	
	Notes	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Cash flows from operating activities					
Cash (utilised in)/generated from operations	27.1	(8 474)	(129 638)	(1 650)	4 208
Finance costs		(11 290)	(11 871)	(12 161)	(8 932)
Interest income		19 532	32 361	13 019	10 069
Dividends received		41	—	2 780	54 058
Taxation paid	27.2	(14 878)	(31 528)	(948)	(4 593)
Dividends paid	27.3	(10 767)	(12 983)	(11 491)	(13 488)
Cash (utilised in)/generated from operating activities		(25 836)	(153 659)	(10 451)	41 322
Cash flows from investing activities					
Proceeds on sale of equipment		116	467	1	545
Additions to equipment		(4 011)	(20 060)	(797)	(16 238)
Additions to intangible assets		(309)	(3 431)	—	—
Increase in amounts owing by subsidiaries		—	—	(17 500)	(45 653)
Acquisition of subsidiary, net of cash acquired	28	751	(1 072)	—	—
Acquisition of associate		(66)	—	—	—
Proceeds on sale of investments		2 520	—	—	—
Additional settlement on BEE deal		111	383	111	383
Purchase of investments		—	—	(21 704)	(8 532)
Cash utilised in investing activities		(888)	(23 713)	(39 889)	(69 495)
Cash flows from financing activities					
Cancellation of ordinary shares		—	(10 953)	—	(10 953)
Increase/(decrease) in amounts owing to subsidiaries		—	—	(2 997)	30 303
Treasury stock acquired		(414)	(29 616)	—	—
Treasury stock issued		22 470	22 147	—	—
Long-term loans raised		55 235	—	56 886	—
Long-term loans repaid		—	(6 880)	—	—
Cash generated from/(utilised in) financing activities		77 291	(25 302)	53 889	19 350
Net increase/(decrease) in cash and cash equivalents		50 567	(202 674)	3 549	(8 823)
Cash transferred to held for sale	22	(36 999)	—	—	—
Cash and cash equivalents at the beginning of the year		197 150	398 818	(1 163)	7 660
Effect of exchange rate fluctuations on cash held		(26 569)	1 006	—	—
Cash and cash equivalents at the end of the year	21	184 149	197 150	2 386	(1 163)
Cash and cash equivalents		193 368	200 485	2 386	246
Bank overdraft		(9 219)	(3 335)	—	(1 409)
		184 149	197 150	2 386	(1 163)

Notes to the consolidated financial statements

for the year ended 31 March 2010



1. Reporting entity

Barnard Jacobs Mellet Holdings Limited (the "Company") is a company domiciled in South Africa. The consolidated financial statements of the Company as at and for the year ended 31 March 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group companies").

2. Basis of preparation

(a) Statement of compliance

The Company's and the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), its interpretations adopted by the International Accounting Standards Board ("IASB"), the Listings Requirements of the JSE Limited ("JSE") and the South African Companies Act.

The financial statements were approved by the Board of Directors on 2 June 2010.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following which are measured at fair value:

- financial instruments at fair value through profit or loss
- available-for-sale financial assets
- assets and liabilities classified as held for sale.

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

The financial statements are presented in Rand, which is the Company's functional currency. All financial information presented in Rand has been rounded to the nearest thousand.

(d) Use of estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the relevant notes to the consolidated financial statements.

(e) Change in accounting policies and presentation

Starting as at 1 April 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments
- Presentation of financial statements.

Determination and presentation of operating segments

As of 1 April 2009 the Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with IAS 14 *Segment Reporting*. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been represented in conformity with transitional requirements of such standards. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily Company's headquarters) and head office expenses.

Presentation of financial statements

The Group applies revised IAS 1 *Presentation of Financial Statements*, which became effective as at 1 April 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

2. Basis of preparation (continued)

(e) Change in accounting policies (continued)

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the Company's and the consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The operating results of JSE members are included up to the final trading day determined by the JSE Limited for the month of the Group's financial year-end.

Investments in subsidiaries in the financial statements of the Company are carried at cost less impairment losses.

(ii) Investments in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent of strategic financial and operational decision.

Investments in associates and jointly controlled entities are accounted for using the equity method (equity-accounted investee) and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statement includes the Group's share of the income and expenses and equity movements of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date

that significant influence or joint control ceases. When the Group's share of losses exceeds the interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in profit or loss except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised directly in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rand at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at a rate that approximates the exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and are presented within equity in the translation reserve.

When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is recognised in profit or loss.

(c) Equipment

(i) Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

3. Significant accounting policies (continued)

(c) Equipment (continued)

(i) Recognition and measurement (continued)

When parts of an item of equipment have different useful lives, they are accounted for as separate items of equipment.

(ii) Subsequent costs

The cost of replacing part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

(iii) Depreciation

The depreciable amount is calculated as the cost price of the equipment item less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of equipment.

The leasehold improvements are depreciated over the shorter of the lease term and their useful life.

The estimated useful lives for the current and comparative periods are:

Furniture and fittings	Six years
Office equipment	Three years
Computer equipment	Three years
Motor vehicles	Five years
Leasehold improvements	Over the period of the relevant lease

Depreciation methods, useful lives and residual values are reassessed at each statement of financial position date and adjusted if necessary.

(iv) Gains and losses

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the equipment and are recognised net within profit or loss.

(d) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries.

Acquisitions prior to 1 April 2004

As part of its transition to IFRS, the Group elected to restate only those business combinations that occurred on or after 1 April 2004. In respect of acquisitions prior to this date, goodwill represents the amount recognised under the Group's previous accounting framework, SA GAAP.

Acquisitions on or after 1 April 2004

For acquisitions on or after 1 April 2004, goodwill represents the excess of costs of the acquisition over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are:

Customer relations	10 years
Computer software	Three years

(e) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, amounts receivable in respect of stockbroking activities, amounts owing by subsidiaries, trade and other receivables, cash and cash equivalents, loans, borrowings and deferred payments, amounts payable in respect of stockbroking activities, amounts owing to subsidiaries, listed securities sold short, trade and other payables and bank overdraft.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligation specified in the contract expires or is discharged or cancelled.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

(i) Non-derivative financial instruments (continued)

Non-derivative financial instruments are recognised initially at fair value plus directly attributable transaction costs, except for items carried at fair value through profit or loss which are recognised at fair value. Subsequent to initial recognition these instruments are measured as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are measured at amortised cost which is equivalent to fair value.

Held-to-maturity investments

Where the Group has the positive intent and ability to hold debt securities to maturity, they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised in other comprehensive income and presented within equity. When these investments are derecognised or impaired, the cumulative gain or loss previously recognised in equity is recognised in profit or loss. Where these instruments are interest bearing, interest calculated using the effective interest method is recognised in profit or loss.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(f) Share capital

Ordinary shares

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

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. 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 reported in equity.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

(g) Impairment

(i) Financial assets

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

3. Significant accounting policies (continued)

(g) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

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

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

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

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

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

A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows of assets or other asset groups. Cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for an indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Accruals for employee entitlements to salaries and leave pay represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The accruals have been calculated at undiscounted amounts based on current salary rates.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

3. Significant accounting policies (continued)

(h) Employee benefits (continued)

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the period in which the employee renders the service.

(iii) Share-based payment transactions

The grant date fair value of stock grants granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the stock grant. The amount recognised as an expense is adjusted to reflect the actual number of stock grants expected to vest.

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(j) Revenue

(i) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(ii) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(k) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets and financial liabilities at fair value through profit or loss.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets and financial liabilities at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(l) Operating lease payments

Leases of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentive received are recognised as an integral part of the total lease expense, over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payments required to be made to the lessor by way of a penalty are recognised as an expense in the period in which the termination takes place.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to business combinations or items recognised directly in equity or in other comprehensive income.

3. Significant accounting policies (continued)

(m) Income tax (continued)

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

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily Company's headquarters) and head office expenses.

(o) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares, which comprise stock grants to employees and shares issued as part of the BEE transaction.

(p) Trust activities

Some Group companies act in a fiduciary capacity that results in investing assets on behalf of clients. As these are not assets of the Company or Group, they are not reflected on the statements of financial position.

(q) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

These financial guarantee contracts are classified as insurance contracts as defined in IFRS 4 *Insurance Contracts*. A liability is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the contract and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the expenditure required to settle the contract at the reporting date. Where the effect of discounting is material, the liability is discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Liability adequacy tests are performed on financial guarantee contract liabilities to ensure that the carrying amount of the liabilities is sufficient in view of estimated future cash flows. When performing the liability adequacy test, all expected contractual cash flows are discounted and compared to the carrying value of the liability. Where a shortfall is identified, an additional provision is made.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

3. Significant accounting policies (continued)

(r) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(s) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) Equipment

The fair value of equipment recognised as a result of a business combination is based on market values. The market value of items of equipment is based on the quoted market prices for similar items.

b) Intangible assets

The fair value of customer relationships acquired in business combinations is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all

other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Non-derivative financial instruments

The fair value of financial instruments at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid price for financial assets and their quoted offer price for financial liabilities at the reporting date.

(d) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

5. Financial risk management

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk
- capital management.

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

(b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

5. Financial risk management (continued)

(b) Risk management framework (continued)

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit and Risk Committee.

(c) Credit risk

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

Trade and other receivables

Trade and other receivables are presented net of the allowance for impairment losses. Credit risk with respect to trade and other receivables is limited due to the high credit rating of counterparties.

Securitised lending facilities

The Group has no significant concentration of credit risk or exposure to any individual company or counterparty, except for providing securitised lending facilities to some individual retail investors.

Securitised lending is where the Group effectively provides finance to clients, with their underlying listed equity portfolio as collateral. All securitised lending facilities are approved by the Credit Committee. The amount of collateral required is normally set at two times cover, but may be adjusted by the Credit Committee at their discretion. In the event of diminution in the value of the underlying security held, the Group could request the client to provide extra collateral in the form of equities or cash. The risk of default is mitigated to the extent that existing unfinanced client scrip balances could be used to cover any shortfalls. These balances are disclosed under amounts receivable in respect of stockbroking activities.

Investments and listed securities holdings

The Group limits its exposure to credit risk by only investing in liquid securities trading on a recognised exchange.

Cash and cash equivalents

The Group's cash and cash equivalents are placed with high-credit quality financial institutions.

(d) Liquidity risk

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

The Group ensures that it has sufficient cash on demand to meet expected operational expenses and the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains the following lines of credit:

- R20 million overdraft facility that is unsecured. Interest will be payable at the prime rate.
- An approved Commercial Paper programme facility of R250 million.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Audit and Risk Committee.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD") and Pound Sterling ("GBP").

