



WELKOM YIZANI INVESTMENTS (RF) LIMITED

Registration number: 2006/021434/06

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

WELKOM YIZANI INVESTMENTS (RF) LIMITED

GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

COMPANY INFORMATION

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

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DIRECTORS' STATEMENT OF RESPONSIBILITY
for the year ended 31 March 2019

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 29 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa, and include amounts based on judgements and estimates made by management.

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

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

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

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

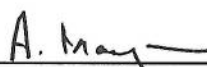
The group and separate annual financial statements have been audited by the independent auditor, PricewaterhouseCoopers Inc., who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. 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 Jafa
Chair
14 June 2019



Abduraghman Mayman
Director

CERTIFICATE BY THE COMPANY SECRETARY

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



Lurica Klink
Company secretary
14 June 2019

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 Media 24 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 Media 24 Holdings Proprietary Limited ordinary shares.

b) receive and distribute dividends and other distributions in terms of its holding in Media24 Holdings Proprietary Limited, and

c) Equity Express Securities Exchange (ESEE)

Welkom Yizani, established as Media24's broad-based black economic empowerment 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 (ESEE) 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 29.

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 (2018: 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 26 August 2019 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 Klink. The street and postal addresses for the company secretary are the same as those of the company as detailed on page 2.

Name	Date appointed	Date Resigned	Category
RCC Jafta	28 November 2012		Independent, non-executive
JC Held	02 September 2014		Independent, non-executive
A Mayman	01 November 2018		Independent, non-executive
SR Ralarala	01 March 2017	10 December 2018	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 2019:	Number of shareholders	Number of shares
0 - 430 shares	87,588	10,881,752
431 - 10,000 shares	587	743,590
10,001 - 1,000,000 shares	37	1,807,529
1,000,001 and above shares	<u>1</u>	<u>1,167,130</u>
	<u>88,213</u>	<u>14,600,001</u>

Major shareholdings as at 31 March 2019:

According to the company's register the top 5 shareholders are as follows as at 31 March 2019:

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

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

Going concern

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

Signed on behalf of the board



Rachel Jaffa
Chair
14 June 2019

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2019

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 2018/2019 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



Rachel Jatta
Chair: Audit committee
14 June 2019



Independent auditor's report

To the Shareholders of Welkom Yizani Investments (RF) Limited

Report on the audit of the group and separate financial statements

Our opinion

In our opinion, the group and separate financial statements present fairly, in all material respects, the group and separate financial position of Welkom Yizani Investments (RF) Limited (the Company) and its associate (together the Group) as at 31 March 2019, and its group and separate financial performance and its group and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Welkom Yizani Investments (RF) Limited's group and separate financial statements set out on pages 13 to 29 comprise:

- the group and separate statements of financial position as at 31 March 2019;
- the group and separate statements of comprehensive income for the year then ended;
- the group and separate statements of changes in equity for the year then ended;
- the group and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence


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

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

Our audit approach

Overview



<p>Overall group materiality <i>R 3,920,000, which represents 1% of total assets.</i></p>
<p>Audit scope <i>The group consists of the Company and an associate, Media24 Holdings Proprietary Limited. We performed full scope audits of both entities.</i></p>
<p>Key audit matters</p> <ul style="list-style-type: none"> <i>Determination of the fair value less cost of disposal for the investment in associate.</i>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the group 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 Group financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the Group 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.

<i>Overall group materiality</i>	<i>R 3,920,000</i>
<i>How we determined it</i>	<i>1 % of total assets.</i>
<i>Rationale for the materiality benchmark applied</i>	<i>We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users. We chose 1% which is consistent with quantitative materiality thresholds used for companies in this sector.</i>



How we tailored our audit scope

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

The Group consists of the Company and an associate, Media24 Holdings Proprietary Limited. The Group’s main operating activities are located in South Africa. In establishing the overall audit approach to the Group 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 Group, 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 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 2019 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 Group financial statements.

Key audit matters

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

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Determination of the fair value less cost of disposal for the investment in associate (applicable to group and separate financial statements)</p> <p>Refer to note 1.1 and note 3 of the financial statements.</p> <p>The carrying value of the investment in associate (the “investment”) amounts to R 352 million as at 31 March 2019 and represents the Company’s only interest in Media24 Holdings Proprietary Limited.</p> <p>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 group 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.</p>	<p>We obtained management’s impairment assessment. Our audit procedures included an assessment of the reasonableness of management’s key judgements and estimates, as detailed below</p> <ul style="list-style-type: none"> • We tested the mathematical accuracy of management’s calculations and we concur with the mathematical accuracy of the assessment, • We assessed the assumptions underlying projected future cash flows which includes revenue estimates, volume growth rates, operating margins, working capital and disposal of non-core assets used in the models by understanding the process followed by management to determine these projections. We compared these projections to management approved budgets and business plans and concluded that the information agreed. We analysed these projections against historical performance and we concluded the projections to be reasonable,



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 group and separate financial statements) (continued)

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. A reversal of impairment of R 49 million was recognised in the group financial statements while no impairment was recognised in the company financial statements.

