



**WELKOM YIZANI INVESTMENTS (RF) LIMITED**

**Registration number: 2006/021434/06**

**FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

WELKOM YIZANI INVESTMENTS (RF) LIMITED

GROUP ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**COMPANY INFORMATION**

Registration number:	2006/021434/06
Registered address:	40 Heerengracht Cape Town 8001
Postal address:	PO Box 2271 Cape Town 8000
Auditors:	PricewaterhouseCoopers Inc.

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WELKOM YIZANI INVESTMENTS (RF) LIMITED

DIRECTORS' STATEMENT OF RESPONSIBILITY  
for the year ended 31 March 2018

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements and Group annual financial statements of Welkom Yizani Investments (RF) Limited. The financial statements presented on pages 9 to 25 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa, and include amounts based on judgements and estimates made by management.

The directors consider that, in preparing the financial statements of the group, they have used the most appropriate accounting policies, consistently applied and supported by reasonable prudent judgements and estimates, and that all IFRS that they consider to be applicable, have been followed. The financial statements fairly present the results of operations for the year and the financial position of the group and company at year-end in accordance with IFRS. The financial statements are prepared by Affrin Janjekar, a chartered accountant (SA) and supervised by Alwaan Sharief, a chartered accountant (SA) in the latter's capacity as chief financial officer: Corporate Services, Media24 Proprietary Limited.

The directors have the responsibility for ensuring that accounting records are kept. The accounting records should disclose, with reasonable accuracy, the financial position and results of the company to enable the directors to ensure that the financial statements comply with the relevant legislation.

The company operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The going-concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the group and company will not be going concern in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the viability of the group and company.

The annual financial statements have been audited by the independent auditor, PricewaterhouseCoopers Inc., who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during its audit are valid and appropriate.

The audit report of PricewaterhouseCoopers Inc. is presented on pages 6 to 8.

The financial statements were approved by the board of directors and are signed on its behalf by:



Rachel Jafta  
Chair  
18 June 2018



Peter Goldhawk  
Director

CERTIFICATE BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, I, Lurica Jineanne Klink, being the company secretary of Welkom Yizani Investments (RF) Limited, certify that the company has, for the period under review, lodged all returns and notices required of a public company with the Registrar of Companies, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date. The financial statements were prepared in terms of Section 29.



Lurica Klink  
Company secretary  
18 June 2018

**Nature of operations**

Welkom Yizani Investments (RF) Limited was incorporated on 10 July 2006 under the laws of the Republic of South Africa. The principal activities of Welkom Yizani Investments (RF) Limited are to:

- a) carry on the main business of holding only Media 24 Holdings Proprietary Limited ordinary shares, cash and such assets as are received and acquired solely by virtue of, or in relation to, the holding of Media 24 Holdings Proprietary Limited ordinary shares.
- b) receive and distribute dividends and other distributions in terms of its holding in Media24 Holdings Proprietary Limited, and
- c) Trading Platform

The Registrar of Securities Services' (the Registrar) has indicated that all traditional over-the-counter trading platforms like Welkom Yizani Investments (RF) Limited (Welkom Yizani) should regularise their affairs in terms of the Financial Markets Act, 2012 (the FM Act). Welkom Yizani has been engaging with the Financial Services Board (now the FSCA) to bring its affairs in line with the requirements of the FM Act. As part of this process MultiChoice and Media24 investigated various options, including the establishment of a company, Yizani Phuthuma Nathi (YPN) which has applied for an exchange licence, to facilitate the trading of broad-based black economic empowerment shares issued by companies within the Naspers group.

During this process, trading of Welkom Yizani shares on the current trading platform continues unchanged. Welkom Yizani continues to build on the positive engagement it has had with the Registrar and remains committed to complying with any directives and/or conditions issued by the Registrar. It is exempted from complying with the FM Act for a period for six months after the Registrar's decision on whether or not to grant an exchange licence to YPN.

**Operating and financial review**

The financial results of the group and company are set out on pages 9 to 25.

**Share capital**

Refer to note 6 for details of the authorised and issued share capital.