The Group has no policy of hedging against currency risk, as the activities of the Group are of such a nature that this does not pose a significant risk. The Group ensures that its net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group's investments in foreign subsidiaries are not hedged as those currency positions are considered to be long term in nature.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

5. Financial risk management (continued)

Interest rate risk

The Group holds fixed-rate instruments that are financial assets held for trading. These instruments consist of various long and short-bond positions. These instruments are traded at a delta of zero and a change in the interest rate would therefore not affect profit or loss.

Other assets which earn or accrue interest do so on a variable rate.

Other market price risk

Financial assets and liabilities held for trading are positions that are bought out of the need to facilitate some transactions in the fixed-income markets.

(e) Market risk

The risk of price movements in the fixed-income markets is mitigated by buying or selling different fixed-income instruments ensuring that the underlying delta of the two instruments amounts to zero.

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally acceptable standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risks in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for reconciliations and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.

- Requirements for the reporting of operating losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with the Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Group Audit and Risk Committee and senior management of the Group.

(g) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on capital in excess of 15%.

From time to time the Group purchases its own shares on the market; primarily intended to be used for the Group's share incentive programme. Buy decisions are made by the Group's directors under the authorisation and conditions set at the annual general meeting of members.

There were no changes in the Group's approach to capital management during the year.

Barnard Jacobs Mellet Securities (Pty) Ltd, Barnard Jacobs Mellet Private Client Services (Pty) Ltd and Finsettle Services (Pty) Ltd are members of the JSE Limited and wholly owned subsidiaries of the Company. Under the rules and regulations of the JSE Limited, member companies should retain a minimum amount of capital at all times to ensure that the members can settle and execute transactions in their normal course of business. The capital adequacy of these members of the JSE Limited is monitored daily and reported on a monthly basis to the JSE Limited. During the year, these companies maintained adequate capital requirements at all times.

The other wholly owned subsidiaries are not subject to externally imposed capital requirements.

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
6. Revenue				
Stockbroking income	171 543	149 016	—	—
Corporate finance income	19 647	47 111	—	—
Settlement and prime broking income	11 613	9 462	—	—
Portfolio management fees	34 252	28 774	—	—
Other income	879	2 067	46 485	49 531
Interest income	15 171	21 146	13 018	10 070
	253 105	257 576	59 503	59 601

Stockbroking income consists of equity and fixed income brokerage, agency derivative income and fair value adjustments on financial instruments at fair value through profit and loss.

Corporate finance income consists of JSE sponsor fees and corporate finance advisory fee income.

Settlement and prime broking income consists of scrip lending and settlement fees and interest margin earned on scrip lending.

Portfolio management fees comprise income earned on the management of client portfolios.

Other income of the Company consists mainly of administration fees charged to subsidiary companies, which is eliminated on consolidation.

Interest income consists of interest earned on scrip borrowing collateral, securitised lending and cash on call.

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Included under stockbroking income are the following fair value adjustments:				
Financial assets designated at fair value through profit or loss	2	(306)	—	—
	2	(306)	—	—

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
7. Operating profit before finance costs				
is stated after accounting for the following:				
Income				
Insurance proceeds	27	21	13	—
Profit/(loss) on sale of investments	20	—	14 275	(3 258)
Expenses				
Auditors' remuneration	2 927	2 621	1 065	1 050
■ audit fees	2 561	2 501	1 027	1 042
■ other services	366	120	38	8
Depreciation of equipment	9 019	7 504	5 324	4 431
■ furniture and fittings	687	640	370	305
■ office equipment	2 510	1 512	1 036	755
■ computer equipment	4 316	3 872	2 818	2 405
■ motor vehicles	69	84	59	54
■ leasehold improvements	1 437	1 396	1 041	912
Amortisation of intangible assets				
■ customer relations	89	322	—	—
Loss on disposal of equipment	68	63	8	78
Foreign exchange differences	114	(364)	167	(439)
Consulting fees	4 946	4 581	2 824	2 326
Operating lease payments	12 433	12 801	3 017	3 243
■ office premises	12 099	12 362	2 929	3 054
■ other	334	439	88	189
Impairment of investment	—	—	1 032	—
Impairment of goodwill	5 688	—	—	—
8. Personnel expenses				
The following expenses were paid to:				
Employees				
■ Salaries	129 611	130 375	9 532	7 884
■ Contributions to defined contribution plan	4 910	4 300	981	1 086
■ Equity-settled share-based payment transactions	4 999	6 060	284	309
■ Other short-term benefits	4 006	4 102	441	509
	143 526	144 837	11 238	9 788
Directors (refer note 33)				
■ Salaries	5 407	8 771	5 407	8 593
■ Contributions to defined contribution plan	420	332	420	314
■ Equity-settled share-based payment transactions	1 491	1 665	1 491	1 665
■ Other short-term benefits	1 231	883	1 231	879
	8 549	11 651	8 549	11 451

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
9. Income from investments				
Dividends received				
■ from subsidiaries	—	—	2 780	54 058
■ from listed investments	39	—	—	—
	39	—	2 780	54 058
10. Income tax expense				
South African current taxation				
■ current year	11 836	16 964	1 324	2 400
■ prior year under/(over) provision	155	(134)	78	—
Secondary taxation on companies	605	1 435	520	—
Deferred taxation				
■ current year	(3 031)	(813)	664	(1 741)
■ prior year under/(over) provision	846	2 106	(219)	—
Foreign taxes				
■ current year	985	2 012	985	2 012
■ prior year (over)/under provision	—	(304)	—	(304)
Total income tax expense	11 396	21 266	3 352	2 367
■ Income tax expense on continued operations	8 208	15 625	3 352	2 367
■ Income tax expense on discontinued operations	3 188	5 641	—	—
Profit for the year	13 273	29 913	14 128	50 374
Total income tax expense	11 396	21 266	3 352	2 367
Profit excluding income tax	24 669	51 179	17 480	52 741
Effective tax rate (%)	46,20	41,55	19,18	4,48
Reconciliation of effective rate of taxation	%	%	%	%
South African standard rate	28,00	28,00	28,00	28,00
Decrease arising from non-taxable income	(2,15)	(0,53)	(26,00)	(28,70)
Increase from non-deductible expenditure*	11,23	4,46	4,88	2,83
Prior year under/(over) provision	4,06	3,26	(0,81)	(0,58)
Secondary taxation on companies	2,45	2,80	2,98	—
Different tax rates to standard rate	2,61	3,56	10,13	2,93
Effective tax rate	46,20	41,55	19,18	4,48
Income tax recognised directly in other comprehensive income	R'000	R'000	R'000	R'000
Available-for-sale financial assets	(4)	4	—	—

* The non-deductible expenditure includes the impairment of goodwill amounting to R5 688 336 (2009: R0).

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

11. Discontinued operations

Towards the end of March 2010 the Group received an offer to acquire all its interests in Barnard Jacobs Mellet Securities (Pty) Ltd. A further announcement regarding the terms of the sale was announced on Monday, 3 May 2010. This business was not a discontinued operation or classified as held for sale as at 31 March 2009 and the comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continued operations.

	Group	
	2010 R'000	2009 R'000
Results of discontinued operation		
Revenue	193 268	248 412
Expenses	(181 030)	(233 373)
Results from operating activities	12 238	15 039
Income tax	(3 188)	(5 641)
Profit for the period	9 050	9 398
Reallocation of costs net of income tax	7 720	9 150
Profit from discontinued operations	16 770	18 548
Included in the consolidated statement of cash flows is the following cash flows that relates to the discontinued operations:		
Cash flow from/(used in) discontinued operations		
Cash generated from/(utilised in) operating activities	30 406	(218 968)
Cash generated from investing activities	2 394	1 678
Cash (utilised in)/generated from financing activities	(80 641)	54 073
Cash utilised in discontinued operations	(47 841)	(163 217)

12. Earnings and dividends per share

12.1 Basic earnings per share

The calculation of basic earnings per share is based on earnings of R13 273 190 (2009: R29 913 122) and a weighted average number of 70 217 512 (2009: 69 336 193) ordinary shares in issue during the year.

	2010 R'000	2009 R'000
Profit attributable to ordinary shareholders		
Profit for the year from continued operations	(3 497)	11 365
Profit for the year from discontinued operations	16 770	18 548
Profit attributable to ordinary shareholders	13 273	29 913
	Number of shares '000	Number of shares '000
Reconciliation of weighted average number of ordinary shares		
Opening number of shares in issue	100 000	102 919
Effect of own shares held	(29 976)	(26 732)
Effect of shares issued during the year out of treasury stock	310	254
Effect of shares bought back during the year and held as treasury stock	(116)	(7 105)
Weighted average number of ordinary shares	70 218	69 336
Basic earnings per share (cents)		
From continued operations	(5,0)	16,4
From discontinued operations	23,9	26,7
Basic earnings per share	18,9	43,1

12. Earnings and dividends per share (continued)

12.2 Diluted earnings per share

The calculation of diluted earnings per share is based on earnings of R13 273 190 (2009: R29 913 122) and a diluted weighted average number of 82 297 955 (2009: 82 579 577) ordinary shares in issue during the year.

	2010 R'000	2009 R'000
Reconciliation of diluted earnings		
Profit for the year from continued operations	(3 497)	11 365
Profit for the year from discontinued operations	16 770	18 548
Profit attributable to ordinary shareholders	13 273	29 913
There were no items that caused a dilution of earnings.		
	Number of shares '000	Number of shares '000
Reconciliation of diluted weighted average number of ordinary shares		
Weighted average number of ordinary shares	70 218	69 336
Effect of stock grants outstanding	1 394	2 741
Effect of BEE transaction outstanding	10 686	10 503
Diluted weighted average number of ordinary shares	82 298	82 580
Diluted earnings per share (cents)		
From continued operations	(4,2)	13,8
From discontinued operations	20,3	22,4
Diluted earnings per share	16,1	36,2

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock grants and the BEE transaction was based on quoted market prices for the period that the grants were outstanding.

12.3 Headline earnings per share

The calculation of headline earnings per share is based on headline earnings of R16 841 177 (2009: R29 962 517) and a weighted average number of 70 217 512 (2009: 69 336 193) ordinary shares in issue during the year.

	2010		2009	
	Gross R'000	Net R'000	Gross R'000	Net R'000
Reconciliation of headline earnings				
Basic earnings		13 273		29 913
Loss on disposal of equipment	44	32	69	50
Impairment of goodwill	5 688	5 688	—	—
Profit on sale of investments	(2 380)	(2 152)	—	—
Headline earnings		16 841		29 963
■ from continued operations		2 220		11 397
■ from discontinued operations		14 621		18 556
Headline earnings per share (cents)				
From continued operations		3,2		16,4
From discontinued operations		20,8		26,8
Headline earnings per share		24,0		43,2

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

12. Earnings and dividends per share (continued)

12.4 Diluted headline earnings per share

The calculation of diluted headline earnings per share is based on headline earnings of R16 841 177 (2009: R29 962 517) and a diluted weighted average number of 82 297 955 (2009: 82 579 577) ordinary shares in issue during the year.