There are a number of key judgments and estimates made in the expected group cash flows of Media24 Holdings (Proprietary) Limited Group, which include:

- Revenue, operating margins and expected growth rates on earnings before interest, taxation, depreciation and amortisation.
- Working capital requirements,
- Expected disposal of non-core assets,
- Discount rate applied to the projected cash flows, and
- Terminal growth rates.

We considered this 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 reasonability of the terminal growth rates used by management by comparing them to the industry average long term growth rates, and we concluded that these growth rates were within the reasonable range, and
- We utilised our internal valuation experts to assess the reasonability of the discount rate and concluded that the discount rate determined was within the reasonable 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 and observed the disclosures to be appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the *Welkom Yizani Investments (RF) Limited Financial Statements for the year ended 31 March 2019* and the *Media24 Holdings Proprietary Limited 2019 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. Other information does not include the group and separate financial statements and our auditor's report thereon.

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

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

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



Responsibilities of the directors for the group and separate financial statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Group and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group and separate financial statements, including the disclosures, and whether the Group and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

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 Group 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 13 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Viresh Harri
Registered Auditor
Cape Town
14 June 2019

WELKOM YIZANI INVESTMENTS (RF) LIMITED

GROUP AND SEPARATE STATEMENTS OF FINANCIAL POSITION
as at 31 March 2019

	Notes	Group		Company	
		2019 R'000	2018 R'000	2019 R'000	2018 R'000
ASSETS					
Non-current assets					
Investment in associate	3	351 577	351 577	351 577	351 577
Current assets					
Other receivables	5	30	35	30	35
Cash and cash equivalents	6	40 575	43 819	40 575	43 819
TOTAL ASSETS		392 182	395 431	392 182	395 431
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and premium	7	146 022	146 022	146 022	146 022
Preference share capital	7	7	7	7	7
Other reserves	7	387 657	371 267	-	-
Accumulated (loss)/profit		(176 610)	(161 545)	211 047	209 722
Current liabilities					
Payables	8	2 086	1 695	2 086	1 695
Shareholders for dividend		33 020	37 959	33 020	37 959
Taxation		-	26	-	26
TOTAL EQUITY AND LIABILITIES		392 182	395 431	392 182	395 431
Net asset value per share	12	R 24.46	R 24.37	R 24.46	R 24.37

The notes on pages 17 to 29 are an integral part of these financial statements.

WELKOM YIZANI INVESTMENTS (RF) LIMITED

GROUP AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

	Notes	Group		Company	
		2019 R'000	2018 R'000	2019 R'000	2018 R'000
Share of net loss of associate	3	(59 509)	(96 288)	-	-
Investment income - dividends received	3	-	-	6 295	222 266
Administration costs	9	(100)	(95)	(100)	(95)
Reversal of impairment/(Impairment) of investment in associate	3	49 414	84 177	-	(46 262)
Finance income	10	1 923	1 427	1 923	1 427
Finance costs	10	(64)	(124)	(64)	(124)
(Loss)/Profit before taxation		(8 336)	(10 903)	8 054	177 212
Taxation	11	(524)	(500)	(524)	(500)
Net (loss)/profit for the year		(8 860)	(11 403)	7 530	176 712
(Loss)/Profit attributable to:					
Owners of the parent		(8 860)	(11 403)	7 530	176 712
Other comprehensive income					
Share of changes in associate's other comprehensive income net of tax	3	16 390	188 115	-	-
Gross		16 390	189 138	-	-
Tax	11	-	(1 023)	-	-
Total comprehensive income for the year		7 530	176 712	7 530	176 712
Attributable to:					
Shareholders of the company		7 530	176 712	7 530	176 712
Basic (loss)/earnings per share	12	(R 0.61)	(R 0.78)	R 0.52	R 12.10
Headline (loss)/earnings per share	12	(R 3.99)	(R 6.55)	R 0.52	R 15.27

The notes on pages 17 to 29 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 2019

	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 2017	146 022	7	183 152	71 997	401 178
Total comprehensive income for the year	-	-	188 115	(11 403)	176 712
Net loss	-	-	-	(11 403)	(11 403)
Other comprehensive income	-	-	188 115	-	188 115
Distribution to owners of the company					
Dividends paid	-	-	-	(222 139)	(222 139)
Balance at 31 March 2018	146 022	7	371 267	(161 545)	355 751
Balance at 1 April 2018	146 022	7	371 267	(161 545)	355 751
Total comprehensive income 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	-	-	-	(6 205)	(6 205)
Balance at 31 March 2019	146 022	7	387 657	(176 610)	357 076
COMPANY					
Balance at 1 April 2017	146 022	7	-	255 149	401 178
Profit for the year	-	-	-	176 712	176 712
Distribution to owners of the company					
Dividends paid	-	-	-	(222 139)	(222 139)
Balance at 31 March 2018	146 022	7	-	209 722	355 751
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	-	-	-	(6 205)	(6 205)
Balance at 31 March 2019	146 022	7	-	211 047	357 076

The notes on pages 17 to 29 are an integral part of these financial statements.

