WELKOM YIZANI INVESTMENTS (RF) LIMITED

Registration number: 2006/021434/06

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

WELKOM YIZANI INVESTMENTS (RF) LIMITED

GROUP* ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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.

CONTENTS

Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No 71 of 2008.
Preparer	The financial statements were internally prepared by Affrin Janjikar, a Chartered Accountant (SA) under the supervision of the Media24 Holdings Proprietary Limited Group Chief Financial Officer, Mobasheer Patel.

*Group is defined as economic interest

DIRECTORS' STATEMENT OF RESPONSIBILITY
for the year ended 31 March 2020

The directors are responsible for the preparation, integrity and fair presentation of the separate annual financial statements and Group annual financial statements of Welkom Yizani Investments (RF) Limited. The financial statements presented on pages 13 to 30 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 Janjikar, a Chartered Accountant (SA) and supervised by the Media24 Holdings Proprietary Limited Group Chief Financial Officer, Mobasheer Patel.

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 financial statements. The impact of Covid-19 has been considered by the directors as part of their going concern assessment. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on available cash resources, forecasts and the measures put in place to manage the risks associated with Covid-19. The viability of the company and the group is further supported by the strength of the financial statements.

The group and separate 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 7 to 12.

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

Rachel Jafta
Chair
12 June 2020

Omichand Lalbahadur
Director

CERTIFICATE BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act No 71 of 2008 , I, Lurica Jineanne Jacquet, 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.

LJ Jacquet

Lurica Jacquet
Company secretary
12 June 2020

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 15% of the ordinary shares in Media24 Holdings Proprietary Limited (investment in associate), cash and cash equivalents and such assets as are received and acquired solely by virtue of, or in relation to, the holding of Media24 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) Equity Express Securities Exchange (EESE)

Welkom Yizani, established as Media24's broad-based black economic empowerment (BBBEE) scheme in 2006, started trading its shares on an online trading platform in 2013. 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 regularize their affairs in terms of the Financial Markets Act, 2012. Welkom Yizani had been engaging with the Financial Services Board (now the FSCA) to bring its affairs in line with the requirements of the Financial Markets Act, 2012. Welkom Yizani listed on the Equity Express Securities exchange (EESE) on 23 November 2018 and is now compliant with the relevant legislation.

Operating and financial review

The financial results of the group and company are set out on pages 13 to 30.

Share capital

Refer to note 7 for details of the authorised and issued share capital.

Dividends

The board recommends that a dividend of 42.5 cents per ordinary share (2019: 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 27 August 2020 by way of an ordinary resolution to be approved by the shareholders.

Directors, company secretary and auditor

The directors of the company are listed below and the company secretary is Lurica Jineanne Jacquet. 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
JC Held	02 September 2014		Independent, non-executive
A Mayman	01 November 2018	07 May 2020	Independent, non-executive
O Lalbahadur	08 May 2020		Independent, non-executive

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

Analysis of shareholders information

Shareholders spread as at 31 March 2020:	Number of shareholders	Number of shares
0 - 430 shares	86 823	10 728 190
431 - 10,000 shares	597	781 750
10,001 - 100,000 shares	34	1 017 986
100,001 - 1,000,000 shares	5	904 945
1,000,001 and above shares	1	1 167 130
	87 460	14 600 001

Major shareholdings as at 31 March 2020:

According to the company's register the top 5 shareholders are as follows as at 31 March 2020:

The Rubato Trust	1,167,130
The Kambule Trust	303,588
Sello Soulman Nakedi	136,578
Naspers Opvoedingstrust	130,860
Prevesh Hemrajh	123,430

The remaining shares are held by a vast group of individuals and other entities.

Subsequent events

On 23 March 2020 President Cyril Ramaphosa announced that a national lockdown would be implemented for 21 days from 26 March 2020 in response to the Covid-19 outbreak in South Africa, with a further extension to the 30 April announced on 9 April 2020. The national lockdown and the expected economic slowdown are expected to negatively impact sales and profitability. The directors are not aware of any material adverse effects on the financial statements as a result of the Covid-19 outbreak.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report, which would have a material impact on the annual financial statements.

Going concern

The group and company annual financial statements are prepared on the going concern basis. Based on group forecasts and available cash resources, the group and company have adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2020, the group and company recorded R40.8m (2019: R40.5m) in net cash, comprising of cash and cash equivalents (including short-term cash investments). The group had Rnil (2019: Rnil) interest-bearing debt. Refer to note 7 “Capital and Reserves” for details of how the group manages its capital to safeguard its ability to continue as a going concern.

Welkom Yizani relies on the Media24 Holdings Proprietary Limited dividend to continue its operations and therefore their going concern was assessed. Media24 Holdings Proprietary Limited annual financial statements are prepared on going concern basis, as the group has adequate resources to continue operations as a going concern in the foreseeable future. The impact of the Covid-19 pandemic on operations and liquidity was considered in preparing the Media24 groups forecasts. The board is of the opinion that the group has sufficient financial flexibility given its low gearing and very strong liquidity position at 31 March 2020 to negate the expected negative effects that could result from the Covid-19 impact on the group’s businesses in the next financial year.