	2010	2009
Diluted headline earnings per share (cents)		
From continued operations	2,7	13,8
From discontinued operations	17,8	22,5
Diluted headline earnings per share	20,5	36,3

12.5 Dividends per share (cents)

The following dividends were declared and paid by the Group:

Dividends per share

Ordinary

■ Final dividend – prior financial year

■ Interim dividend

10,0	17,0
3,0	—

Dividends per share are calculated based on the actual number of shares in issue including the shares owned by the BEE consortium less shares bought and held as treasury stock.

	Furniture and fittings R'000	Office equipment R'000	Computer equipment R'000	Motor vehicles R'000	Leasehold improve- ments R'000	Total R'000
13. Equipment						
Group						
Cost						
Balance at						
1 April 2008	9 150	7 273	11 171	442	9 984	38 020
Additions	1 111	6 491	9 441	152	2 865	20 060
Disposals	(1 200)	(2 162)	(1 553)	(90)	(55)	(5 060)
Transfers	(422)	—	—	—	422	—
Effect of movements in exchange rates	148	(324)	537	—	(160)	201
Balance at						
31 March 2009	8 787	11 278	19 596	504	13 056	53 221
Additions	117	1 061	2 386	—	447	4 011
Acquisitions through business combinations	36	7	59	—	—	102
Disposals	(108)	(158)	(2 386)	—	—	(2 652)
Transfers	648	(4)	(644)	—	—	—
Transfers to assets held for sale	(2 189)	(2 809)	(1 923)	(131)	(204)	(7 256)
Effect of movements in exchange rates	(940)	(444)	(228)	—	(328)	(1 940)
Balance at						
31 March 2010	6 351	8 931	16 860	373	12 971	45 486

	Furniture and fittings R'000	Office equipment R'000	Computer equipment R'000	Motor vehicles R'000	Leasehold improve- ments R'000	Total R'000
13. Equipment (continued)						
Accumulated depreciation and impairment						
Balance at 1 April 2008	3 019	4 685	7 168	83	534	15 489
Depreciation for the year	1 018	1 996	4 204	107	1 431	8 756
Disposals	(1 045)	(2 033)	(1 398)	(11)	—	(4 487)
Effect of movements in exchange rates	518	(210)	114	—	(55)	367
Balance at 31 March 2009	3 510	4 438	10 088	179	1 910	20 125
Depreciation for the year	1 198	3 166	4 765	100	1 485	10 714
Acquisitions through business combinations	9	6	55	—	—	70
Disposals	(68)	(157)	(2 239)	—	—	(2 464)
Transfers	(12)	(5)	17	—	—	—
Transfers to assets held for sale	(721)	(1 575)	(1 363)	(95)	(39)	(3 793)
Effect of movements in exchange rates	(896)	(313)	(182)	—	(219)	(1 610)
Balance at 31 March 2010	3 020	5 560	11 141	184	3 137	23 042
Carrying amounts						
At 31 March 2009	5 277	6 840	9 508	325	11 146	33 096
At 31 March 2010	3 331	3 371	5 719	189	9 834	22 444

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

	Furniture and fittings R'000	Office equipment R'000	Computer equipment R'000	Motor vehicles R'000	Leasehold improve- ments R'000	Total R'000
13. Equipment (continued)						
Company						
Cost						
Balance at 1 April 2008	2 603	1 258	1 207	234	3 889	9 191
Additions	—	2 016	7 670	152	6 400	16 238
Disposals	(385)	(300)	(322)	(90)	(46)	(1 143)
Balance at 31 March 2009	2 218	2 974	8 555	296	10 243	24 286
Additions	3	180	434	—	180	797
Disposals	—	—	(527)	—	—	(527)
Balance at 31 March 2010	2 221	3 154	8 462	296	10 423	24 556
Accumulated depreciation and impairment						
Balance at 1 April 2008	43	234	662	8	—	947
Depreciation for the year	305	755	2 405	54	912	4 431
Disposals	(37)	(229)	(243)	(11)	—	(520)
Balance at 31 March 2009	311	760	2 824	51	912	4 858
Depreciation for the year	370	1 036	2 818	59	1 041	5 324
Disposals	—	—	(518)	—	—	(518)
Balance at 31 March 2010	681	1 796	5 124	110	1 953	9 664
Carrying amounts						
At 31 March 2009	1 907	2 214	5 731	245	9 331	19 428
At 31 March 2010	1 540	1 358	3 338	186	8 470	14 892

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
14. Investments				
Long-term investments				
Unlisted investments				
Bond Exchange of South Africa Ltd				
Nil (2009: 20 000) ordinary shares in Bond Exchange of South Africa Ltd.	—	113	—	—
Due to an illiquid market the fair value could not be reliably measured and the shares were therefore carried at cost.				
In October 2008 JSE Ltd made a bid to acquire the entire share capital of Bond Exchange of South Africa Ltd at R90 per share. This places the value of the Group's interest in Bond Exchange of South Africa Ltd for 2009 at R1 800 000.				
Listed investments				
NASDAQ OMX Group Inc				
1 800 (2009: 1 800) ordinary shares in NASDAQ OMX Group Inc.	276	360	—	—
These shares are valued using the last bid price as quoted by a recognised exchange. These financial instruments are carried at fair value through profit or loss.				
JSE Ltd	66	38	—	—
1 001 (2009: 1 001) ordinary shares in JSE Ltd.				
These shares are valued using the last bid price as quoted by a recognised exchange. These financial instruments are classified as available for sale.				
Transfer to assets held for sale	(66)	—	—	—
Total investments	276	511	—	—

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

15. Investment in equity-accounted investees

During the year the Group acquired a 50% investment in Cornerstone Asset Managers Ltd. This investee was established to manage a portfolio of fixed property in the United Kingdom. On 31 March 2010 this company has not generated any profit or loss.

The Group did not receive any dividends from its investment in equity-accounted investees.

Summary financial information for equity-accounted investees, not adjusted for the percentage ownership held by the Group:

	Owner- ship %	Current assets R'000	Total assets R'000	Current liabilities R'000	Total liabilities R'000	Revenue R'000	Expenses R'000	Profit/ (loss) R'000
2010								
Cornerstone Asset Managers Ltd	50	235	235	125	125	388	(388)	—

	Country of incorporation	Issued share capital	Effective % holding	Shares at cost R'000	Share- based pay- ments R'000	Total invest- ment R'000
16. Investment in subsidiary companies and joint venture						
Direct						
Unlisted						
2010						
Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	South Africa	100	100	14 012	—	14 012
Barnard Jacobs Mellet Private Client Services (Pty) Ltd	South Africa	200	100	38 000	493	38 493
Barnard Jacobs Mellet Securities (Pty) Ltd	South Africa	206 640	100	18 882	3 323	22 205
Barnard Jacobs Mellet UK Ltd	United Kingdom	5 000 000	100	44 535	500	45 035
Barnard Jacobs Mellet (USA) LLC	United States of America	100	100	32 073	—	32 073
BJM Insurance Brokers (Pty) Ltd	South Africa	100	100	—	—	—
Finsettle Services (Pty) Ltd	South Africa	1	100	—	100	100
Barnard Jacobs Mellet Wealth (Pty) Ltd (refer to note 28)	South Africa	100	100	3 469	—	3 469
Cornerstone Asset Managers Ltd	Guernsey	10 000	50	66	—	66
Quaestor Capital (Pty) Ltd	South Africa	2 000	100	869	—	869
				151 906	4 416	156 322

During the year the investment in BJM Insurance Brokers (Pty) Ltd was impaired with R1 032 119 (2009: R0).

During the year Equilibrium (Pty) Ltd changed its name to BJM Insurance Brokers (Pty) Ltd and Quadro Executive Estate Planning (Pty) Ltd changed its name to Barnard Jacobs Mellet Wealth (Pty) Ltd.

The following companies were deregistered during the year:

Barnard Jacobs Mellet Global (USA) LLC
Mathison and Hollidge (Pty) Ltd
Mazwai & Co. Securities (Pty) Ltd
Structured Investments Limited

	Country of incorporation	Issued share capital	Effective % holding	Shares at cost R'000	Share- based pay- ments R'000	Total invest- ment R'000
16. Investment in subsidiary companies and joint venture (continued)						
Direct						
Unlisted						
2009						
Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	South Africa	100	100	14 012	53	14 065
Barnard Jacobs Mellet Global (USA) LLC	United States of America	1	100	90	—	90
Barnard Jacobs Mellet Private Client Services (Pty) Ltd	South Africa	1	100	—	—	—
Barnard Jacobs Mellet Securities (Pty) Ltd	South Africa	206 640	100	18 882	11 864	30 746
Barnard Jacobs Mellet UK Ltd	United Kingdom	5 000 000	100	44 535	1 092	45 627
Barnard Jacobs Mellet (USA) LLC	United States of America	100	100	32 073	1 700	33 773
Equilibrium (Pty) Ltd	South Africa	100	100	1 032	—	1 032
Finsettle Services (Pty) Ltd	South Africa	1	100	—	266	266
Mathison & Hollidge (Pty) Ltd	South Africa					—
■ ordinary shares		16 960 500	100	2 478	—	2 478
■ preference shares		10 000 000	100	1 000	—	1 000
Mazwai & Co. Securities (Pty) Ltd	South Africa	100	100	1 987	—	1 987
Quaestor Capital (Pty) Ltd	South Africa	2 000	100	869	—	869
Structured Investments Ltd	South Africa	100	100	—	—	—
				116 958	14 975	131 933

Notes to the consolidated financial statements (continued)

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	Company	
	2010 R'000	2009 R'000
17. Amounts owing by subsidiary companies		
Non-current amounts owing by subsidiary companies		
Barnard Jacobs Mellet Securities (Pty) Ltd	—	37 500
Barnard Jacobs Mellet Private Client Services (Pty) Ltd	105 000	—
Finsettle Services (Pty) Ltd	15 000	15 000
	120 000	52 500
Current amounts owing by subsidiary companies		
Barnard Jacobs Mellet Securities (Pty) Ltd	—	54 865
BJM Insurance Brokers (Pty) Ltd	2 945	—
Barnard Jacobs Mellet (USA) LLC	4 022	—
Barnard Jacobs Mellet Wealth (Pty) Ltd	268	—
Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	582	1 812
Finsettle Services (Pty) Ltd	183	1 324
	8 000	58 001

Intercompany accounts are settled in cash with no fixed term of repayment. Interest on outstanding balances is calculated at market-related interest rates.

