



**WELKOM YIZANI INVESTMENTS (RF) LIMITED**

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

**FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**COMPANY INFORMATION**

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

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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 group financial statements presented on pages 8 to 20 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 Anees Dawood, 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 Pty (Ltd).

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.

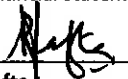
The company operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business 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.

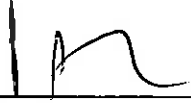
The going-concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the group and company will not be going concerns in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the 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 page 5 and 6.

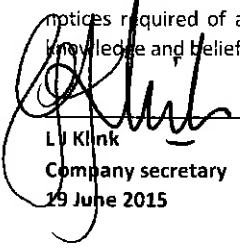
The financial statements were approved by the board of directors and are signed on its behalf by:

  
\_\_\_\_\_  
RCC Jafta  
Chairperson  
19 June 2015

  
\_\_\_\_\_  
PO 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.

  
\_\_\_\_\_  
L J Klink  
Company secretary  
19 June 2015

#### 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 Media24 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. A significant subsidiary of Media24 Holdings Proprietary Limited, Novus Holdings Limited, was listed on the Johannesburg Stock Exchange on 31 March 2015.
- b) receive and distribute dividends and other distributions in terms of its holding in Media24 Holdings Proprietary Limited, and
- c) provide a platform for over the counter trading of shares in Welkom Yizani Investments (RF) effective 9 December 2013. The Financial Services Board has granted Welkom Yizani Investment (RF) Limited an extension for the application for the exemption until 3 September 2015 for the over the counter trading of its shares.

#### Operating and financial review

The financial results of the group and company are set out on pages 8 to 20.

#### Share capital

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

#### Dividends

The board recommends that dividends of 29.4 cents per ordinary share and 46.6 cents per preference share be declared (2014: 29.4 cents per ordinary share and 46.6 cents per preference share). A once off special dividend of 20.5 cents per ordinary share and 32.2 cents per preference share be declared (2014: 0 cents per both ordinary and preference share).

#### Directors, company secretary and auditor

The directors of the company are listed below and the company secretary is Lurica Jineanne Klink. The address and postal address for the company secretary is the same as those of the company as detailed on page 1.

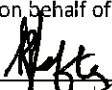
Name	Date appointed	Category
RCC Jafta	28 November 2012	Independent, non-executive
PO Goldhawk	22 June 2007	Independent, non-executive
AH Adhikari	14 October 2010	Independent, non-executive
JC Held	02 September 2014	Independent, non-executive

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

#### Subsequent events

No events have occurred subsequent to 31 March 2015 that have required the company to disclose or adjust the results as presented in these annual financial statements.

Signed on behalf of the board:

  
\_\_\_\_\_  
RCC Jafta - Chairperson  
19 June 2015



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WELKOM YIZANI INVESTMENTS (RF) LIMITED**

We have audited the annual financial statements and the group annual financial statements of Welkom Yizani Investments (RF) Limited as set out on pages 7 to 20, which comprise the statement of financial position as at 31 March 2015, and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### *Directors' Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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Africa Senior Partner: S P Kana  
Management Committee: H Boegman, T P Blandin de Chalain, B M Deegan, J G Louw, S N Madikane, P J Mothibe, T D Shango, S Subramoney, A R Tilakdari, F Tonelli  
Western Cape region – Partner in charge: D J Fölscher  
The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Welkom Yizani Investments (RF) Limited as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Companies Act of South Africa.

### *Other reports required by the companies Act*

As part of our audit of the financial statements for the year ended 31 March 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc  
Director: R Jacobs  
Registered Auditor  
Paarl  
Date: 19 June 2015

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.
- Verified the independence of the external auditor, nominated PricewaterhouseCoopers Inc. as the auditor for 2015/2016 and noted the appointment of Mr R Jacobs as the designated auditor.
- 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 EXTERNAL AUDITOR

During the year under review the board and audit committee conducted its own review and confirmed the independence of the external auditor.