Signed on behalf of the board

Rachel Jafta
Chair
12 June 2020

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2020

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; and
- 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 2019/2020 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

Omichand Lalbahadur
Director: Audit committee
12 June 2020

Independent auditor's report

To the Shareholders of Welkom Yizani Investments (RF) Limited

Report on the audit of the economic interest and separate financial statements

Our opinion

In our opinion, the economic interest and separate financial statements present fairly, in all material respects, the economic interest and separate financial position of Welkom Yizani Investments (RF) Limited (the Company) and its associate (together the Economic Interest Entity) as at 31 March 2020, and its economic interest and separate financial performance and its economic interest 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 economic interest and separate financial statements set out on pages 13 to 30 comprise:

- the group and separate statements of financial position as at 31 March 2020;
- 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 group and separate financial statements, which include a summary of significant accounting policies.

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 economic interest and separate financial statements* section of our report.

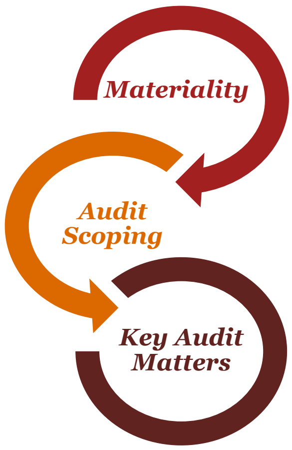
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Economic Interest Entity in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Our audit approach

Overview



Overall Economic Interest Entity materiality

- *R 3,120,000, which represents 1% of total economic interest assets.*

Economic Interest Entity audit scope

- *The economic interest financial statements comprise of the Company and equity accounted associate, Media24 Holdings Proprietary Limited. We performed full scope audits of both entities.*

Key audit matters

- *Determination of the fair value less cost of disposal for the investment in associate.*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the economic interest and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the economic interest financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall economic interest materiality for the economic interest financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall economic interest materiality	*R 3,120,000*
How we determined it	*1% of total economic interest assets.*
Rationale for the materiality benchmark applied	*We chose total economic interest assets as the benchmark because in our view, it is the benchmark against which the performance of the Economic Interest Entity is most commonly measured by users, as profit before tax fluctuates from the earnings in associate. We chose 1% which is consistent with quantitative materiality thresholds used for companies in this sector.*

How we tailored our Economic Interest audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the economic interest financial statements as a whole, taking into account the structure of the Economic Interest Entity, the accounting processes and controls, and the industry in which the Economic Interest Entity operates.

The Economic Interest Entity consists of the Company and an associate, Media24 Holdings Proprietary Limited. The Economic Interest Entity's main operating activities are located in South Africa. In establishing the overall audit approach to the Economic Interest Entity audit, we determined the type of work that needed to be performed on the Company and also the use of a PwC network firm to audit, as component auditor for Media24 Holdings Proprietary Limited. Due to the financial significance to the Economic Interest Entity, both the Company and Media24 Holdings Proprietary Limited were identified as components that require a full scope audit to be performed.

Detailed audit instructions were communicated to Media24 Holdings Proprietary Limited component auditor. We visited and performed a detailed review of the audit evidence obtained by the component team to assess and conclude whether sufficient appropriate audit evidence has been obtained. The audit evidence was reviewed in conjunction with the signed consolidated annual financial statements of Media24 Holdings Proprietary Limited for the year ended 31 March 2020 to assess the sufficiency of the work performed.

As the Group team these procedures allowed us to conclude as a basis for our opinion of the economic interest financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the economic interest and separate financial statements of the current period. These matters were addressed in the context of our audit of the economic interest and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Determination of the fair value less cost of disposal for the investment in associate (applicable to the economic interest and separate financial statements) *Refer to notes 1.1, 2 and 3 of the economic interest and separate financial statements.* *The carrying value of the investment in associate (the "investment") amounts to R 269 million as at 31 March 2020 and represents the Company's only interest in Media24 Holdings Proprietary Limited.* *The Company accounts for the investment at cost in its separate financial statements and uses the equity method to account for the investment in the economic interest financial statements. Under both methods, the investment is written down when there is an indication that the carrying amount of the investment may not be recoverable.*	*We obtained management's impairment assessment and tested the mathematical accuracy of management's calculations. We noted no material exceptions in this regard.* *Our audit procedures included an assessment of the reasonableness of management's key judgements and estimates applied in their calculation, as detailed below:* • *We assessed the reasonableness of the assumptions as disclosed in note 3 to the economic interest and separate financial statements underlying the projected future cash flows used in the models by understanding, through discussion with management, the process followed by management to determine these projections.* • *We compared these projections to management approved budgets and business plans and accepted the information as consistent. We analysed these projections against historical performance, and noted no aspects requiring further consideration.* • *We assessed the reasonableness of the terminal growth rates used by management by comparing them to the industry average long-term growth rates, and we accepted these growth rates as falling within a reasonable range.*