The long-term intercompany account with Finsettle Services (Pty) Ltd is subordinated to JSE Limited for capital adequacy requirements and may not be repaid without the written consent of the Director of Surveillance.

	Goodwill R'000	Customer relations R'000	Computer software R'000	Total R'000
18. Intangible assets				
Group				
Cost				
Balance at 1 April 2008	15 336	1 965	—	17 301
Additions	—	—	3 431	3 431
Acquisition through business combination	1 085	—	—	1 085
Balance at 31 March 2009	16 421	1 965	3 431	21 817
Additions	—	—	309	309
Acquisition through business combination	1 396	881	—	2 277
Transfer to assets held for sale	(3 692)	—	(3 740)	(7 432)
Balance at 31 March 2010	14 125	2 846	—	16 971
Accumulated amortisation and impairment				
Balance at 1 April 2008	—	1 643	—	1 643
Amortisation for the year	—	322	270	592
Balance at 31 March 2009	—	1 965	270	2 235
Impairment for the year	5 688	—	—	5 688
Amortisation for the year	—	89	1 204	1 293
Transfer to assets held for sale	—	—	(1 474)	(1 474)
Balance at 31 March 2010	5 688	2 054	—	7 742
Carrying amounts				
At 31 March 2009	16 421	—	3 161	19 582
At 31 March 2010	8 437	792	—	9 229

18. Intangible assets (continued)

Impairment testing for cash-generating units containing goodwill

For purposes of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

	Group	
	2010 R'000	2009 R'000
Stockbroking	—	3 692
Corporate finance	7 041	11 644
Short-term insurance broker	—	1 085
Trust and fiduciary services	1 396	—
	8 437	16 421

The recoverable amount of all the cash-generating units was based on its value in use. Value in use was calculated by discounting the future cash flows from the continuing use of the unit and was based on the following key assumptions:

Corporate finance:

- Cash flows were projected based on estimated results for the next five years at an average growth rate of 17% per annum.
- A discount rate of 11,9% was applied in determining the recoverable amount of the unit.
- An impairment of R4 603 761 (2009: R0) was realised during the year.

The above estimates are particularly sensitive in the following areas:

- An increase of 200 basis points in the discount rate used would have decreased the calculated value of goodwill by R413 464 (2009: R420 853) and increased the impairment with the same amount.
- A 10 percentage points reduction in future planned operating profits would have decreased the calculated value of goodwill by R1 377 615 (2009: R777 453) and increased the impairment with the same amount.

Short-term insurance broker:

- The integration of the short-term insurance broker into the business model of the Group faced personnel constraints.
- Consequently the full carrying amount of the goodwill (R1 084 575) is impaired in the current year.

Trust and fiduciary services:

- Cash flows were projected based on estimated results for the next five years at a growth rate of 10% per annum.
- A discount rate of 11,9% was applied in determining the recoverable amount of the unit.

The above estimates are particularly sensitive in the following areas:

- An increase of 200 basis points in the discount rate used would have decreased the calculated value of goodwill by R111 891 (2009: R0)
- A 10 percentage points reduction in future planned operating profits would have decreased the calculated value of goodwill by R282 576 (2009: R0)
- With the above sensitivities taken into account, there is still no indication of impairment.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
19. Deferred tax				
Recognised deferred tax assets and liabilities				
Deferred tax assets				
Trade and other payables	7 150	11 355	1 850	2 480
Tax losses carried forward	1 159	781	—	—
Equipment	527	465	—	—
	8 836	12 601	1 850	2 480
Deferred tax liabilities				
Investments	4	—	—	—
Listed securities holdings	—	1 071	—	—
Trade and other receivables	90	431	40	21
	94	1 502	40	21
Net deferred tax asset	8 742	11 099	1 810	2 459
The income tax rate of 28% has been applied in measuring the deferred tax on the above temporary differences.				
The expected manner of recovery is through use.				
Movement in net deferred taxation balance				
Balance at the beginning of the year	11 099	12 408	2 459	606
Prior year under/(over) provision	(846)	(2 106)	219	—
Recognised directly in equity	(4)	4	—	—
Foreign currency translation	(197)	(21)	(205)	111
Temporary differences	3 344	814	(663)	1 742
Transfer to held for sale	(4 654)	—	—	—
Balance at the end of the year	8 742	11 099	1 810	2 459
20. Listed securities				
Listed securities holdings				
Equities	42	—	—	—
Bonds	475	723 955	—	—
	517	723 955	—	—
Listed securities sold short				
Equities	—	4	—	—
Bonds	381	640 849	—	—
	381	640 853	—	—
The securities are classified as held for trading with any change in fair value recognised through profit or loss.				
21. Cash and cash equivalents				
Bank balances	130 572	199 439	2 386	246
Call deposits	62 796	1 046	—	—
Cash and cash equivalents	193 368	200 485	2 386	246
Bank overdrafts used for cash management purposes	(9 219)	(3 335)	—	(1 409)
Cash and cash equivalents in the statement of cash flows	184 149	197 150	2 386	(1 163)

22. Assets held for sale

The assets and liabilities of Barnard Jacobs Mellet Securities (Pty) Ltd is presented as a disposal group held for sale, following an offer to acquire all of the Group's interests in Barnard Jacobs Mellet Securities (Pty) Ltd. A further announcement regarding the terms of the sale was announced on Monday, 3 May 2010.

	Group	
	2010 R'000	2009 R'000
Non-current assets classified as held for sale		
Equipment	3 465	—
Investments	66	—
Intangible assets	5 959	—
Deferred tax assets	8 165	—
Current assets classified as held for sale		
Amounts receivable from stockbroking activities	7 199 686	—
Trade and other receivables	19 648	—
Listed securities holdings	610 485	—
Current tax assets	3 717	—
Cash and cash equivalents	37 593	—
Total assets classified as held for sale	7 888 784	—
Non-current liabilities classified as held for sale		
Deferred tax liabilities	3 511	—
Current liabilities classified as held for sale		
Amounts payable from stockbroking activities	7 142 581	—
Listed securities sold short	572 320	—
Trade and other payables	51 162	—
Bank overdraft	594	—
Total liabilities classified as held for sale	7 770 168	—

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
23. Share capital and reserves				
Share capital				
<i>Authorised</i>				
500 000 000 ordinary par value shares of one cent each	5 000	5 000	5 000	5 000
<i>Issued</i>				
100 000 000 (2009: 100 000 000) ordinary par value shares of one cent each	1 000	1 000	1 000	1 000
Treasury stock				
24 665 325 (2009: 29 975 940) shares held as treasury stock by the Group	(247)	(300)	(115)	(115)
	753	700	885	885
Movement in share capital				
Balance at the beginning of the year	700	762	885	914
Equity-settled share-based payments vested	55	38	—	—
Cancellation of ordinary shares	—	(29)	—	(29)
Treasury stock acquired	(2)	(71)	—	—
Balance at the end of the year	753	700	885	885

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company. All issued shares are fully paid.

In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued. At 31 March 2010 the Group held 24 665 325 (2009: 29 975 940) of the Company's shares. This includes the shares set aside for the BEE transaction which amount to 11 449 448 (2009: 11 449 448) shares.

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Non-distributable reserves				
Translation reserve	18 616	45 598	—	—
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.				
Fair value reserve	28	4	—	—
The fair value reserve comprises the cumulative net changes in the fair value of available-for-sale assets until the investment is derecognised or impaired.				
Reserve for equity-settled share-based payments	9 231	20 017	9 732	20 203
The reserve consists of amounts set aside for share-based payments to employees and the BEE consortium's rights under the share-based payments scheme.				
	27 875	65 619	9 732	20 203
Movement in non-distributable reserves				
Balance at the beginning of the year	65 619	57 725	20 203	13 043
Foreign currency translation differences for foreign operations	(26 982)	943	—	—
Additional settlement on BEE transaction	111	383	111	383
Net change in fair value of available-for-sale financial assets	24	(23)	—	—
Net change in equity-settled share-based payments to employees	(11 503)	5 985	(11 188)	6 171
IFRS 2 recognition of BEE credential	606	606	606	606
Balance at the end of the year	27 875	65 619	9 732	20 203

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
24. Loans, borrowings and deferred payments				
Non-current liabilities				
Annual deferred contingent payments	1 886	—	1 886	—
Unsecured Commercial Paper	105 000	50 000	105 000	50 000
	106 886	50 000	106 886	50 000

Terms and debt repayment schedule

All loans, borrowings and deferred payments are repayable in Rand. The terms and conditions of outstanding loans were:

	Nominal interest rate	Year of maturity	2010		2009	
			Face value R'000	Carrying value R'000	Face value R'000	Carrying value R'000
Group						
Annual deferred contingent payments	13,10%	2011 – 2013	2 197	1 886	—	—
Unsecured Commercial Paper	JIBAR + 2,50%	See note below	105 000	105 000	50 000	50 000
Total loans, borrowings and deferred payments			107 197	106 886	50 000	50 000
Company						
Annual deferred contingent payments	13,10%	2011 – 2013	2 197	1 886	—	—
Unsecured Commercial Paper	JIBAR + 2,50%	See note below	105 000	105 000	50 000	50 000
			107 197	106 886	50 000	50 000

The deferred payments attract interest at 13,10% as calculated during the business combination. The expected deferred contingent payments are repayable upon meeting the requirements as set out in the purchase contract from 1 April 2010 to 31 March 2013. The deferred payments shall not exceed R2 000 000 per annum.

The Unsecured Commercial Paper forms part of a R250 million approved Commercial Paper programme.