**Dividends**

The board recommends that a dividend of 42.5 cents per ordinary share (2017: 42.5 cents per ordinary share) be declared. In considering the recommendation to pay the dividend, the board, has taken into account the financial status of the company subject to the successful application of the solvency and liquidity test as set out in section 4 of the Companies Act of 2008. The dividend will be noted at the AGM to be held on 28 August 2018 by way of an ordinary resolution to be approved by the shareholders.

In the 2018 financial year the board also recommended a special dividend of R14.79 per ordinary share be declared and paid.

**Directors, company secretary and auditor**

The directors of the company are listed below and the company secretary is Lurica Jineanne Klink. The street and postal addresses for the company secretary are the same as those of the company as detailed on page 2.

Name	Date appointed	Date Resigned	Category
RCC Jafta	28 November 2012		Independent, non-executive
PO Goldhawk	22 June 2007		Independent, non-executive
JC Held	02 September 2014		Independent, non-executive
SR Ralarala	01 March 2017		Independent, non-executive

PricewaterhouseCoopers Inc. was appointed in office as auditor in accordance with section 90(6) of the South African Companies Act 2008.

**Subsequent events**

There are no events that occurred between the balance sheet date and the date of approval of the financial statement that are material to the financial affairs of the group.

**Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Signed on behalf of the board



Rachel Jafta  
Chair  
18 June 2018



REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2018

As the company's only asset is an investment in Media24 Holdings Proprietary Limited, the board deems it appropriate that all its members be appointed to the audit committee. The audit committee has pleasure in submitting this report, as required by sections 94(7)(a) of the Companies Act (the Act).

#### FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has discharged the functions ascribed to it in terms of the Act as follows:

- Reviewed the annual financial statements, culminating in a recommendation to the board to adopt them. In the course of its review, the committee:
  - took appropriate steps to ensure that the annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa
  - considered and, when appropriate, made recommendations on internal financial controls
  - dealt with concerns or complaints relating to accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls, and
  - reviewed legal matters that could have a significant impact on the organisation's financial statements.
- Reviewed the external audit reports on the annual financial statements.
- Approved the audit fees and engagement terms of the external auditor.
- No non-audit services have been provided by the external auditor.

#### MEMBERS OF THE AUDIT COMMITTEE

The audit committee consists of the non-executive directors of the company. All the members act independently as described in section 94 of the Act.

#### ATTENDANCE

The external auditor, in his capacity as auditor to the company, attended and reported at the meeting of the audit committee.

#### INDEPENDENCE OF THE EXTERNAL AUDITOR

Nominated PricewaterhouseCoopers Inc. as the auditor for 2017/2018 and noted the appointment of Mr Viresh Harri as the designated auditor. During the year under review the board and audit committee conducted its own review and confirmed the independence of the external auditor.

On behalf of the audit committee of the board



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**Rachel Jafta**  
Chair: Audit committee  
18 June 2018



## Independent auditor's report

To the Shareholders of Welkom Yizani Investments (RF) Limited

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### Our opinion

In our opinion, the group and separate financial statements present fairly, in all material respects, the group and separate financial position of Welkom Yizani Investments (RF) Limited (the Company) and its associate (together the Group) as at 31 March 2018, and its group and separate financial performance and its group and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### What we have audited

Welkom Yizani Investments (RF) Limited's group and separate financial statements set out on pages 9 to 25 comprise:

- the group and separate statements of financial position as at 31 March 2018;
- the group and separate statements of comprehensive income for the year then ended;
- the group and separate statements of changes in equity for the year then ended;
- the group and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the group and separate financial statements* section of our report.

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

### Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the Welkom Yizani Investments (RF) Limited Financial Statements for the year ended 31 March 2018 and the Media24 Holdings Proprietary Limited 2018 Abridged Integrated Annual Report which includes the Directors' Report, the Report to the Audit Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa. Other information does not include the group and separate financial statements and our auditor's report thereon.