Key audit matter	*How our audit addressed the key audit matter*
The investment was measured at the lower of its carrying amount and fair value less costs of disposal. The fair value was determined using the discounted cash flow model, which is based on 10-year projected cash flows. An impairment expense of R119 million was recognised in the economic interest financial statements while an impairment expense of R82 million was recognised in the separate financial statements. *Key judgements and estimates made in determining the expected cashflows of Media24 Holdings Proprietary Limited Group are disclosed in note 3 to the economic interest and separate financial statements.* *We considered the determination of the fair value less cost of disposal for the investment in associate to be a matter of most significance to our audit due to the magnitude of the carrying amount of the investment and higher degree of estimation uncertainty relating to the key judgements and estimates.*	• *We assessed the impact of Covid-19, and the negative economic impact it has, on the reasonableness of the assumptions used to determine the projected future cash flows. These included reduced demand and expected reduction in production costs. We evaluated management's estimated reduced demand and production costs with reference to available industry information and current economic data, and we accepted management's assumptions in this regard.* • *We utilised our internal valuation expertise to assess the reasonability of the discount rate and the valuation methodologies used by management. Based on our work performed, we accepted the discount rate and valuation methodology as falling within an acceptable range.* • *We further assessed the appropriateness of the disclosures in the financial statements concerning the key assumptions to which the valuation is most sensitive and the inter-relationship between the assumptions and the valuation amounts.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*Welkom Yizani Investments (RF) Limited Annual Financial Statements for the year ended 31 March 2020*" and the document titled "*Media24 Holdings Proprietary Limited 2020 Abridged Integrated Annual Report to Shareholders of Welkom Yizani*", which includes the Directors' Report, Report of the audit committee and the Certificate by the company secretary as required by the Companies Act of South Africa. The other information does not include the economic interest or the separate financial statements and our auditor's report thereon.

Our opinion on the economic interest 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 economic interest 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 economic interest 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.

Responsibilities of the directors for the economic interest and separate financial statements

The directors are responsible for the preparation and fair presentation of the economic interest 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 economic interest and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the economic interest and separate financial statements, the directors are responsible for assessing the Economic Interest Entity's 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 Economic Interest Entity and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the economic interest and separate financial statements

Our objectives are to obtain reasonable assurance about whether the economic interest 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 economic interest 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 economic interest 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 Economic Interest Entity'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 Economic Interest Entity'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 economic interest 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 Economic Interest Entity and / or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the economic interest and separate financial statements, including the disclosures, and whether the economic interest 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 Economic Interest Entity to express an opinion on the economic interest financial statements. We are responsible for the direction, supervision and performance of the audit of the economic interest financial statements. 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the economic interest and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Welkom Yizani Investments (RF) Limited for 14 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Viresh Harri
Registered Auditor
Cape Town
12 June 2020

GROUP* AND SEPARATE STATEMENTS OF FINANCIAL POSITION
as at 31 March 2020

		Group*		Company	
		2020	2019	**2020**	2019
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets		269 314	351 577	269 314	351 577
Investment in associate	3	269 314	351 577	269 314	351 577
Current assets		42 843	40 605	42 843	40 605
Other receivables	5	2 024	30	2 024	30
Cash and cash equivalents	6	40 819	40 575	40 819	40 575
TOTAL ASSETS		**312 157**	392 182	**312 157**	392 182
EQUITY AND LIABILITIES					
Capital and reserves		276 075	357 076	276 075	357 076
Share capital and premium	7	146 022	146 022	146 022	146 022
Preference share capital	7	7	7	7	7
Other reserves	7	459 203	387 657	-	-
Accumulated (loss)/profit		(329 157)	(176 610)	130 046	211 047
Current liabilities		36 082	35 106	36 082	35 106
Payables	8	2 716	2 086	2 716	2 086
Shareholders for dividends	9	33 360	33 020	33 360	33 020
Taxation		6	-	6	-
TOTAL EQUITY AND LIABILITIES		**312 157**	392 182	**312 157**	392 182
Net asset value per share	13	**R 18.91**	R 24.46	**R 18.91**	R 24.46

*Group is defined as economic interest

The notes on pages 17 to 30 are an integral part of these financial statements.

GROUP* AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 March 2020

		Group*		Company	
		2020	2019	**2020**	2019
	Notes	**R'000**	R'000	**R'000**	R'000
Share of net loss of associate	3	(28 548)	(59 509)	-	-
Investment income - dividends received	3	-	-	6 295	6 295
Administration costs	10	(104)	(100)	(104)	(100)
(Impairment)/Reversal of impairment of investment in associate	3	(118 966)	49 414	(82 263)	-
Finance income	11	1 805	1 923	1 805	1 923
Finance costs	11	(63)	(64)	(63)	(64)
(Loss)/Profit before taxation		**(145 876)**	(8 336)	**(74 330)**	8 054
Taxation	12	**(466)**	(524)	**(466)**	(524)
Net (loss)/profit for the year		**(146 342)**	(8 860)	**(74 796)**	7 530
(Loss)/Profit attributable to:					
Owners of the parent		(146 342)	(8 860)	(74 796)	7 530
Other comprehensive income					
Share of changes in associate's other comprehensive income net of tax	3	71 546	16 390	-	-
Gross		71 546	16 390	-	-
Tax	12	-	-	-	-
Total comprehensive (loss)/income for the year		**(74 796)**	7 530	**(74 796)**	7 530
Attributable to:					
Shareholders of the company		**(74 796)**	7 530	**(74 796)**	7 530
Basic (loss)/earnings per share	13	**(R 10.02)**	(R 0.61)	**(R 5.12)**	R 0.52
Headline (loss)/earnings per share	13	**(R 1.88)**	(R 3.99)	**R 0.51**	R 0.52

*Group is defined as economic interest

The notes on pages 17 to 30 are an integral part of these financial statements.