	Company	
	2010 R'000	2009 R'000
25. Amounts owing to subsidiary companies		
Non-current amounts owing to subsidiary companies		
Quaestor Capital (Pty) Ltd	869	870
Mazwai & Co. Securities (Pty) Ltd	—	1 987
	869	2 857
Current amounts owing to subsidiary companies		
Mathison & Hollidge (Pty) Ltd	—	16 866
Barnard Jacobs Mellet (USA) LLC	—	13 644
Barnard Jacobs Mellet Private Client Services (Pty) Ltd	9 954	—
Barnard Jacobs Mellet Securities (Pty) Ltd	16 993	—
Barnard Jacobs Mellet UK Ltd	3 212	658
	30 159	31 168

Intercompany accounts are settled in cash with no fixed term of repayment. Interest on outstanding balances is calculated at market-related rates.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
26. Operating leases				
Non-cancellable operating lease rentals are payable as follows:				
Operating lease commitments	117 295	125 647	105 590	—
■ within one year	24 625	25 016	20 522	—
■ between one and five years	48 072	46 762	42 705	—
■ more than five years	44 598	53 869	42 363	—

Companies in the Group have entered into leases over fixed property and equipment for varying periods not extending after April 2018. The charge will increase annually in line with negotiated escalations ranging between 0% and 9%. The fixed property leases relate to the following office premises:

	Commencement date	Expiry date	Annual escalation
Suite 2, Ground Floor, Aspen Park, 98 Armstrong Avenue, La Lucia	1 July 2007	30 June 2010	9%
Building B, Barimor's Vineyard, Bellville	1 November 2007	31 October 2010	8%
Unit 4B, First Floor, Seardel House, Alphen Park, Constantia	1 May 2008	30 April 2011	9%
3 Stamford Plaza, Stamford, Connecticut	15 September 2005	14 September 2011	0%
6th Floor, 5 Loyds Avenue, London	1 April 2007	31 March 2017	0%
Shops 1 & 2 Donerail House, 7 Donerail Square, George	1 July 2009	30 June 2012	8%
Building A, 24 Fricker Road, Illovo	1 May 2008	30 April 2018	9%

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
27. Notes to the statements of cash flows				
27.1 Cash (utilised in)/generated from operations				
Profit before tax	24 669	51 179	17 480	52 741
Adjusted for:				
Finance costs	11 218	10 794	12 350	8 945
Interest income	(19 534)	(31 574)	(13 018)	(10 070)
Investment income	(41)	—	(2 780)	(54 058)
Loss on disposal of equipment	72	106	8	78
Depreciation	10 714	8 756	5 324	4 431
IFRS 2 recognition of BEE credential	606	606	606	606
Fair value adjustment on held-for-trading instruments	9 294	(7 958)	—	—
Fair value adjustment on instruments designated at fair value through profit or loss	(2)	306	—	—
Amortisation of intangible assets	1 293	592	—	—
Impairment of goodwill	5 688	—	—	—
Impairment of investment in subsidiary	—	—	1 032	—
(Loss)/profit on sale of investments	(2 408)	—	(14 275)	3 258
	41 569	32 807	6 727	5 931

		Group		Company	
		2010 R'000	2009 R'000	2010 R'000	2009 R'000
27.	Notes to the statements of cash flows (continued)				
27.1	Cash (utilised in)/generated from operations (continued)				
	Working capital changes	(50 043)	(162 445)	(8 377)	(1 723)
	(Increase)/decrease in amounts receivable in respect of stockbroking activities	(5 033 126)	2 578 333	—	—
	Increase in trade and other receivables	(17 650)	(12 536)	(5 867)	(746)
	Decrease in margin on derivative financial instruments	—	5 832	—	—
	Decrease in listed securities holdings	111 770	306 712	—	—
	Increase/(decrease) in amounts payable in respect of stockbroking activities	4 975 399	(2 631 987)	—	—
	Decrease in listed securities holdings sold short	(76 263)	(401 255)	—	—
	Decrease in trade and other payables	(10 173)	(7 544)	(2 510)	(977)
	Cash (utilised in)/generated from operations	(8 472)	(129 638)	(1 650)	4 208
27.2	Taxation paid				
	Amounts (prepaid)/unpaid at the beginning of the year	(4 329)	7 246	(2 645)	(2 272)
	Amounts charged to the income statement	11 396	21 266	3 352	2 367
	Deferred tax directly allocated to equity	4	(4)	—	—
	Acquisitions through business combinations	624	—	—	—
	Current year increase in deferred taxation	2 297	(1 309)	(649)	1 853
	Amounts prepaid at the end of the year	4 886	4 329	890	2 645
		14 878	31 528	948	4 593
27.3	Dividends paid				
	Amounts unpaid at the beginning of the year	195	201	195	201
	Amounts charged to the statement of changes in equity	10 782	12 977	11 506	13 482
	Amounts unpaid at the end of the year	(210)	(195)	(210)	(195)
		10 767	12 983	11 491	13 488

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

28. Acquisition of subsidiary

2010

On 1 April 2009 the Group acquired all the shares in Quadro Executive Estate Planning (Pty) Ltd, a trust and fiduciary service provider, for R1 817 386 in cash and a total expected contingent payment of R1 651 192. Contingent payments are calculated at 40% of executors' fees earned for the first four years after the acquisition. The contingent payments shall not be less than R500 000 or more than R2 000 000 per annum.

In the 12 months to 31 March 2010 Quadro Executive Estate Planning (Pty) Ltd contributed revenue of R3 669 599 and profit of R1 106 177.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Pre-acquisition carrying amount R'000	Fair value adjustments R'000	Recognised values on acquisition R'000
Equipment	33	—	33
Trade and other receivables	96	—	96
Cash and cash equivalents	2 569	—	2 569
Current tax payable	(624)	—	(624)
Trade and other payables	(882)	—	(882)
Intangible assets	—	881	881
	1 192	881	2 073
Goodwill on acquisition			1 396
Consideration			3 469
Contingent payment			(1 651)
Cash acquired			(2 569)
Net cash flow			(751)

Pre-acquisition carrying amounts were determined based on applicable IFRS immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business's workforce and the synergies expected to be achieved from integrating the company into the Group's business.

2009

On 1 September 2008 the Group acquired all the shares in Equilibrium (Pty) Ltd, a short-term insurance broker, for R1 032 119 in cash. In the seven months to 31 March 2009 the business incurred a loss of R75 311. Management estimates that the business would have incurred a consolidated loss of R52 338 if the acquisition had occurred on 1 April 2009.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Pre-acquisition carrying amount R'000	Fair value adjustments R'000	Recognised values on acquisition R'000
Trade and other payables	(13)	—	(13)
Bank overdraft	(40)	—	(40)
	(53)	—	(53)
Goodwill on acquisition			1 085
Consideration			1 032
Overdraft acquired			40
Net cash outflow			1 072

Pre-acquisition carrying amounts were determined based on applicable IFRS immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business's workforce and the synergies expected to be achieved from integrating the company into the Group's business.

29. Retirement funding

The South African-based employees of the Group are members of the Barnard Jacobs Mellet Pension Fund, a defined contribution pension fund. The fund is governed by the Pension Funds Act. There is no contingent liability. Contributions are expensed through the income statement annually.

Employees of foreign subsidiaries contribute to social security and national insurance according to the relevant legislation governing contributions in the specific country.

30. Financial instruments

30.1 Credit risk

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

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Available-for-sale financial assets	—	38	—	—
Financial assets held for trading	517	723 955	—	—
Financial assets held at cost	—	113	156 322	131 933
Amounts owing by subsidiaries	—	—	128 000	110 501
Financial assets at fair value through profit or loss	276	360	—	—
Amounts receivable in respect of stockbroking activities	3 427 244	5 593 804	—	—
Trade and other receivables	8 805	13 916	411	445
Cash and cash equivalents	193 368	200 485	2 386	246
	3 630 210	6 532 671	287 119	243 125
The maximum exposure to credit risk for amounts receivable in respect of stockbroking activities was:				
Unsettled transactions executed on a recognised exchange	1 243 891	2 367 658	—	—
Securitised lending facilities	49 170	165 365	—	—
JSE Trustees (Pty) Ltd	666 642	988 256	—	—
Money market deposits	801 987	787 199	—	—
Scrip lent	637 346	1 181 442	—	—
Other	28 208	103 884	—	—
	3 427 244	5 593 804	—	—

All unsettled transactions settle on the trading rules applicable for the specific exchange where the deal was booked. Included in amounts payable in respect of stockbroking activities, are amounts due in settlement of these transactions.

The amounts receivable from JSE Trustees (Pty) Ltd and Money Market deposits are funds managed for clients. An amount payable to settle these transactions is included under amounts payable in respect of stockbroking activities.

Scrip borrowing and scrip lending balances represent deposits made with lenders and deposits received from borrowers, respectively. To the extent that there is a right to offset these balances, the amounts are shown on a net basis.

30.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount R'000	Contractual cash flows R'000	12 months or less R'000	1 – 2 years R'000	2 – 5 years R'000
Group – 31 March 2010					
Unsecured Commercial Paper	105 000	107 529	107 529	—	—
Deferred payments	1 886	2 197	568	500	1 129
Amounts payable in respect of stockbroking activities	3 319 306	3 319 306	3 319 306	—	—
Listed securities sold short	381	381	381	—	—
Trade and other payables	9 668	9 668	9 668	—	—
Bank overdraft	9 219	9 219	9 219	—	—
	3 445 460	3 448 300	3 446 671	500	1 129

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

	Carrying amount R'000	Contractual cash flows R'000	12 months or less R'000	1 – 2 years R'000	2 – 5 years R'000
30. Financial instruments (continued)					
30.2 Liquidity risk (continued)					
Group – 31 March 2009					
Unsecured Commercial Paper	50 000	51 915	51 915	—	—
Amounts payable in respect of stockbroking activities	5 486 488	5 486 488	5 486 488	—	—
Listed securities sold short	640 853	640 853	640 853	—	—
Trade and other payables	22 133	22 133	22 133	—	—
Bank overdraft	3 335	3 335	3 335	—	—
	6 202 809	6 204 724	6 204 724	—	—
Company – 31 March 2010					
Unsecured Commercial Paper	105 000	107 529	107 529	—	—
Deferred payments	1 886	2 197	568	500	1 129
Amounts owing to subsidiaries	31 028	31 028	30 159	—	869
Trade and other payables	5 803	5 803	5 803	—	—
	143 717	146 557	144 059	500	1 998
Company – 31 March 2009					
Unsecured Commercial Paper	50 000	51 915	51 915	—	—
Amounts owing to subsidiaries	34 025	34 025	31 168	—	2 857
Trade and other payables	2 187	2 187	2 187	—	—
Bank overdraft	1 409	1 409	1 409	—	—
	87 621	89 536	86 679	—	2 857

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

30.3 Currency risk

30.3.1 Exposure to currency risk

Group

The Group has limited exposure to currency risk. All investments in foreign subsidiaries are considered to be long term in nature and therefore do not give rise to currency risk.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2010 R	2009 R	2010 R	2009 R
USD 1	7,80	8,84	7,29	9,57
GBP 1	12,43	14,95	11,05	13,70

Company

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2010		2009	
	USD'000	GBP'000	USD'000	GBP'000
Balance sheet exposure				
Amounts owing to foreign subsidiaries	552	(291)	(1 425)	(48)
Estimated income statement exposure				
Estimated forecasted revenue	360	210	360	210
Net exposure	912	(81)	(1 065)	162

30. Financial instruments (continued)

30.3 Currency risk (continued)

30.3.2 Sensitivity analysis

A 10% strengthening of the Rand against the following currencies at 31 March would have increased/(decreased) profit or loss of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for comparative information.