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Chief Executive Officer: T D Shango  
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk  
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682





Our opinion on the group and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the group and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the group and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the directors for the group and separate financial statements*

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

In preparing the group and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the group and separate financial statements*

Our objectives are to obtain reasonable assurance about whether the group and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these group and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related



disclosures in the group and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the group and separate financial statements, including the disclosures, and whether the group and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: Viresh Harri  
Registered Auditor  
Cape Town  
18 June 2018



WELKOM YIZANI INVESTMENTS (RF) LIMITED

STATEMENTS OF FINANCIAL POSITION  
as at 31 March 2018

	Notes	Group		Company	
		2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment in associate	3	351 577	397 839	351 577	397 839
<b>Current assets</b>					
Other receivables	5	35	65	35	65
Cash and cash equivalents	11	43 819	10 489	43 819	10 489
<b>TOTAL ASSETS</b>		<b>395 431</b>	<b>408 393</b>	<b>395 431</b>	<b>408 393</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital and premium	6	146 022	146 022	146 022	146 022
Preference share capital	6	7	7	7	7
Other reserves	6	371 267	183 152	-	-
Accumulated (loss)/profit		(161 545)	71 997	209 722	255 149
<b>Current liabilities</b>					
Current portion of long-term liabilities	7	-	-	-	-
Payables	8	1 695	1 307	1 695	1 307
Shareholders for dividend		37 959	5 788	37 959	5 788
Taxation		26	120	26	120
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>395 431</b>	<b>408 393</b>	<b>395 431</b>	<b>408 393</b>
<b>Net asset value per share</b>	13	<b>R 24.37</b>	R 27.48	<b>R 24.37</b>	R 27.48

The notes on pages 13 to 25 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME  
for the year ended 31 March 2018

	Notes	Group		Company	
		2018 R'000	2017 R'000	2018 R'000	2017 R'000
Share of net loss of associate	3	(96 288)	(50 743)	-	-
Investment income - dividends received		-	-	222 266	5 890
Administration costs	9.1	(95)	(142)	(95)	(142)
Impairment of investment in associate	3	84 177	(65 908)	(46 262)	(127 726)
Other Income	9.2	-	51 525	-	51 525
Finance income	10	1 427	518	1 427	518
Finance costs	10	(124)	(6)	(124)	(6)
<b>(Loss)/Profit before taxation</b>		<b>(10 903)</b>	<b>(64 756)</b>	<b>177 212</b>	<b>(69 941)</b>
Taxation	12	(500)	(274)	(500)	(274)
<b>Net (loss)/profit for the year</b>		<b>(11 403)</b>	<b>(65 030)</b>	<b>176 712</b>	<b>(70 215)</b>
<b>(Loss)/Profit attributable to:</b>					
Owners of the parent		(11 403)	(65 030)	176 712	(70 215)
<b>Basic earnings/(loss) per share</b>	13	<b>R 12.10</b>	<b>(R 4.81)</b>	<b>R 12.10</b>	<b>(R 4.81)</b>
<b>Headline earnings/(loss) per share</b>	13	<b>R 6.34</b>	<b>(R 3.82)</b>	<b>R 15.27</b>	<b>R 0.41</b>
<b>Net (loss)/profit for the year</b>		<b>(11 403)</b>	<b>(65 030)</b>	<b>176 712</b>	<b>(70 215)</b>
<b>Other comprehensive income</b>					
Share of changes in associate's other comprehensive income	3	188 115	(5 185)	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>176 712</b>	<b>(70 215)</b>	<b>176 712</b>	<b>(70 215)</b>
<b>Attributable to:</b>					
Shareholders of the company		<b>176 712</b>	<b>(70 215)</b>	<b>176 712</b>	<b>(70 215)</b>

The notes on pages 13 to 25 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY  
for the year ended 31 March 2018