WELKOM YIZANI INVESTMENTS (RF) LIMITED

GROUP* AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 March 2020

	Stated capital R'000	Preference share capital R'000	Other reserves R'000	Accumulated profit/(loss) R'000	Total R'000
GROUP*					
Balance at 1 April 2018	146 022	7	371 267	(161 545)	355 751
Total comprehensive income/(loss) for the year	-	-	16 390	(8 860)	7 530
Net loss	-	-	-	(8 860)	(8 860)
Other comprehensive income	-	-	16 390	-	16 390
Distribution to owners of the company					
Dividends paid (refer to note 7)	-	-	-	(6 205)	(6 205)
Balance at 31 March 2019	146 022	7	387 657	(176 610)	357 076
Balance at 1 April 2019	146 022	7	387 657	(176 610)	357 076
Total comprehensive income/(loss) for the year	-	-	71 546	(146 342)	(74 796)
Net loss	-	-	-	(146 342)	(146 342)
Other comprehensive income	-	-	71 546	-	71 546
Distribution to owners of the company					
Dividends paid (refer to note 7)	-	-	-	(6 205)	(6 205)
Balance at 31 March 2020	**146 022**	**7**	**459 203**	**(329 157)**	**276 075**
COMPANY					
Balance at 1 April 2018	146 022	7	-	209 722	355 751
Profit for the year	-	-	-	7 530	7 530
Distribution to owners of the company					-
Dividends paid (refer to note 7)	-	-	-	(6 205)	(6 205)
Balance at 31 March 2019	146 022	7	-	211 047	357 076
Balance at 1 April 2019	146 022	7	-	211 047	357 076
Loss for the year	-	-	-	(74 796)	(74 796)
Distribution to owners of the company					
Dividends paid (refer to note 7)	-	-	-	(6 205)	(6 205)
Balance at 31 March 2020	**146 022**	**7**	**-**	**130 046**	**276 075**

*Group is defined as economic interest
The notes on pages 17 to 30 are an integral part of these financial statements.

GROUP* AND SEPARATE STATEMENTS OF CASH FLOWS
for the year ended 31 March 2020

		GROUP*		COMPANY	
		2020	2019	**2020**	2019
	Note	**R'000**	R'000	**R'000**	R'000
Cash flow from operating activities		6 449	2 961	6 449	2 961
Cash utilised from operations	14	(1 128)	(4 643)	(1 128)	(4 643)
Interest paid		(63)	(64)	(63)	(64)
Interest received		1 805	1 923	1 805	1 923
Dividends received		6 295	6 295	6 295	6 295
Taxation paid		(460)	(550)	(460)	(550)
Cash flow from financing activities		(6 205)	(6 205)	(6 205)	(6 205)
Dividends paid		(6 205)	(6 205)	(6 205)	(6 205)
Change in cash and cash equivalents for the year		**244**	(3 244)	**244**	(3 244)
Cash and cash equivalents at the beginning of the year		**40 575**	43 819	**40 575**	43 819
Cash and cash equivalents at the end of the year		**40 819**	40 575	**40 819**	40 575

*Group is defined as economic interest

The notes on pages 17 to 30 are an integral part of these financial statements.

1 Summary of significant accounting policies

The group and separate financial statements are presented in accordance with, and comply with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 of South Africa, as amended. The group and separate financial statements are prepared using the historic cost convention.

The preparation of the group and separate 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.

For the preparation of the group annual financial statements (economic interest annual financial statements), the group includes Welkom Yizani Investments (RF) Limited and its associate Media24 Holdings Proprietary Limited using the equity method (in terms of IAS 28 - Investments in associates and joint ventures).

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

1.1 Investment in associate

Company
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. The net investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

Group
Investments in associated companies are accounted for under the equity method. Associate companies are those companies in which the group can exercise 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 measured 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.

Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment.

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.

*Group is defined as economic interest

1.1 Investment in associate *(Continued)*

The net investment in an associate is impaired and impairment losses are incurred if, and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

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

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 and liabilities

Recognition
Except for trade receivables, at initial recognition, an entity shall measure a financial asset or liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The group initially recognises other receivables, cash and cash equivalents and payables on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the group becomes a party to the contractual provisions of the instrument.

Derecognition
The group and company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the group and company neither transfers nor retains substantially all risks and rewards of ownership and it does not retain control of the financial assets. Any interest in a transferred asset that is created or retained by the group and company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

The group and company derecognises a financial liability when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

1.3 Other receivables

Other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses for these receivables.

The group and company recognises expected credit losses (impairment allowances) on other receivables measured at amortised cost. The group and company assesses, on a forward-looking basis, the impairment allowances associated with these other receivables. For other receivables at amortised cost, the group and company measures impairment allowances at an amount equal to the lifetime expected credit losses on these other receivables. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument. The group and company considers other receivables to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

*Group is defined as economic interest

1.3 Other receivables *(Continued)*

At each reporting date the group and company assesses whether other receivables at amortised cost balances are credit-impaired. Other receivables are considered credit-impaired when one or more events that have a detrimental impact on expected future cash flows have occurred. Evidence that other receivables is credit-impaired includes significant financial difficulty experienced by the borrower, a breach of contract such as defaulting on contractually due repayments and the probability of the borrower entering bankruptcy.

Impairment allowances for other receivables measured at amortised cost are recognised in the statement of comprehensive income and accumulated in an allowance account. The gross carrying amount of the other receivable is reduced by the loss allowance via the allowance account and is written off when the group and company has no reasonable expectation of recovering the other receivable in its entirety or a portion thereof.