	2010 R'000	2009 R'000
Company		
GBP	257	66
USD	(430)	1 364
Net impact on profit or loss	(173)	1 430

A 10% weakening of the Rand against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above on the basis that all other variables remain constant.

30.4 Interest rate risk

30.4.1 Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Fixed-rate instruments				
Financial assets	475	723 955	—	—
Financial liabilities	(381)	(640 849)	—	—
	94	83 106	—	—
Variable rate instruments				
Financial assets	2 348 513	3 322 747	130 387	110 747
Financial liabilities	(2 269 364)	(3 175 597)	(134 702)	(71 132)
	79 149	147 150	(4 315)	39 615

30.4.2 Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

Included under fixed-rate instruments are financial instruments held for trading. These instruments consist of various long and short bond positions. As these positions are traded at a net delta of zero, a change in interest rates would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the comparative information.

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Financial assets	23 485	33 227	1 304	1 107
Financial liabilities	(22 694)	(31 756)	(1 347)	(711)
Cash flow sensitivity (net)	791	1 471	(43)	396

A decrease of 100 basis points in interest rates at the reporting date would have had the equal but opposite effect to the amounts shown above. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the comparative information.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

30. Financial instruments (continued)

30.5 Fair values

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

	2010		2009	
	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Group				
Available-for-sale financial assets	—	—	38	38
Financial assets held at cost	—	—	113	1 800
Financial assets held for trading	517	517	723 955	723 955
Financial assets at fair value through profit or loss	276	276	360	360
Amounts receivable in respect of stockbroking activities	3 427 244	3 427 244	5 593 804	5 593 804
Trade and other receivables	8 805	8 805	13 916	13 916
Cash and cash equivalents	193 368	193 368	200 485	200 485
Financial liabilities held for trading	(381)	(381)	(640 853)	(640 853)
Loans, borrowings and deferred payments	(106 886)	(106 886)	(50)	(50)
Amounts payable in respect of stockbroking activities	(3 319 306)	(3 319 306)	(5 486 488)	(5 486 488)
Trade and other payables	(9 668)	(9 668)	(22 133)	(22 133)
Bank overdraft	(9 219)	(9 219)	(3 335)	(3 335)
	184 750	184 750	379 812	381 499
Unrecognised gain		—		1 687
Company				
Trade and other receivables	411	411	445	445
Amounts owing by subsidiaries	128 000	128 000	110 501	110 501
Cash and cash equivalents	2 386	2 386	246	246
Loans, borrowings and deferred payments	(106 886)	(106 886)	(50 000)	(50 000)
Amounts owing to subsidiaries	(31 028)	(31 028)	(34 025)	(34 025)
Trade and other payables	(5 803)	(5 803)	(2 187)	(2 187)
Bank overdraft	—	—	(1 409)	(1 409)
	(12 920)	(12 920)	23 571	23 571
Unrecognised gain/(loss)		—		—

The basis for determining fair values is disclosed in note 4.

31. Related party information

Barnard Jacobs Mellet Holdings Limited is the ultimate holding Company in the wholly owned Group comprising the Company and its wholly owned subsidiaries.

The Company advanced and repaid loans, received loans, and provided accounting and administrative assistance to the other entities in the wholly owned Group during the current and previous financial years on an arm's length basis.

	Group	
	2010	2009
Types of related party transactions	R'000	R'000
Remuneration paid to key management	20 122	26 088
■ Short-term benefits	18 472	22 891
■ Contribution to defined contribution plan	569	556
■ Equity-settled share-based payment transactions	1 081	2 641

Key management disclosed consists of the members of the Group Executive Committee who are not directors of the Company. Directors' emoluments are disclosed in notes 8 and 33.

	Company	
	2010	2009
	R'000	R'000
Statement of comprehensive income		
Administration fees received for accounting and assistance provided to Group companies		
■ Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	480	480
■ Barnard Jacobs Mellet Securities (Pty) Ltd	37 785	40 600
■ Barnard Jacobs Mellet Private Client Services (Pty) Ltd	8 050	—
■ Barnard Jacobs Mellet UK Ltd	2 611	2 243
■ Barnard Jacobs Mellet (USA) LLC	2 807	3 183
■ Finsettle Services (Pty) Ltd	2 940	2 580
Interest received from related parties in respect of loans and working capital funding		
■ Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	34	87
■ Barnard Jacobs Mellet Private Client Services (Pty) Ltd	7 481	—
■ Barnard Jacobs Mellet Wealth (Pty) Ltd	54	—
■ BJM Insurance Brokers (Pty) Ltd	123	—
■ Barnard Jacobs Mellet Securities (Pty) Ltd	3 785	—
■ Finsettle Services (Pty) Ltd	1 315	1 863
■ Mathison & Hollidge (Pty) Ltd	—	464
Interest paid to related parties in respect of loans and working capital funding		
■ Barnard Jacobs Mellet Securities (Pty) Ltd	(791)	(181)
■ Mathison & Hollidge (Pty) Ltd	(890)	—
■ Barnard Jacobs Mellet Wealth (Pty) Ltd	(1)	—
■ Barnard Jacobs Mellet Private Client Services (Pty) Ltd	(39)	—
■ Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	(1)	—
JSE Sponsorship fees paid to Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	(110)	(110)
Consulting fees paid to Barnard Jacobs Mellet Securities (Pty) Ltd	(23)	—
Corporate finance advisory services paid to Barnard Jacobs Mellet Corporate Finance (Pty) Ltd	—	(1 025)
Statement of financial position		
Loans and advances to or from related parties. The details of these balances are disclosed in notes 17 and 25.	96 972	76 477

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

32. Share-based payments

Stock grant scheme

In recognition of services rendered and acting as an incentive for retaining key staff, a certain portion of an employee's remuneration package could consist of payment in the form of shares. The shares are awarded to the employee under the following conditions:

- The stock grants are irrevocably made for a period of two years after the grant date.
- The shares are forfeited if the employee's employment terminates prior to the date of vesting.
- There are no rights of ownership attached to the share before vesting.
- The award is made at the ruling market value of the shares and does not have a contractual lifespan.

These grants were valued at the date of issue as the fair value of the shares granted to staff members under the above criteria.

		Group		Company	
		2010 Number of shares '000	2009 Number of shares '000	2010 Number of shares '000	2009 Number of shares '000
Balance at the beginning of the year		8 839	10 243	870	318
Granted during the year		1 256	2 417	220	269
Transferred during the year		—	—	—	440
Forfeited during the year		(1 950)	(163)	—	(11)
Vested during the year		(5 461)	(3 658)	(601)	(146)
Balance at the end of the year		2 684	8 839	489	870
		R'000	R'000	R'000	R'000
The value of shares granted:		9 270	35 304	4 322	3 550
Amount expensed in the statement of comprehensive income		12 462	25 022	1 775	1 974
Amount to be expensed in	2010	—	17 043	—	1 632
	2011	3 060	1 613	491	429
	2012	839	135	300	—

These shares are held in the BJM Share Incentive Trust. The trust is overfunded by 480 705 (2009: 371 131 underfunded) shares.

	Cash R'000	Medical aid R'000	Pension R'000	Other R'000	Deferred equity compensation† R'000	Paid by sub- sidiaries R'000	Paid by Company R'000	2010 Total R'000	2009 Total R'000
33. Directors' emoluments									
Group									
Executive directors									
AM Mazwai	2 126	63	213	750*	1 009	—	4 161	4 161	7 352
MS Rebe	490	21	49	167*	192	—	919	919	2 777
L Wilson	1 580	63	158	167*	290	—	2 258	2 258	277
Non-executive directors									
HSC Bester	247	—	—	—	—	—	247	247	240
JA Bester	405	—	—	—	—	—	405	405	374
A Martin	273	—	—	—	—	—	273	273	253
SM Mellet	—	—	—	—	—	—	—	—	138
TS Seopa	286	—	—	—	—	—	286	286	240
	5 407	147	420	1 084	1 491			8 549	11 651
Company									
Executive directors									
AM Mazwai	2 126	63	213	750	1 009			4 161	7 152
MS Rebe	490	21	49	167	192			919	2 777
L Wilson	1 580	63	158	167	290			2 258	277
Non-executive directors									
HSC Bester	247	—	—	—	—			247	240
JA Bester	405	—	—	—	—			405	374
A Martin	273	—	—	—	—			273	253
SM Mellet	—	—	—	—	—			—	138
TS Seopa	286	—	—	—	—			286	240
	5 407	147	420	1 084	1 491			8 549	11 451

* Retention payment amortised over three-year period of contractual obligation.

† Refer to note 32 Share-based payments.

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

34. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on a monthly basis. The following summary describes the operation in each of the Group's reportable segments:

- Institutional stockbroking: This business consists of broking services to institutional clients.
- Retail stockbroking: This business consists of broking and asset management services to retail clients.
- Corporate finance: Focuses on JSE sponsor services and corporate finance advisory activity.
- Settlements and prime broking: Provides settlement and prime broking services to the financial services industry.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	Institutional stock- broking R'000	Institutional stock- broking (dis- continued) R'000	Retail stock- broking R'000	Corporate finance R'000	Settlement and prime broking R'000	Other/ eliminations R'000	Con- solidated R'000
2010							
Revenue from external customers	93 405	186 139	133 602	20 101	13 037	107	446 391
Inter-segment revenue	3 421	7 127	1 725	318	11 337	(23 928)	—
Total income	96 826	193 266	135 327	20 419	24 374	(23 821)	446 391
Finance costs	(99)	(1 365)	(17 110)	(35)	(6 153)	13 544	(11 218)
Non-cash items							
Depreciation and amortisation	(1 405)	(2 898)	(1 519)	(445)	(275)	(5 463)	(12 005)
IFRS 2 recognition of BEE credential	—	—	—	—	—	606	606
Impairment of goodwill	—	—	—	—	—	(5 688)	(5 688)
Reportable segment profit before income tax	8 079	12 238	10 584	(4 046)	1 316	(3 502)	24 669
Income tax expense	(2 880)	(3 188)	(3 676)	1 117	(395)	(2 374)	(11 396)
Profit for the year	5 199	9 050	6 908	(2 929)	921	(5 876)	13 273
Reportable segment assets	368 490	7 885 093	1 733 656	23 431	1 582 492	3 969	11 597 131
Reportable segment liabilities	220 474	7 770 167	1 588 569	8 055	1 553 824	119 655	11 260 744