	Stated capital R'000	Preference share capital R'000	Other reserves R'000	Accumulated profit/(loss) R'000	Total R'000
<b>GROUP</b>					
Balance at 1 April 2016	146 022	-	188 337	142 867	477 226
Total comprehensive income for the year	-	-	(5 185)	(65 030)	(70 215)
Net loss	-	-	-	(65 030)	(65 030)
Other comprehensive income	-	-	(5 185)	-	(5 185)
Reclassification of preference shares	-	7	-	-	7
<b>Distribution to owners of the company</b>					
Dividends paid	-	-	-	(5 840)	(5 840)
<b>Balance at 31 March 2017</b>	<b>146 022</b>	<b>7</b>	<b>183 152</b>	<b>71 997</b>	<b>401 178</b>
Balance at 1 April 2017	146 022	7	183 152	71 997	401 178
Total comprehensive income for the year	-	-	188 115	(11 403)	176 712
Net loss	-	-	-	(11 403)	(11 403)
Other comprehensive income	-	-	188 115	-	188 115
<b>Distribution to owners of the company</b>					
Dividends paid	-	-	-	(222 139)	(222 139)
<b>Balance at 31 March 2018</b>	<b>146 022</b>	<b>7</b>	<b>371 267</b>	<b>(161 545)</b>	<b>355 751</b>
<b>COMPANY</b>					
Balance at 1 April 2016	146 022	-	-	331 204	477 226
Loss for the year	-	-	-	(70 215)	(70 215)
Reclassification of preference shares	-	7	-	-	7
<b>Distribution to owners of the company</b>					
Dividends paid	-	-	-	(5 840)	(5 840)
<b>Balance at 31 March 2017</b>	<b>146 022</b>	<b>7</b>	<b>-</b>	<b>255 149</b>	<b>401 178</b>
Balance at 1 April 2017	146 022	7	-	255 149	401 178
Profit for the year	-	-	-	176 712	176 712
<b>Distribution to owners of the company</b>					
Dividends paid	-	-	-	(222 139)	(222 139)
<b>Balance at 31 March 2018</b>	<b>146 022</b>	<b>7</b>	<b>-</b>	<b>209 722</b>	<b>355 751</b>

The notes on pages 13 to 25 are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS  
for the year ended 31 March 2018

Note	GROUP		COMPANY	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>Cash flow from operating activities</b>	255 469	6 332	255 469	6 332
Cash generated from operations	32 494	145	32 494	145
Interest paid	(124)	(6)	(124)	(6)
Interest received	1 427	518	1 427	518
Dividends received	222 266	5 890	222 266	5 890
Taxation paid	(594)	(215)	(594)	(215)
<b>Cash flow from financing activities</b>	(222 139)	(5 844)	(222 139)	(5 844)
Dividends paid	(222 139)	(5 840)	(222 139)	(5 840)
Preference share redemption	-	(4)	-	(4)
<b>Change in cash and cash equivalents for the year</b>	<b>33 330</b>	<b>488</b>	<b>33 330</b>	<b>488</b>
Cash and cash equivalents at the beginning of the year	10 489	10 001	10 489	10 001
<b>Cash and cash equivalents at the end of the year</b>	<b>43 819</b>	<b>10 489</b>	<b>43 819</b>	<b>10 489</b>

The notes on pages 13 to 25 are an integral part of these financial statements.

## 1 Summary of significant accounting policies

The consolidated annual financial statements of the group are presented in accordance with, and comply with International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act No 71 of 2008. The consolidated annual financial statements are prepared using the historic cost convention.

The preparation of the annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent liabilities at the statement of financial position date, as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may significantly differ from these estimates.

Refer to note 2, as well as the individual notes for details of estimates, assumptions and judgements used.

### 1.1 Investment in associate

The company carries the investment in associate at cost and are written down only when there is an impairment. Dividends are brought to account when declared. On disposal of an associate, the difference between the net proceeds and carrying amount is charged or credited to the statement of comprehensive income.

Investments in associated companies are accounted for under the equity method. Associated companies are those companies in which the group generally has between 20% and 50% of the voting rights, or over which the group exercises significant influence, but which it does not control. The group's investment in associates includes goodwill and other intangible assets identified on acquisition, net of any accumulated amortisation and impairment loss.

Equity accounting involves recognising in the income statement the group's share of the associate's post-acquisition results net of taxation and minority interests in the associate. The group's share of post-acquisition movements in other comprehensive income is accounted for in the other reserves of the group. The group's interest in the associate is carried on the statement of financial position at cost, adjusted for the group's share of the change in post-acquisition net assets, and inclusive of goodwill and other identifiable intangible assets recognised on acquisitions. Where the group's share of losses in the associate equals or exceeds the carrying amount of its investment, the carrying amount of the investment, as well as any loans to the associate, is reduced to nil and no further losses are recognised, unless the group has incurred obligations to the associate or the group has guaranteed or committed to satisfying obligations of the associate.