  
\_\_\_\_\_

RCC Jafta

On behalf of the audit committee of the board

19 June 2015

WELKOM YIZANI INVESTMENTS (RF) LIMITED

STATEMENTS OF FINANCIAL POSITION  
as at 31 March 2015

	Notes	Group		Company	
		2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment in associate	3	641 848	642 672	603 709	603 709
<b>Current assets</b>					
Other receivables	5	8 789	8 820	8 789	8 820
Cash and cash equivalents	11	369	392	369	392
		8 420	8 428	8 420	8 428
<b>TOTAL ASSETS</b>		<b>650 637</b>	<b>651 492</b>	<b>612 498</b>	<b>612 529</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital and premium	6	208 563	216 952	170 424	177 989
Other reserves		146 022	146 022	146 022	146 022
Accumulated (loss)/profit		185 484	118 834	-	-
		(122 943)	(47 904)	24 402	31 967
<b>Non-current liabilities</b>					
Long-term liabilities	7	373 000	373 000	373 000	373 000
<b>Current liabilities</b>					
Current portion of long-term liabilities	7	69 074	61 540	69 074	61 540
Payables	8	63 287	55 017	63 287	55 017
Shareholders for dividend		1 954	2 286	1 954	2 286
Taxation		3 833	4 237	3 833	4 237
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>650 637</b>	<b>651 492</b>	<b>612 498</b>	<b>612 529</b>



WELKOM YIZANI INVESTMENTS (RF) LIMITED

STATEMENTS OF COMPREHENSIVE INCOME  
for the year ended 31 March 2015

	Notes	Group		Company	
		2015 R'000	2014 R'000	2015 R'000	2014 R'000
Share of net (loss)/profit of associate	3	(45 753)	21 889	-	-
Investment income - dividends received		-	-	21 721	21 225
Administration costs	9	(83)	(257)	(83)	(257)
Other Income		497	-	497	-
Finance costs - net	10	(25 339)	(23 315)	(25 339)	(23 315)
<b>Loss before taxation</b>		<b>(70 678)</b>	<b>(1 683)</b>	<b>(3 204)</b>	<b>(2 347)</b>
Taxation		-	-	-	-
<b>Net loss for the year</b>		<b>(70 678)</b>	<b>(1 683)</b>	<b>(3 204)</b>	<b>(2 347)</b>
Net loss for the year		(70 678)	(1 683)	(3 204)	(2 347)
Share of changes in associate's other equity	3	66 650	1 546	-	-
<b>Total comprehensive income for the year</b>		<b>(4 028)</b>	<b>(137)</b>	<b>(3 204)</b>	<b>(2 347)</b>

WELKOM YIZANI INVESTMENTS (RF) LIMITED

STATEMENTS OF CHANGES IN EQUITY  
for the year ended 31 March 2015

	Stated Capital R'000	Other reserves R'000	Accumulated profit/(loss) R'000	Total R'000
<b>COMPANY</b>				
<b>Balance at 1 April 2013</b>	146 022	-	38 504	184 526
Total comprehensive income	-	-	(2 347)	(2 347)
Dividends paid	-	-	(4 190)	(4 190)
<b>Balance at 31 March 2014</b>	<b>146 022</b>	<b>-</b>	<b>31 967</b>	<b>177 989</b>
<b>Balance at 1 April 2014</b>	146 022	-	31 967	177 989
Total comprehensive income	-	-	(3 204)	(3 204)
Dividends paid	-	-	(4 361)	(4 361)
<b>Balance at 31 March 2015</b>	<b>146 022</b>	<b>-</b>	<b>24 402</b>	<b>170 424</b>
<b>GROUP</b>				
<b>Balance at 1 April 2013</b>	146 022	117 288	(42 031)	221 279
Total comprehensive income	-	1 546	(1 683)	(137)
Dividends paid	-	-	(4 190)	(4 190)
<b>Balance at 31 March 2014</b>	<b>146 022</b>	<b>118 834</b>	<b>(47 904)</b>	<b>216 952</b>
<b>Balance at 1 April 2014</b>	146 022	118 834	(47 904)	216 952
Total comprehensive income	-	66 650	(70 678)	(4 028)
Dividends paid	-	-	(4 361)	(4 361)
<b>Balance at 31 March 2015</b>	<b>146 022</b>	<b>185 484</b>	<b>(122 943)</b>	<b>208 563</b>