1.4 Cash and cash equivalents

Cash and cash equivalents are measured in the statement of financial position at amortised cost. Cash and cash equivalents comprise deposits held on call with banks. The group and company assesses on a forward looking basis the expected credit losses associated with its cash and cash equivalents carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Where there is a significant increase in credit risk for cash and cash equivalents, the group and company measures the loss allowance at an amount equal to the lifetime expected credit losses.

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% (2019: 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. Financial liabilities includes payables.

1.7 Revenue recognition

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

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1.8 Interest income

Interest income from financial assets at fair value through profit or loss, is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at fair value through profit or loss calculated using the effective interest method, is recognised in profit or loss as part of other income.

1.9 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 directors.

1.10 Share capital and preference share capital

Ordinary shares and preference shares are classified as equity. Preference shares have been classified as equity as there is no obligation to redeem the preference shares in the future. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction against share premium.

1.11 Segment reporting

IFRS 8: Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision-maker (CODM) to allocate resources to the segments and to assess their performance. The CODM has been identified as the board of directors that makes the strategic decisions.

The board of directors has identified the only operating segment to be the investment in associate. No further disclosure is required as this is reflected in the financial statements.

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 2020.

(i) The following amended accounting standards have been adopted by the group and are applicable for the first time during year ended 31 March 2020. These pronouncements had no significant effect on the group's financial statements:

Standard/Interpretation	Title	Effective on
IFRS 16	Leases	01 January 2019

The company does not have leases and this standard will not have an impact as it is not applicable.

(ii) There are no new upcoming standards that are expected to affect the annual financial statements.

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. The group tests whether investments in associate has suffered any impairment on an annual basis. For 2020 and 2019 reporting period, the recoverable amount was determined based on a discounted cash flow calculation which requires assumptions. The calculation uses cash flow projections based on financial budgets covering a ten year period. (refer to note 1.1, 3 and 16).

*Group is defined as economic interest

3 Investment in associate

The principle activity of Welkom Yizani is to own 15% of the ordinary shares 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	
	2020	2019	**2020**	2019
	R'000	R'000	**R'000**	R'000
Movement in carrying amount				
At the beginning of the year	351 577	351 577	351 577	351 577
Share of net loss	(28 548)	(59 509)	-	-
Share of changes in other comprehensive income	71 546	16 390	-	-
Dividends received	(6 295)	(6 295)	-	-
(Impairment)/Reversal of impairment of investment	(118 966)	49 414	(82 263)	-
	269 314	351 577	**269 314**	351 577
Reconciliation between original cost and carrying amount				
Original cost	730 000	730 000	730 000	730 000
Accumulated share of losses	(246 376)	(217 828)	-	-
Accumulated share of comprehensive income	459 203	387 657	-	-
Total dividends received	(446 788)	(440 493)	-	-
	496 039	459 336	**730 000**	730 000
Opening accumulated impairment	(107 759)	(157 173)	(378 423)	(378 423)
(Impairment)/reversal of impairment of investment	(118 966)	49 414	(82 263)	-
Closing accumulated impairment	**(226 725)**	(107 759)	**(460 686)**	(378 423)
Net carrying amount at year end	**269 314**	351 577	**269 314**	351 577

The company received a dividend of R6.3 million (2019: R6.3 million) from Media24 Holdings Proprietary Limited.

Investment in associate was measured during the year at the lower of its carrying amount and fair value less costs to disposal for the group and company, resulting in a recognition of an impairment of R119 million (2019: R49 million reversal of impairment) for the group and R82m (2019: nil) for the company in the statement of comprehensive income. The fair value was determined using the discounted cashflow model. This is a level 3 measurement as per the fair value hierarchy set out in note 16.

The impairment for the group and company relates to the decline in the projected cash flows and specifically an increase in the trading losses incurred due to the current forecasted economic circumstances the business will be impacted by.

The share of net loss of R29m (2019: R59m) is equal to 15% of Media24 Holding's equitable losses of R8m (2019: R38m), and adjusted for pre-acquisition accounting of R21m (2019: R21m).

*Group is defined as economic interest

The discounted cash flow model was used to determine the fair value less cost to sell of the investment in associate at the end of the financial year for the group and company.

Management used 10-year projected cash flow models, with growth rates ranging between 0% and 5% and weighted-average cost of capital of 16% applied to print media and 21% applied to eCommerce retail (2019: 14.3%) in measuring the impairment losses for the group and company. The cash flows were adjusted to take into account Covid-19 implications. The Covid-19 implications taken into account was the decrease in the circulation and advertising revenue but a positive outlook in the ecommerce revenue. The significant change from last year is due to the change in the prime rate and the risk free rate in March 2020 mainly due to Covid-19. Management used 10-year projected cash flow models, based upon the use of internal experts and the expected mid to long-term market changes in both the mature portfolio and growth portfolio. The estimated projections for the period six to ten years are due to the monetisation and expected inflows from the growth portfolio as building to scale takes longer than five years with breakeven expected beyond five years (average growth rate of 4% to 5%). The mature portfolio cost savings and sale of non-core assets are expected to continue beyond the five years in line with economic environment and trends in the print media industry (average growth rate of 0%).