Unrealised gains and losses on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates, unless the loss provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency of the policies adopted by the group.

Group refers to a significant associate company held by Welkom Yizani and these are the economic interest financial statements.

**1.1 Investment in associate (continued)**

An impairment loss is recognised in the statement of comprehensive income when the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

**1.2 Financial assets**

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Fair value through other comprehensive income financial assets are non-derivatives that are either designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date. During the year, and at 31 March 2018, the group and company had no fair value through other comprehensive income financial assets.

**1.3 Other receivables**

Other receivables are originally carried at fair value and subsequently measured at amortised cost using the effective interest method, less provision made for impairment of these receivables.

**1.4 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash on hand and deposits held on call with banks.

**1.5 Current and deferred income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations where the applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to tax authorities.

The normal South African company tax rate used at the statement of financial position is 28% (2017: 28%).



### 1.5 Current and deferred income tax (continued)

Deferred taxation is provided in full using the statement of financial position liability method for all taxable or deductible temporary differences arising between the tax base and liabilities (including derivatives) and their carrying values for financial reporting purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and unused tax losses can be utilised.

### 1.6 Financial liabilities and equity instruments

#### Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Compound instruments

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not substantially remeasured.

### 1.7 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

### 1.8 Borrowing costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred.

### 1.9 Interest income

Interest is accrued on a time-proportion basis, recognising the effective yield on the underlying assets.

### 1.10 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

**1.11 Share capital and preference share capital**

Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction against share premium.

**1.12 New Standards and interpretations**

The International Accounting Standards Board ("IASB") issued a number of standards, amendments to standards and interpretations during the financial year ended 31 March 2018.

- (i) The following amended accounting standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2018. These pronouncements had no significant effect on the group's financial statements:

Standard/Interpretation	Title
IAS 7	Cash flow statements
IAS 12	Income taxes
Various	Annual Improvements to IFRS 2012 - 2014 cycle

- (ii) The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2018. The group is currently evaluating the effects of these standards and interpretations which have not been early adopted:

Standard/Interpretation	Title	Effective on
IFRS 9	Financial Instruments	01 January 2018

The aggregate impact of the initial application of the statements and interpretations on the company and group's annual financial statements is expected to be immaterial.

**2 Critical accounting estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group applies judgement when assessing the impairment in its investment in associate (refer to note 1.1 and 3).

**3 Investment in associate**

The company has a 15% interest in Media24 Holdings Proprietary Limited, a company incorporated in South Africa. This is an unlisted investment.

This investment is classified as an investment in associate, as significant influence was established through board representation even though the group only has a 15% interest.

**Movement in carrying amount**

At the beginning of the year

Share of net loss

Share of changes in other comprehensive income

Dividends received

Reversal/(Impairment) of investment

GROUP		COMPANY	
2018	2017	2018	2017
R'000	R'007	R'000	R'000
397 839	525 565	397 839	525 565
(96 288)	(50 743)	-	-
188 115	(5 185)	-	-
(222 266)	(5 890)	-	-
84 177	(65 908)	(46 262)	(127 726)
<b>351 577</b>	<b>397 839</b>	<b>351 577</b>	<b>397 839</b>

A group impairment loss reversal of R84.1m (2017: R65.9m) and company impairment loss of R46.2m (2017: R127.7m) was recognised.

The discounted cash flow model was used to determine the impairment for the group and company. Weighted-average cost of capital 2018: 14.4% (2017: 14%).