WELKOM YIZANI INVESTMENTS (RF) LIMITED

STATEMENTS OF CASH FLOWS  
for the year ended 31 March 2015

	Notes	GROUP		COMPANY	
		2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>Cash flow from operating activities</b>		22 138	22 159	22 138	22 159
Cash generated from operations	12	105	675	105	675
Interest paid		(64)	(51)	(64)	(51)
Interest received		376	310	376	310
Dividends received		21 721	21 225	21 721	21 225
Taxation paid		-	-	-	-
<b>Cash flow from financing activities</b>		(22 146)	(20 338)	(22 146)	(20 338)
Dividends paid		(4 765)	(3 366)	(4 765)	(3 366)
Preference dividends paid		(17 381)	(16 972)	(17 381)	(16 972)
<b>Change in cash and cash equivalents for the year</b>		<b>(8)</b>	1 821	<b>(8)</b>	1 821
Cash and cash equivalents at the beginning of the year		8 428	6 607	8 428	6 607
<b>Cash and cash equivalents at the end of the year</b>		<b>8 420</b>	8 428	<b>8 420</b>	8 428

## **1 Summary of significant accounting policies**

The annual financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these annual financial statements. The annual financial statements are prepared according to 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 associates**

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 reserves 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 satisfy 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.

### 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

### 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 2015, 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 Statement of Financial Position. 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% (2014: 28%).

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

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 New Standards and interpretations

Amendments to IFRS 10, IFRS 12 and IAS 27

*"Investment entities"* - 01 January 2014

Amendment to IAS 32

*"Offsetting Financial Assets and Financial Liabilities"* - 01 January 2014

Amendment to IAS 36

*"Recoverable amount disclosures for non-financial assets"* - 01 January 2014

IFRS 9

*"Financial Instruments"* - 01 January 2018

Amendments to IFRS 10 and IAS 28

*"Sale or contribution of assets between an investor and its associate or joint venture"* - 01 January 2016

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment entities

*"Applying the consolidation exception"* - 01 January 2016

Amendments to IAS 1

*"Disclosure initiative"* - 01 January 2016

Amendments to IAS 16 and IAS 38

*"Clarification of acceptable methods of depreciation and amortisation"* - 01 January 2016

Amendment to IAS 27

*"Equity method in separate financial statements"* - 01 January 2016

## 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.

**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.

	GROUP		COMPANY	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>Movement in carrying amount</b>				
At the beginning of the year	642 672	640 462	603 709	603 709
Share of net profit/(loss)	(45 753)	21 889	-	-
Share of changes in other reserves	66 650	1 546	-	-
Dividends received	(21 721)	(21 225)	-	-
	<b>641 848</b>	<b>642 672</b>	<b>603 709</b>	<b>603 709</b>

**Summarised financial information of unlisted associate as per the annual financial statements - Media24 (Pty) Ltd**

	GROUP	
	2015	2014
	R'000	R'000
Total assets	6 071 526	5 871 742
Total liabilities	2 647 605	3 536 751
Revenue	8 249 951	8 171 101
Net (loss)/profit	(118 645)	365 758

**4 Related parties**

The chairperson (R.C.C Jafta) holds in aggregate 430 (2014: 430) ordinary shares in the company. A.H Adhikari and L.J Klink as trustees of the Rubato Trust which owns 1 167 129 shares in aggregate (2014: 337 150). J.C Held a non executive director holds in aggregate 430 (2014: 0) ordinary shares in the company.

Directors of the company received no directors' fees or remuneration.

Included in other receivables is an amount of R 350,000 (2014: R362,107 ) due from Media24 (Propriety) Limited.

**5 Other receivables**

Tax	4	4	4	4
Interest on call accounts	15	26	15	26
Due by Media24 Proprietary Limited	350	362	350	362
	<b>369</b>	<b>392</b>	<b>369</b>	<b>392</b>



	GROUP		COMPANY	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>6 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 (2014: 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.