There are a number of key judgements and estimates made in the expected group cash flows of Media24 Holdings Proprietary Limited Group, which include:
- Improved operating margins through lower printing prices and ongoing cost saving initiatives thereby increasing trading profit in the mature portfolio despite revenue declines,
- Increase in the growth portfolio revenue from the continued investment to build scale and improvement of the trading profit as breakeven point is achieved,
- Reduced capital expenditure and proceeds from sale of non-core assets but partly eroded by the higher net working capital requirement in the upscaling of the growth portfolio,
- Discount rate applied to the projected cash flows, and
- Terminal growth rates.

The discount rate was based on South Africa 10 year bond yield historical data and is adjusted for specific risk factors.

Sensitivity Analysis

A sensitivity analysis of a 2% 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 2% reduces the valuation by R15.8m.

- A decrease in the weighted average cost of capital rate by 2% increases the valuation by R24.8m.

A sensitivity analysis of a 1% change in the growth rate, is shown for the significant unobservable input below:

- An increase in the growth rate by 1% increases the valuation by R5.1m.
- A decrease in the growth rate by 1% decreases the valuation by R4.3m.

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

	MEDIA24	
Summarised balance sheet	**2020**	2019
	R'000	R'000
Current		
Assets		
Cash and cash equivalent	219 391	210 482
Other current assets (excluding cash)	1 944 343	2 025 989
Total current assets	2 163 734	2 236 471
Liabilities		
Financial liabilities (excluding trade payables)	(953 670)	(1 531 762)
Other current liabilities (including trade payables)	(233 620)	(286 334)
Total current liabilities	(1 187 290)	(1 818 096)
Non-current		
Assets	756 241	1 088 550
Liabilities		
Financial liabilities	(20 871)	(17 607)
Other liabilities	(364 154)	(380 620)
Total non-current liabilities	(385 025)	(398 227)
Net assets	**1 347 660**	1 108 698
Summarised statement of comprehensive income		
Revenue	4 788 937	4 713 829
Interest income	78 423	79 480
Interest expense	(13 015)	(2 609)
Pre-tax loss from continuing operations	**(106 090)**	(284 765)
Income tax expense	(34 946)	(20 768)
Post-tax loss from continuing operations	**(141 036)**	(305 533)
Post-tax loss from discontinued operations	**-**	-
Post-tax loss for the year	**(141 036)**	(305 533)
- Loss for the year attributable to equity holders of group	(48 216)	(254 625)
- Loss for the year attributable to non-controlling interests	(92 820)	(50 908)
Other comprehensive income/(expense)	(125 992)	(4 956)
Total comprehensive expense	**(267 028)**	(310 489)
Reconciliation of summarised financial information		
Opening net assets 01 April	918 168	1 105 490
Loss for the period	(141 036)	(305 533)
Total other comprehensive loss	(125 992)	(4 956)
Share-based compensation movement	30 895	27 719
Acquisition/(Liquidation/Sale) of subsidiaries/joint ventures	(16 933)	289 832
Capital contribution from Naspers	558 636	-
Dividends paid	(59 928)	(48 177)
Other movements	(6 680)	(7 069)
Non-controlling interest share of movement for the period	147 824	(139 138)
Closing net assets	**1 304 954**	918 168
Interest in associate (15%)	195 743	137 725
Net identifiable assets	73 571	213 852
Carrying value	**269 314**	351 577

*Group is defined as economic interest

	GROUP*		COMPANY	
	2020	2019	**2020**	2019
	R'000	R'000	**R'000**	R'000

4 Related parties

The chair (Rachel Jafta) holds in aggregate 430 (2019: 430) ordinary shares in the company. Lurica Jacquet is a trustee of the Rubato Trust which owns 1 167 130 (2019: 1 167 130) shares in aggregate. Jo-Ann Held, a non-executive director, holds in aggregate 430 (2019: 430) ordinary shares in the company.

Media24 Holdings Proprietary Limited is a related party by way of it being an associate. Refer to note 3 for further details.

The major shareholders (top 5) of Welkom Yizani are The Rubato Trust (8%), The Kumbule Trust (2%) , Sello Soulman Nakedi (1%), Naspers Opvoedingtrust (1%) and Prevesh Hemrajh (1%), the remaining shares are held by a vast group of individuals and other entities.

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 R1,372,695 (2019: R812,076) due to Media24 Proprietary Limited. There are no fixed terms of repayment.

5 Other receivables

	GROUP* 2020 R'000	GROUP* 2019 R'000	COMPANY 2020 R'000	COMPANY 2019 R'000
VAT	-	5	-	5
Interest on call accounts	20	22	20	22
Unclaimed dividends - Singular	2 004	-	2 004	-
Commission	-	3	-	3
	2 024	30	**2 024**	30

6 Cash and cash equivalents

	GROUP* 2020 R'000	GROUP* 2019 R'000	COMPANY 2020 R'000	COMPANY 2019 R'000
Cash and cash equivalents attributable to the company	40 721	40 477	40 721	40 477
Cash and cash equivalents held on behalf of investors	98	98	98	98
	40 819	**40 575**	**40 819**	**40 575**

Credit quality of cash at bank and short term deposits

The credit quality of cash at bank and short-term deposits, 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:

<u>Credit rating</u>

	GROUP* 2020 R'000	GROUP* 2019 R'000	COMPANY 2020 R'000	COMPANY 2019 R'000
ABSA Bank Limited - Fitch BB-	39 144	38 991	39 144	38 991
FirstRand Bank Limited - Fitch BB-	1 675	1 584	1 675	1 584
	40 819	40 575	**40 819**	40 575

*Group is defined as economic interest

	GROUP*		COMPANY	
	2020	2019	**2020**	2019
	R'000	R'000	**R'000**	R'000

7 Capital and Reserves

Share capital and premium				
Authorised				
30 000 000 ordinary shares of R0.0000001 each				
Issued (and fully paid up)				
14 600 001 (2019: 14 600 001) ordinary shares of R0.0000001 each	-	-	-	-
Share premium	146 022	146 022	146 022	146 022
	146 022	146 022	**146 022**	146 022

Capital management

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.