**Summarised financial information of unlisted associate as per the annual financial statements - Media24 Holdings Proprietary Limited****Summarised balance sheet****Current**

## Assets

Cash and cash equivalent

Other current assets (excluding cash)

Total current assets

## Liabilities

Financial liabilities (excluding trade payables)

Other current liabilities (including trade payables)

Total current liabilities

**Non-current**

## Assets

## Liabilities

Financial Liabilities

Other liabilities

Total non-current liabilities

**Net assets**

MEDIA24	
2018	2017
R'000	R'000
299 058	262 652
2 143 075	4 633 867
<b>2 442 133</b>	<b>4 896 519</b>
(1 579 881)	(2 269 663)
(260 064)	(195 007)
<b>(1 839 945)</b>	<b>(2 464 670)</b>
957 551	742 229
(24 558)	(21 711)
(378 299)	(201 781)
<b>(402 857)</b>	<b>(223 492)</b>
<b>1 156 882</b>	<b>2 950 586</b>



**Summarised statement of comprehensive income**

Revenue	4 685 728	4 932 549
Interest income	67 888	12 856
Interest expense	(16 310)	(15 623)
<b>Pre-tax loss from continuing operations</b>	<b>(294 344)</b>	<b>(319 071)</b>
Income tax expense	(34 477)	(25 615)
<b>Post-tax loss from continuing operations</b>	<b>(328 821)</b>	<b>(344 686)</b>
<b>Post-tax (loss)/profit from discontinued operations</b>	<b>(35 871)</b>	<b>256 827</b>
Other comprehensive income/(expense)	(214 281)	1 653
<b>Total comprehensive expense</b>	<b>(578 973)</b>	<b>(86 206)</b>

**Reconciliation of summarised financial information**

Opening net assets 01 April	1 626 079	1 896 102
Loss for the period	(364 692)	(87 859)
Total other comprehensive (loss)/income	(214 281)	1 653
Share-based compensation movement	25 061	35 136
Acquisition of subsidiaries/joint ventures	(48 338)	(62 143)
Share Capital movement	1 439 808	-
Dividends paid	(1 392 113)	(127 013)
Other movements	(1 239 149)	(182)
Non-controlling interest share of movement for the period	1 273 115	(29 615)
<b>Closing net assets</b>	<b>1 105 490</b>	<b>1 626 079</b>
Interest in associate (15%)	165 823	243 912
Net identifiable assets	185 754	153 927
<b>Carrying value</b>	<b>351 577</b>	<b>397 839</b>

**4 Related parties**

The chair (Rachel Jafta) holds in aggregate 430 (2017: 430) ordinary shares in the company. Lurica Klink and Ashoek Adhikari (resigned 30 September 2016) are trustees of the Rubato Trust and Kambule Trust which owns 1 167 129 (2017: 1 167 129) and 303 588 (2017: 303 588) shares in aggregate respectively. Jo-Ann Held, a non-executive director, holds in aggregate 430 (2017: 430) ordinary shares in the company.

**Directors' emoluments**

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

Included in other payables is an amount of R141 924 (2017: R35 287 receivable) due to Media24 Proprietary Limited.

**5 Other receivables**

VAT	15	10	15	10
Interest on call accounts	20	20	20	20
Due by Media24 Proprietary Limited	-	35	-	35
	<b>35</b>	<b>65</b>	<b>35</b>	<b>65</b>

	GROUP		COMPANY	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>6 Capital and Reserves</b>				
<b>Share capital and premium</b>				
<b>Authorised</b>				
30 000 000 ordinary shares of R0.0000001 each				
<b>Issued (and fully paid up)</b>				
14 600 001 (2017: 14 600 001) ordinary shares of R0.0000001 each	-	-	-	-
Share premium	146 022	146 022	146 022	146 022
	<b>146 022</b>	<b>146 022</b>	<b>146 022</b>	<b>146 022</b>
<b>Capital management</b>				
The group's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders.				
<b>Preference Share Capital</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Other Reserves</b>				
Other reserves as per the statement of financial position are made up of our share (15%) of Media 24's other reserves.	371 267	183 152	-	-
<b>7 Long-term liabilities</b>				
4 382 (2017: 4 382) variable rate, cumulative redeemable preference shares of R0.001 each	-	-	-	-
- Opening balance	-	4	-	4
- Settled	-	(4)	-	(4)
Share premium	-	-	-	-
- Opening balance	-	44 407	-	44 407
- Share premium waived by shareholder	-	(44 400)	-	(44 400)
- Reclassification of preference shares to equity	-	(7)	-	(7)
Current portion of long-term liabilities (accrued preference share dividends)	-	-	-	-
- Opening balance	-	7 124	-	7 124
- Accumulated preference share dividends waived by shareholder	-	(7 124)	-	(7 124)