## 7 Long-term liabilities

37 300 000 (2014: 37 300 000) variable rate, cumulative redeemable preference shares of R0.001 each

- Opening balance	37	37	37	37
Share premium	<b>372 963</b>	372 963	<b>372 963</b>	372 963
- Opening balance	372 963	372 963	372 963	372 963
	<b>373 000</b>	373 000	<b>373 000</b>	373 000
Current portion of long-term liabilities (Accrued preference share dividends)	63 287	55 017	63 287	55 017
- Opening balance	55 017	48 415	55 017	48 415
- Current year dividends	25 651	23 574	25 651	23 574
- Dividends paid	(17 381)	(16 972)	(17 381)	(16 972)
	<b>436 287</b>	428 017	<b>436 287</b>	428 017

Nil (2014: Nil) preference shares were redeemed during the

Preference shares bear interest at 65% (2014: 65%) of the prime rate. There are no fixed terms of payment of interest. Interest payments will be made upon approval by the directors. The preference shares are held by Naspers Limited.

These preference shares are redeemable on any of the following preference redemption dates:

- extended period as permitted by the preference shareholders, or
- shareholders' agreement at the option of the preference shareholders, or
- voluntarily by Welkom Yizani Investments (RF) Limited within three years out of sufficient cash resources, or
- compulsory after three years out of sufficient cash resources.

	GROUP		COMPANY	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>8 Payables</b>				
Amounts owing to investors	765	1 053	765	1 053
Refunds due to unsuccessful share applicants	644	606	644	606
Other payables	401	454	401	454
Audit fees accrued	136	160	136	160
VAT	3	3	3	3
Securities Transfer Tax	5	10	5	10
	<b>1 954</b>	<b>2 286</b>	<b>1 954</b>	<b>2 286</b>

#### 9 Administration costs

Audit fees	83	160	83	160
Administration fee	-	97	-	97
	<b>83</b>	<b>257</b>	<b>83</b>	<b>257</b>

	GROUP		COMPANY	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>10 Finance costs - net</b>				
<b>Interest paid</b>				
Interest on refunds to unsuccessful share applicants	(64)	(51)	(64)	(51)
Interest on preference shares	(25 651)	(23 574)	(25 651)	(23 574)
Sundry Interest	-	-	-	-
	<b>(25 715)</b>	<b>(23 625)</b>	<b>(25 715)</b>	<b>(23 625)</b>
<b>Interest received</b>				
Interest on current accounts	177	76	177	76
Interest on call accounts	199	234	199	234
	<b>376</b>	<b>310</b>	<b>376</b>	<b>310</b>
<b>Net finance costs</b>	<b>(25 339)</b>	<b>(23 315)</b>	<b>(25 339)</b>	<b>(23 315)</b>
<b>11 Cash and Cash Equivalents</b>				
Cash and cash equivalents attributable to the company	7 655	7 375	7 655	7 375
Cash and cash equivalents held on behalf of investors	765	1 053	765	1 053
	<b>8 420</b>	<b>8 428</b>	<b>8 420</b>	<b>8 428</b>
<b>12 Cash generated from operations</b>				
<b>Loss before taxation</b>	(70 678)	(1 683)	(3 204)	(2 347)
<b>Adjusted for:</b>				
-Dividends received	-	-	(21 721)	(21 225)
-Share of net profit of associate	45 753	(21 889)	-	-
-Finance costs	25 339	23 315	25 339	23 315
<b>Loss before changes in working capital</b>	<b>414</b>	<b>(257)</b>	<b>414</b>	<b>(257)</b>
<b>Changes in working capital</b>	<b>(309)</b>	932	<b>(309)</b>	932
Payables	(332)	949	(332)	949
Other receivables	23	(17)	23	(17)
	<b>105</b>	<b>675</b>	<b>105</b>	<b>675</b>

### 13 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 would be a decrease or increase of R4,36m (2014: R4,28m) respectively.