Non-redeemable preference share capital	**7**	7	**7**	7

The preference shares are held by Naspers Limited. There are no obligations to redeem these preference shares in the future.

Other Reserves

Other reserves as per the statement of financial position are made up of our share (15%) of Media 24's other reserves.	**459 203**	387 657	**-**	-

Dividends paid

A total dividend of R6.2m (2019: R6.2m) was declared by shareholders at the annual general meeting held on 26 August 2019. The dividend declared is 42.5 cents per ordinary share (2019: 42.5 cents per ordinary share).	**6 205**	6 205	**6 205**	6 205

Dividends paid to shareholders during the year amounted to R3m (2019: R4m) of which R2m remains unclaimed disclosed in shareholders for dividends as at 31 March 2020. Refer to Note 9.

8 Payables

Amounts owing to investors	98	98	98	98
Refunds due to unsuccessful share applicants	883	820	883	820
Other payables	261	261	261	261
Audit fees accrued	101	95	101	95
Due to Media24 Proprietary Limited	1 373	812	1 373	812
	2 716	2 086	**2 716**	2 086

9 Shareholders for dividends

Opening balance of unclaimed shareholder dividends	33 020	37 959	33 020	37 959
Dividend declared: current year	6 205	6 205	6 205	6 205
Dividend paid: current year declared	(3 008)	(4 192)	(3 008)	(4 192)
Dividend tax: current year	(1 212)	(1 212)	(1 212)	(1 212)
Rejected payments: current year declared	19	49	19	49
Dividend paid: prior years declared	(1 843)	(5 839)	(1 843)	(5 839)
Rejected payments: prior years declared	179	50	179	50
Closing balance of unclaimed shareholder dividends	**33 360**	33 020	**33 360**	33 020

*Group is defined as economic interest

	GROUP*		COMPANY	
	2020	2019	**2020**	2019
	R'000	R'000	**R'000**	R'000

10 Administration costs

Audit fees	101	95	101	95
Administration fee	3	5	3	5
	104	100	**104**	100

11 Finance income and costs

Finance costs				
Interest on refunds to unsuccessful share applicants	**(63)**	(64)	**(63)**	(64)
Finance income				
Interest on current accounts	1 551	1 680	1 551	1 680
Interest on call accounts	254	243	254	243
	1 805	1 923	**1 805**	1 923
Net finance income	**1 742**	1 859	**1 742**	1 859

12 Taxation

Major components of the tax expense

Current				
Local income tax - current period	482	552	482	552
Local income tax - under provision	-	-	-	-
Local income tax - over provision	(16)	(28)	(16)	(28)
	466	524	**466**	524

Tax Reconciliation				
Accounting (loss)/profit	**(145 876)**	(8 336)	**(74 330)**	8 054
Taxation at the applicable tax rate of 28% (2019: 28%)	**(40 845)**	(2 334)	**(20 812)**	2 255
Adjusted for:				
Non-deductible expenses	33 311	(13 825)	23 034	11
Share of net loss of associate	7 993	16 662	-	-
Exempt dividends	-	-	(1 763)	(1 763)
Expenses apportioned to exempt income	23	49	23	49
Prior year adjustments	(16)	(28)	(16)	(28)
Taxation provided in the income statement	**466**	524	**466**	524
Tax relating to share of changes in associate's other comprehensive income	-	-	-	-

Total unrecognised deferred tax assets amounts to R86 million (2019: R78 million). The company is not expected to generate capital gains in the future to utilize the deferred tax asset. The company has no assessed losses (2019: Rnil).

*Group is defined as economic interest

	GROUP*		COMPANY	
	2020	2019	**2020**	2019
	R'000	R'000	**R'000**	R'000
13 Basic (loss)/earnings per share				
Basic (loss)/earnings per share				
(Loss)/Profit from continuing operations attributable to owners of the parent	**(146 342)**	**(8 860)**	**(74 796)**	7 530
Weighted-average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
Basic (loss)/earnings per share	**(R 10.02)**	(R 0.61)	**(R 5.12)**	R 0.52
Headline earnings is calculated based on Circular 4/2018 issued by the South African Institute of Chartered Accountants				
Reconciliation between profit attributable to owners of the parent and headline earnings				
(Loss)/Profit for the year	**(146 342)**	(8 860)	**(74 796)**	7 530
Impairment of Investment/(Reversal of impairment)	**118 966**	(49 414)	82 263	-
Gross	118 966	(49 414)	82 263	-
Tax effect	-	-	-	-
Headline (loss)/earnings for the year	**(27 376)**	(58 274)	**7 467**	7 530
Weighted-average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
Headline (loss)/earnings per share	**(R 1.88)**	(R 3.99)	**R 0.51**	R 0.52
Net asset value per share				
Total net asset value	276 075	357 076	276 075	357 076
Total number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
Net asset value per share	**R 18.91**	R 24.46	**R 18.91**	R 24.46
14 Cash utilised from operations				
(Loss)/Profit before tax	(145 876)	(8 336)	(74 330)	8 054
Adjusted for:				
- Dividends received	-	-	(6 295)	(6 295)
- Share of net profit of associate (refer to note 3)	28 548	59 509	-	-
- Impairment/(Reversal of impairment) (refer to note 3)	118 966	(49 414)	82 263	-
- Net Finance income (refer to note 11)	(1 742)	(1 859)	(1 742)	(1 859)
Cash flow before changes below	**(104)**	(100)	**(104)**	(100)
Changes in operating assets and liabilities	**(1 024)**	(4 543)	**(1 024)**	(4 543)
Payables	630	391	630	391
Other receivables	(1 994)	5	(1 994)	5
Shareholders for dividends	340	(4 939)	340	(4 939)
	(1 128)	(4 643)	**(1 128)**	(4 643)