	GROUP		COMPANY	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>8 Payables</b>				
Amounts owing to investors	440	317	440	317
Refunds due to unsuccessful share applicants	755	630	755	630
Other payables	266	268	266	268
Audit fees accrued	90	90	90	90
Due to Media24 Proprietary Limited	142	-	142	-
Securities Transfer Tax	2	2	2	2
	<u>1 695</u>	<u>1 307</u>	<u>1 695</u>	<u>1 307</u>
<b>9 Administration costs</b>				
Audit fees	90	90	90	90
Administration fee	5	52	5	52
	<u>95</u>	<u>142</u>	<u>95</u>	<u>142</u>
<b>9 Other income</b>				
Waived preference share premium and accumulated dividend	-	51 525	-	51 525
	<u>-</u>	<u>51 525</u>	<u>-</u>	<u>51 525</u>
<b>10 Finance costs - net</b>				
<b>Interest paid</b>				
Interest on refunds to unsuccessful share applicants	<u>(124)</u>	<u>(6)</u>	<u>(124)</u>	<u>(6)</u>
<b>Interest received</b>				
Interest on current accounts	1 191	290	1 191	290
Interest on call accounts	236	228	236	228
	<u>1 427</u>	<u>518</u>	<u>1 427</u>	<u>518</u>
<b>Net finance costs</b>	<u>1 303</u>	<u>512</u>	<u>1 303</u>	<u>512</u>

	GROUP		COMPANY	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>11 Cash and cash equivalents</b>				
Cash and cash equivalents attributable to the company	43 379	10 172	43 379	10 172
Cash and cash equivalents held on behalf of investors	440	317	440	317
	<b>43 819</b>	<b>10 489</b>	<b>43 819</b>	<b>10 489</b>

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

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

Credit rating	2018	2017
	R'000	R'000
ABSA Bank Limited - Fitch BBB	42 320	9 075
FirstRand Bank Limited - Fitch BBB	1 499	1 414
	<b>43 819</b>	<b>10 489</b>

**12 Taxation****Major components of the tax expense****Current**

Local income tax - current period	478	120	478	120
Local income tax - underprovision	22	154	22	154
	<b>500</b>	<b>274</b>	<b>500</b>	<b>274</b>

**Tax Reconciliation**

Accounting (loss)/profit	<b>(10 903)</b>	(64 756)	<b>177 212</b>	(69 941)
Taxation at the applicable tax rate of 28% (2017: 28%)	<b>(18 132)</b>	(18 132)	<b>49 619</b>	(19 583)
<b>Adjusted for:</b>				
Non-deductible expenses	18 503	18 246	12 987	21 346
Exempt dividends	-	-	(62 235)	(1 649)
Expenses apportioned to exempt income	107	6	107	6
Prior year adjustments	22	154	22	154
<b>Taxation provided in the income statement</b>	<b>500</b>	<b>274</b>	<b>500</b>	<b>274</b>



	GROUP		COMPANY	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>13 Basic earnings/(loss) per share</b>				
<b>Basic earnings/(loss) per share</b>				
Profit/(loss) from continuing operations attributable to owners of the parent	<b>176 712</b>	(70 215)	<b>176 712</b>	(70 215)
Weighted-average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
<b>Basic earnings/(loss) per share</b>	<b>R 12.10</b>	(R 4.81)	<b>R 12.10</b>	(R 4.81)
Headline earnings is calculated based on Circular 2/2013 issued by the South African Institute of Chartered Accountants				
<b>Reconciliation between profit attributable to owners of the parent and headline earnings</b>				
Profit/(loss) for the year	<b>176 712</b>	(70 215)	<b>176 712</b>	(70 215)
<b>Remeasurement of items</b>				
Waived preference share premium and accumulated dividend	-	(51 677)	-	(51 677)
Gross	-	(51 677)	-	(51 677)
Tax effect	-	-	-	-
Impairment of Investment	(84 177)	65 908	46 262	127 726
Gross	(84 177)	65 908	46 262	127 726
Tax effect	-	-	-	-
<b>Headline earnings/(loss) for the year</b>	<b>92 535</b>	(55 984)	<b>222 974</b>	5 834
Weighted-average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
<b>Headline earnings/(loss) per share</b>	<b>R 6.34</b>	(R 3.82)	<b>R 15.27</b>	R 0.41
<b>Net asset value per share</b>				
Total net asset value	355 751	401 178	355 751	401 178
Total number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
<b>Net asset value per share</b>	<b>R 24.37</b>	R 27.48	<b>R 24.37</b>	R 27.48