	Institutional stock- broking R'000	Institutional stock- broking (dis- continued) R'000	Retail stock- broking R'000	Corporate finance R'000	Settlement and prime broking R'000	Other/ eliminations R'000	Con- solidated R'000
34. Operating segments							
(continued)							
2009							
Revenue from external customers	86 051	234 870	125 406	47 686	11 036	939	505 988
Inter-segment revenue	11 259	13 542	190	1 571	19 347	(45 909)	—
Total income	97 310	248 412	125 596	49 257	30 383	(44 970)	505 988
Finance costs	(1 666)	(3 889)	(20 900)	(87)	(10 123)	25 871	(10 794)
Non-cash items							
Depreciation and amortisation	(915)	(1 522)	(1 512)	(310)	(266)	(4 823)	(9 348)
IFRS 2 recognition of BEE credential	—	—	—	—	—	(606)	(606)
Reportable segment profit before income tax	3 133	15 039	9 611	18 128	7 113	(1 845)	51 179
Income tax expense	1 908	(5 641)	(2 807)	(5 078)	(2 015)	(7 633)	(21 266)
Profit for the year	5 041	9 398	6 804	13 050	5 098	(9 478)	29 913
Reportable segment assets	3 797 731		1 628 987	28 949	1 345 527	(166 439)	6 634 755
Reportable segment liabilities	3 579 743		1 475 973	9 362	1 315 526	(95 434)	6 285 170

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

35. Standards and interpretations not yet effective

At the date of authorisation of the financial statements of Barnard Jacobs Mellet Holdings Limited for the year ended 31 March 2010, the following standards and interpretations were in issue but not yet effective:

Standard/interpretation	Description of change	Effective date
IAS 1 <i>Presentation of Financial Statements</i>	Current/non-current classification of convertible instruments	Annual periods commencing on or after 1 January 2010
IAS 7 <i>Statement of Cash Flows</i>	Classification of expenditures on unrecognised assets	Annual periods commencing on or after 1 January 2010*
IAS 17 <i>Leases</i>	Classification of leases of land and buildings	Annual periods commencing on or after 1 January 2010
IAS 24 <i>Related Party Disclosures</i>	Simplification of disclosure requirements for government-related entities Clarification of the definition of a related party	Annual periods commencing on or after 1 January 2011 Annual periods commencing on or after 1 January 2011*
IAS 27 <i>Consolidated and Separate Financial Statements</i>	Consequential amendments from changes to business combinations	Annual periods commencing on or after 1 July 2009*
IAS 32 <i>Financial Instruments: Presentation</i>	Accounting for rights issues (including rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer	Annual periods commencing on or after 1 February 2010
IAS 36 <i>Impairment of Assets</i>	Unit of accounting for goodwill impairment test	Annual periods commencing on or after 1 January 2010*
IAS 38 <i>Intangible Assets</i>	Additional consequential amendments arising from revised IFRS 3 Measuring the fair value of an intangible asset acquired in a business combination	Annual periods commencing on or after 1 July 2009 Annual periods commencing on or after 1 July 2009*
IAS 39 <i>Financial Instruments: Recognition and Measurement</i>	Clarifies two hedge accounting issues: ■ Inflation in a financial hedged item ■ A one-sided risk in a hedged item Treating loan prepayment penalties as closely related embedded derivatives Scope exemption for business combination contracts Cash flow hedge accounting	Annual periods commencing on or after 1 July 2009 Annual periods commencing on or after 1 January 2010 Annual periods commencing on or after 1 January 2010 Annual periods commencing on or after 1 January 2010

35. Standards and interpretations not yet effective (continued)

Standard/interpretation	Description of change	Effective date
IFRS 1 <i>First-Time Adoption of International Financial Reporting Standards</i>	Measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time	Annual periods commencing on or after 1 July 2009
IFRS 2 <i>Share-Based Payments</i>	Amendments relating to group cash-settled share-based payment transactions – clarity of the definition of the term “group” and where in a group share-based payments must be accounted for	Annual periods beginning on or after 1 January 2010
IFRS 3 <i>Business Combinations</i>	Amendments to accounting for business combinations	Annual periods commencing on or after 1 July 2009*
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Plan to sell the controlling interest in a subsidiary Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations	Annual periods commencing on or after 1 July 2009 Annual periods commencing on or after 1 January 2010
IFRS 8 <i>Operating Segments</i>	Disclosure of information about segment assets	Annual periods commencing on or after 1 January 2010*
IFRS 9 <i>Financial Instruments</i>	New standard that forms the first part of a three-part project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>	Annual periods commencing on or after 1 January 2013*
IFRIC 9 (amended) <i>Reassessment of Embedded Derivatives</i>	Scope of IFRIC 9 and revised IFRS 3	Annual periods commencing on or after 1 July 2009
IFRIC 16 (amended) <i>Hedges of a Net Investment in a Foreign Operation</i>	Amendment to the restriction on the entity that can hold hedging instruments	Annual periods commencing on or after 1 July 2009
IFRIC 17 <i>Distribution of Non-cash Assets to Owners</i>	Distribution of cash assets to owners	Annual periods commencing on or after 1 July 2009
IFRIC 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	Extinguishing financial liabilities with equity instruments	Annual periods commencing on or after 1 April 2010

All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the entity).

Notes to the consolidated financial statements (continued)

for the year ended 31 March 2010

35. Standards and interpretations not yet effective (continued)

The standards and interpretations marked with an asterisk ("*") are applicable to the business, those standards and interpretations not marked with an asterisk ("**") are not applicable to the business of the Group and will therefore have no impact on future financial statements. The directors are of the opinion that the impact of the application of the standards and interpretations marked with an asterisk ("*") will be:

IAS 7

IAS 7 is amended to state that only expenditure that results in the recognition of an asset can be classified as a cash flow from investing activities.

This change will have no impact on the Group's financial statements as the treatment is consistent with the Group's current accounting policies.

IAS 24

The definition of a related party has been amended, such that if one entity is identified as a related party to another entity's financial statements, then the other entity also will be a related party in the first entity's financial statements.

References to "significant voting power" have been removed and the revised standard clarifies that any references to associates and joint ventures include the subsidiaries of those associates and joint ventures.

These changes will have no impact on the Group's financial statements as the treatment is consistent with the Group's current accounting policies.

IAS 27

In accordance with IAS 27 amendments, acquisitions of additional non-controlling equity interests in subsidiaries have to be accounted for as equity transactions. Disposals of equity interests while retaining control are also accounted for as equity transactions. When control of an investee is lost, the resulting gain or loss relating to the transaction will be recognised in profit or loss.

It has always been the Group's accounting policy to treat all acquisitions of additional interests in subsidiaries, as well as disposals of interests in subsidiaries, as equity transactions. The Group will, however, change its accounting policy relating to the loss of control when an equity interest is retained. In future, when control is lost, through sale or otherwise, the resulting gain or loss recognised in profit or loss will include any remeasurement to fair value of the retained equity interest.

The amendments to IAS 27 also require that losses (including negative "other comprehensive income" as detailed in the revised IAS 1) have to be allocated to the non-controlling interest even if doing so causes the non-controlling interest to be in a deficit position. The Group will in future change its accounting policies on the allocation of losses to non-controlling interests. In the past losses were allocated only until the non-controlling interests had a zero balance.

IAS 36

IAS 36 has been amended to state that the largest unit to which goodwill will be allocated is the operating segment level as defined in IFRS 8 before application of the aggregation criteria of IFRS 8.

The Group currently has no unit to which goodwill is allocated that is larger than an operating segment.

35. Standards and interpretations not yet effective (continued)

IAS 38

Separation with related contract, identifiable assets or liabilities

Guidance in IAS 38 has been amended to indicate that an intangible asset that is separable only together with a related contract, identifiable asset or liability is recognised separately from goodwill together with the related item (in a business combination). The amendment further states that complementary intangible assets with similar useful lives may be recognised as a single asset.

Valuation techniques

The amendment clarifies the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination for which no active market exists.

IFRS 3

IFRS 3 applies to all new business combinations that occur after 1 January 2010. For these future business combinations, the Group will change its accounting policies to be in line with the revised IFRS 3. In future all transaction costs will be expensed and contingent purchase consideration will be recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree will be recognised in profit or loss.

The revised standard requires the initial recognition of a contingent purchase consideration at fair value on the acquisition date regardless of the possibility of meeting the contingent event.

IFRS 8

Segment information with respect to total assets is only required if such information is regularly reported to the chief operating decision maker. The segmental information reported to the chief operating decision maker of the Group will be reported in line with IFRS 8 requirements and this will be a change in the accounting policies of the Group.

IFRS 9

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal interest and the principal outstanding. All other financial statements are measured at fair value.

The Group will change its accounting policies to be in line with IFRS 9.

Shareholder information

as at 31 March 2010

	Number of shareholders	% of total	Number of shares	% of issued shares
Distribution of holdings				
Range				
1 – 1 000	383	41,40	163 653	0,16
1 001 – 5 000	203	21,95	567 886	0,57
5 001 – 10 000	74	8,00	584 030	0,58
10 001 – 50 000	139	15,03	3 566 552	3,57
50 001 and more	126	13,62	95 117 879	95,12
Totals	925	100,00	100 000 000	100,00

Analysis of shareholders

as at 31 March 2010

	Number of shareholders	% of total	Number of shares	% of issued shares
Category				
Pension funds	17	1,84	12 388 844	12,39
Insurance companies	13	1,41	4 086 497	4,09
Unit trusts	9	0,97	13 221 420	13,22
Other managed funds	4	0,43	9 110 744	9,11
Other companies and corporate bodies	16	1,73	1 723 928	1,72
Individuals	864	93,41	46 302 690	46,30
Share incentive scheme	1	0,11	3 165 877	3,17
BJM treasury stock	1	0,10	10 000 000	10,00
Totals	925	100,00	100 000 000	100,00

Major beneficial shareholders

(5% and more of the shares in issue)

Snowy Owl Properties 299 (Pty) Ltd	11 499 448	11,50
Merset Beleggings (Edms) Bpk	10 492 714	10,49
Barnard Jacobs Mellet Securities (Pty) Ltd	10 000 000	10,00

Shareholder spread

Public	921	99,57	77 409 626	77,41
Non-public	4	0,43	22 590 374	22,59
Directors	2	0,22	9 424 497	9,42
Share incentive scheme	1	0,11	3 165 877	3,17
Treasury shares	1	0,10	10 000 000	10,00
Totals	925	100,00	100 000 000	100,00

Notice to shareholders

for the year ended 31 March 2010



Notice is hereby given that the 13th annual general meeting of members of Barnard Jacobs Mellet Holdings Limited will be held at Barnard Jacobs Mellet House, Illovo Corner, 24 Fricker Road, Illovo, at 14:00 on 28 July 2010 for the following purposes:

1. To receive, consider and adopt the annual financial statements of the Group and the Company for the year ended 31 March 2010, together with the report of the auditors and directors.
2. To authorise the Board to appoint KPMG Inc and in particular NKS Malaba as auditors of the Company.
3. To authorise the Board to approve the auditors' remuneration.
4. To re-elect the retiring directors of the Company. The retiring directors are JA Bester and AR Martin. The following retiring directors, being eligible, offer themselves for re-election: JA Bester and AR Martin.