*Group is defined as economic interest

	GROUP*		COMPANY	
	2020	2019	**2020**	2019
	R'000	R'000	**R'000**	R'000

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.

Market Risk

Interest rate risk
The group's interest rate risk arises primarily from its cash at bank and short term deposits at a variable interest rate. Based on simulations performed, the impact on profit or loss before tax of a 100 basis-point (decrease)/increase in the prime interest rate was a (decrease)/increase on profit or loss of R0.41m (2019: R0.4m).

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.

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) less cash and cash equivalents. In the current year there are no non-current borrowings or bank overdraft. 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 having adequate cash and cash equivalent to settle current liabilities.

*Group is defined as economic interest

	GROUP*		COMPANY	
	2020	2019	**2020**	2019
	R'000	R'000	**R'000**	R'000

15 Financial risk management *(continued)*

Credit risk

Credit risk consists mainly of cash and cash equivalents and other receivables. The company only deposits cash with major banks with high quality credit standing. Refer to note 6 for further information.

The group and company applies the IFRS 9 simplified approach in measuring the expected credit losses which sets a lifetime expected loss allowance for all receivables.

The unclaimed dividends included in other receivables is the cash held by Singular for shareholders for dividend at 31 March 2020. In the current year, Singular, who manages the payment of the dividends to shareholders, was paid the full dividend of R6.2m. At year end, a R2m dividend due to shareholders remains unclaimed. The shareholders are entitled to these dividends indefinitely and Welkom Yizani is obligated to hold the funds and make every effort (through the services of Singular) to clear the unclaimed dividends. This liability was raised at 31 March 2020 and is included in shareholders for dividend on the balance sheet. The receivable from Singular was raised as a current asset, as Singular's obligation is to Welkom Yizani. While the other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial Instruments

Cash and cash equivalents	40 819	40 575	40 819	40 575
Unclaimed dividends - Singular	2 004	-	2 004	-
Other receivables	20	25	20	25

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:

At 31 March 2020	**Carrying Value R'000**	**Total Contractual Cash flows R'000**	**Less than 1 Year R'000**
Shareholders for dividends (refer to note 9)	33 360	33 360	33 360
Other payables	2 716	2 716	2 716

At 31 March 2019	Carrying Value R'000	Total Contractual Cash flows R'000	Less than 1 Year R'000
Shareholders for dividends (refer to note 9)	33 020	33 020	33 020
Other payables	2 086	2 086	2 086

*Group is defined as economic interest

16 Fair value hierarchy

The fair value hierarchy is the following for the group.

- 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).

The investment in Media24 Holdings Proprietary Limited (investment in associate) is valued under level 3 fair value measurements. The valuation and policies together with the gain and losses recognised in profit and loss is disclosed under note 3.

17 Going concern

The group and company annual financial statements are prepared on the going concern basis. Based on group forecasts and available cash resources, the group and company have adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2020, the group and company recorded R40.8m (2019: R40.5m) in net cash, comprising of cash and cash equivalents (including short-term cash investments). The group had Rnil (2019: Rnil) interest-bearing debt. Refer to note 7 “Capital and Reserves” for details of how the group manages its capital to safeguard its ability to continue as a going concern.

Welkom Yizani relies on the Media24 Holdings Proprietary Limited dividend to continue its operations and therefore their going concern was assessed. Media24 Holdings Proprietary Limited annual financial statements are prepared on going concern basis, as the group has adequate resources to continue operations as a going concern in the foreseeable future.

The impact of the Covid-19 pandemic on operations and liquidity was considered in preparing the Media24 groups forecasts. The board is of the opinion that the group has sufficient financial flexibility given its low gearing and very strong liquidity position at 31 March 2020 to negate the expected negative effects that could result from the Covid-19 impact on the group’s businesses in the next financial year.

18 Subsequent event

On 23 March 2020 President Cyril Ramaphosa announced that a national lockdown would be implemented for 21 days from 26 March 2020 in response to the Covid-19 outbreak in South Africa, with a further extension to the 30 April announced on 9 April 2020. The national lockdown and the expected economic slowdown are expected to negatively impact sales and profitability and the carrying value of it's investment in Media24 Holdings Proprietary Limited. This has been taken into account in it's expected discounted cash flow analysis, refer to note 3. The directors are not aware of any other material adverse effects on the financial statements as a result of the Covid-19 outbreak.

*Group is defined as economic interest