	GROUP		COMPANY	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
<b>14 Cash generated from operations</b>				
(Loss)/Profit before tax	(10 903)	(64 756)	177 212	(69 941)
Adjusted for:				
- Dividends received	-	-	(222 266)	(5 890)
- Share of net profit of associate	96 288	50 743	-	-
- Impairment	(84 177)	65 908	46 262	127 726
- Finance costs	(1 303)	(512)	(1 303)	(512)
- Preference shares written off	-	(51 525)	-	(51 525)
<b>Cashflow before changes in working capital</b>	<b>(95)</b>	<b>(142)</b>	<b>(95)</b>	<b>(142)</b>
<b>Changes in working capital</b>	<b>32 589</b>	<b>287</b>	<b>32 589</b>	<b>287</b>
Payables	388	(619)	388	(619)
Other receivables	30	243	30	243
Shareholders for dividends	32 171	663	32 171	663
	<b>32 494</b>	<b>145</b>	<b>32 494</b>	<b>145</b>

**15 Financial risk management**

The group's activities expose it to a variety of financial risks, specifically interest rate risk, credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. Risk management is carried out under policies approved by the board of directors.

The group's interest rate risk arises primarily from its long-term borrowings issued at a variable interest rate. Based on simulations performed, the impact on profit or loss before tax of a 100 basis-point increase in the prime interest rate was an increase of R0 (2017: R0m).

**Capital risk management**

For capital management purposes the current level of capital in the group is defined as the difference between the total assets and total liabilities of the group. The capital employed is managed on a basis that enables the group to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and bank overdrafts as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as capital and reserves attributable to owners of the parent as shown in the statement of financial position.

The main focus of the group's capital management is to ensure liquidity, in the form of short-term borrowings facilities, in order to have sufficient available funding for the group's working capital requirements.

**Foreign exchange risk**

The company is not exposed to any significant foreign exchange risk.

**Price risk**

The company is not exposed to commodity price risk.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

*Financial Instruments*

	2018 R'000	2017 R'000
Bank Deposit	43 819	10 489
Other receivables	20	55

**Liquidity risk**

The company maintains a prudent liquidity risk management, which implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities as well as arrangements with related parties.

The table below analyses the company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying Value R'000	Total Contractual Cash flows	Less than 1 Year R'000
<b>At 31 March 2018</b>			
Shareholders' dividends	37 959	37 959	37 959
Other payables	1 695	1 695	1 695
	Carrying Value R'000	Total Contractual Cash flows R'000	Less than 1 Year R'000
<b>At 31 March 2017</b>			
Shareholders' dividends	5 788	5 788	5 788
Other payables	1 307	1 307	1 307

**16 Fair value of financial instrument**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

**31 March 2018**

Investment in associate

Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
-	-	351 577	351 577

The fair value of the investment in associate was determined using the discounted cash flow model. The weighted average cost of capital of 14% was used and cash flows for 10 years and terminal cash flows were projected.

**Sensitivity Analysis**

A sensitivity analysis of a 1% change in the weighted average cost of capital, is shown for the significant unobservable input below:

- An increase in the weighted average cost of capital by 1% reduces the valuation by 9.45% (R0.33m).
- A decrease in the weighted average cost of capital rate by 1% increases the valuation by 11.77% (R0.41m).

**17 Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**18 Subsequent event**

There are no events that occurred between the balance sheet date and the date of approval of the financial statement that are material to the financial affairs of the group.