Abridged CVs of these directors appear on page 4 of the annual report of which this notice forms part ("this annual report").

5. To confirm the following directors as members of the Audit and Risk Committee:
 - AR Martin (Chairman)
 - HSC Bester
 - T Seopa

Abridged CVs of these directors appear on page 4 of the annual report of which this notice forms part ("this annual report").

6. To approve the basis of remuneration to be paid to directors of the Company for the 2011 financial year.

Non-executive directors are paid as follows:

Retainer	R84 000 pa
Meeting attendance fee per meeting	R14 000

In addition to the above fees, directors will also receive the following retainers:

Sub-committee member	R28 000 pa
Chairman of sub-committee	R56 000 pa
Chairman of the Board	R144 000 pa

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

7.1 ORDINARY RESOLUTION NUMBER 1

"Resolved that in terms of the Listings Requirements of the JSE Limited and subject to the requirements of section 90 of the Companies Act, No 61 of 1973, as amended, the

directors be given a renewed authority to make general payments on a pro rata basis to shareholders subject to the following conditions:

- that this authority to make general payments to shareholders be valid until the Company's next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter;
- that any general payment(s) may not exceed 10% of the Company's issued share capital, including reserves but excluding minority interest, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE Limited prepared within the last six months, in any one financial year, measured as at the beginning of such financial year; and
- an announcement be published containing the terms of payment, the date of the general meeting at which the authority was obtained, the date on which payment is to be made and the effect of the payment on the Company's earnings, headline earnings, net asset value and tangible net asset value per share. The directors are of the opinion that after considering the effect of the maximum general repayment permitted and for a period of 12 months after the date of this notice of annual general meeting:
- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;
- the working capital of the Company and the Group will be adequate for ordinary business purposes; and
- the share capital and reserves of the Company and the Group are adequate for ordinary business purposes."

The purpose of this general authority is to enable the directors to return excess cash resources to shareholders.

7.2 SPECIAL RESOLUTION NUMBER 1

"Resolved, as a special resolution, that the mandate given to the Company (or one of its wholly owned subsidiaries) providing authorisation, by way of general approval, to acquire the Company's own securities, upon such terms

Notice to shareholders (continued)

for the year ended 31 March 2010

and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of the Companies Act, No 61 of 1973, as amended ("the Act") and the Listings Requirements of the JSE Limited ("JSE") be extended, subject to the following terms and conditions:

- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- at any point in time, the Company may only appoint one agent to effect any repurchase;
- this general authority shall be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this special resolution (whichever period is shorter);
- an announcement shall be published as soon as the Company has cumulatively purchased 3% of the initial number (the number of that class of share in issue at the time the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of the class acquired thereafter, containing full details of such purchases;
- repurchase by the Company in aggregate in any one financial year may not exceed 20% of the Company's issued share capital as at the date of passing of this special resolution or 10% of the Company's issued share capital in the case of an acquisition of shares in the Company by a subsidiary of the Company;
- repurchases may not be made at a price greater than 10% above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was effected;
- repurchases may not be undertaken by the Company or one of its wholly owned subsidiaries during a prohibited period unless the Company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been announced over SENS prior to the commencement of the prohibited period;
- the Company may not enter the market to proceed with the repurchase of its shares until the Company's sponsor has confirmed the adequacy of the Company's working capital for the purpose of

undertaking a repurchase of shares in writing to the JSE Limited. The directors are of the opinion that, after considering the effect of the maximum repurchase permitted and for a period of 12 months after the date of this annual general meeting:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;
- the working capital of the Company and the Group will be adequate for ordinary business purposes; and
- the share capital and reserves are adequate for the ordinary business purposes of the Company and the Group."

The effect of the special resolution and the reason therefore is to extend the general authority given to the directors in terms of the Act and the Listings Requirements of the JSE Limited for the acquisition by the Company of its own securities, which authority shall be used at the directors' discretion during the course of the period so authorised.

In terms of the Listings Requirements of the JSE Limited, the following disclosures are required with reference to *special resolution number 1*, some of which are set out elsewhere in this annual report:

- Directors and management – refer page 7
- Major shareholders of the Company – refer page 74
- Directors' interests in the Company's securities – refer page 7
- Share capital – refer page 56

Litigation statement

The directors of the Company, whose names are given on page 7 of this annual report, are not aware of any legal or arbitration proceedings, pending or threatened against the Group, which may have or have had, in the 12 months preceding the date of this notice, a material effect on the Group's financial position.

Directors' responsibility statement

The directors, whose names are given on page 7 of this annual report, collectively and individually accept responsibility for the accuracy of the information given and certify that to

the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report contains all the information required by law and the Listings Requirements of the JSE Limited.

Material change

Other than the facts and developments reported in this annual report, there has been no material change in the affairs, financial or trading position of the Group since the signature date of this annual report and the posting date hereof.

Voting and proxies

A member is entitled to attend and vote at the meeting or appoint a proxy to attend, vote and speak in his stead. A proxy need not be a member of the Company.

On a show of hands every shareholder present in person or by proxy and, if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented.

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own-name registration who are unable to attend the annual general meeting in person, but who wish to be represented thereat. Forms of proxy must be completed and received by the Company Secretary at the registered office, by no later than 14:00 on 26 July 2010, being no less than 48 hours before the time of holding the annual general meeting. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy(ies) should such member wish to do so.

Dematerialised shareholders, other than those with own-name registrations, must inform their CSDP or broker of their intention to attend the annual general meeting and obtain the necessary authorisation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person but wish to be represented thereat. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Certificated shareholders whose shares are held through a nominee or broker, must inform their nominee or broker of their intention to attend the annual general meeting and obtain the necessary Letter of Representation from their nominee or broker or provide their nominee or broker with their voting instructions should they not be able to attend the annual general meeting in person.

Corporate information

Name and registered office

Barnard Jacobs Mellet Holdings Limited
(Registration number: 1995/004798/06)
Barnard Jacobs Mellet
24 Fricker Road
Illovo Corner
Illovo
2196
(PO Box 62200, Marshalltown, 2107)
(Incorporated in South Africa)

Auditors

KPMG Inc
85 Empire Road
Parktown
2193
(Private Bag X9, Parkview, 2122)

Company Secretary

Nexia Levitt Kirson Management Services CC
Barnard Jacobs Mellet Holdings Limited
24 Fricker Road
Illovo Corner
Illovo
2196
(PO Box 62200, Marshalltown, 2107)

Sponsor

Barnard Jacobs Mellet Corporate Finance (Pty) Ltd
24 Fricker Road
Illovo Corner
Illovo
2196
(PO Box 62200, Marshalltown, 2107)

Commercial banker

First National Bank Limited
1 First Place
First National Bank City
Cnr Simmonds and Pritchard Streets
Johannesburg
2001
(PO Box 1153, Johannesburg, 2000)

Transfer secretaries

Link Market Services South Africa (Pty) Ltd
11 Diagonal Street
Johannesburg
2001
(PO Box 4844, Johannesburg, 2000)

Attorneys

Werksmans Incorporated
155 Fifth Street
Sandown
Sandton
2196
(Private Bag X10015, Sandton, 2146)

BJM Charitable Foundation

T Barrett
031 566 4230
084 490 6267
charitablegiving@bjm.co.za

Form of proxy

as at 31 March 2010



BARNARD JACOBS MELLET HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1995/004798/06)

JSE code: BJM ISIN: ZAE000014262

FORM OF PROXY

For use at the 13th annual general meeting to be held at 14:00 on 28 July 2010.

(To be completed by certificated shareholders and dematerialised shareholders with own-name registration only.)

If shareholders have dematerialised their shares with a CSDP or broker, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We

(full name and surname in block letters)

of

(full address)

being the registered holder of _____ shares in the Company do hereby appoint

1. _____ or

2. _____ or

the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the 13th annual general meeting of the Company to be held at Barnard Jacobs Mellet House, Illovo Corner, 24 Fricker Road, Illovo on 28 July 2010 at 14:00, or any adjournment thereof.

Ordinary resolutions	No.	For	Against	Abstain
Adoption of annual financial statements for the year ended 31 March 2010	1			
Approval of KPMG Inc and NKS Malaba as the auditors	2			
Approval of the auditors' remuneration	3			
Re-election of the retiring directors	4			
Re-election of directors of the Company:				
JA Bester	4.1			
AR Martin	4.2			
Confirmation of Audit and Risk Committee members	5			
AR Martin (Chairman)	5.1			
HSC Bester	5.2			
T Seopa	5.3			
Approval of the directors' basis of remuneration for the 2011 financial year	6			
Grant of a general authority to make payments to shareholders	7.1			
Special resolution				
Renewal of general authority to the directors to repurchase the Company's shares	7.2			

Please indicate instructions to proxy in the space provided by the insertion therein of the relevant number of votes exercisable. Indicate with an X in the appropriate block.

Signed at _____ on this _____ day of _____ 2010

Signature

Capacity and authorisation (see note 7)

Please read notes on reverse side of this proxy form.

Notes to the proxy form

1. A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the Chairman of the meeting". The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member should insert an "X" in the relevant space according to how he/she wishes his votes to be cast. However, if a member wishes to cast a vote in respect of a lesser number of ordinary shares than he/she owns in the Company, he should insert the number of ordinary shares held in respect of which he wishes to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he deems fit in respect of all the member's votes exercisable at the meeting. A member is not obliged to use all the votes exercisable by him/her, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the member.
3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
4. The Chairman of the meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
5. Shareholders who have dematerialised their shares with a CSDP or broker, other than own-name registrations, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.
6. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory(ies).
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or waived by the Chairman of the meeting.
8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
9. Where there are joint holders of shares:
 - any one holder may sign the form of proxy; and
 - the vote of the senior joint holder, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the company's register of members will be accepted.
10. Forms of proxy should be lodged at or posted to the Company Secretary, Barnard Jacobs Mellet House, Illovo Corner, 24 Fricker Road, Illovo, Johannesburg (PO Box 62200, Marshalltown, 2107) so as to be received by no later than 14:00 on 26 July 2010.



25
YEARS