GROUP AND SEPARATE STATEMENTS OF CASH FLOWS
for the year ended 31 March 2019

	GROUP		COMPANY	
	2019	2018	2019	2018
Note	R'000	R'000	R'000	R'000
Cash flow from operating activities				
Cash (utilised)/generated from operations	2 961	255 469	2 961	255 469
13 Interest paid	(4 643)	32 494	(4 643)	32 494
Interest received	(64)	(124)	(64)	(124)
Dividends received	1 923	1 427	1 923	1 427
Taxation paid	6 295	222 266	6 295	222 266
	(550)	(594)	(550)	(594)
Cash flow from financing activities				
Dividends paid	(6 205)	(222 139)	(6 205)	(222 139)
Preference share redemption	(6 205)	(222 139)	(6 205)	(222 139)
	-	-	-	-
Change in cash and cash equivalents for the year	(3 244)	33 330	(3 244)	33 330
Cash and cash equivalents at the beginning of the year	43 819	10 489	43 819	10 489
Cash and cash equivalents at the end of the year	40 575	43 819	40 575	43 819

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, 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.

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

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.

1.1 Investment in associate *(continued)*

The carrying amount of the investment using equity method is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the investment in associate's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For purposes of assessing impairment, the investment is grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets (cash generating units). The investment in associate is reviewed for possible reversal of impairment at the end of each reporting period for which impairments have been recognised in the past.

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

A financial asset or liability, at fair value through profit or loss is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue. 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.

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 amortised cost. Cash and cash equivalents comprise deposits held on call with banks.

1.5 Current and deferred income tax

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

The normal South African company tax rate used at the statement of financial position is 28% (2018: 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.

1.8 Interest income

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

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 shareholders.

1.10 Share capital and preference share capital

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

1.11 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 2019.

- (i) The following amended accounting standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2019. These pronouncements had no significant effect on the group's financial statements:

Standard/Interpretation	Title	
IFRS 9	Financial Instruments	01 January 2018
IFRS 9 Financial Instruments (IFRS 9) replaced IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). The group has applied IFRS 9 from 1 April 2018 but did not restate the comparative information as IFRS 9 did not have a significant impact on the group and companies results or financial position.		
IFRS 15	Revenue from Contracts with Customers	01 January 2018
IFRS 15 Revenue from Contracts with Customers (IFRS 15) replaced IAS 18 Revenue. The group has applied IFRS 15 from 1 April 2018 and applied IFRS 15 on a retrospective basis but did not restate the comparative information as IFRS 15 did not have a significant impact on the group and companies results or financial position.		

- (ii) The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2019. The group is currently evaluating the effects of these standards and interpretations which have not been early adopted:

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.

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 2019 and 2018 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 15).

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	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Movement in carrying amount				
At the beginning of the year	351 577	397 839	351 577	397 839
Share of net loss	(59 509)	(96 288)	-	-
Share of changes in other comprehensive income	16 390	188 115	-	-
Dividends received	(6 295)	(222 266)	-	-
Reversal of impairment/(impairment) of investment	49 414	84 177	-	(46 262)
	351 577	351 577	351 577	351 577
Reconciliation between original cost and carrying amount				
Original cost	730 000	730 000	730 000	730 000
Accumulated share of profits/(losses)	(217 828)	(158 319)	-	-
Accumulated share of comprehensive income /(loss)	387 657	371 267	-	-
Total dividends received	(440 493)	(434 198)	-	-
	459 336	508 750	730 000	730 000
Opening accumulated impairment	(157 173)	(241 350)	(378 423)	(332 161)
Reversal of impairment/(impairment) of investment	49 414	84 177	-	(46 262)
Closing accumulated impairment	(107 759)	(157 173)	(378 423)	(378 423)
Net carrying amount at year end	351 577	351 577	351 577	351 577

The company received a dividend of R6.3 million (2018: R222.2 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, resulting in a recognition of a reversal of impairment of R49 million (2018: R84 million) in the statement of comprehensive income. The company recognised an impairment of Rnil million (2018: R46 million) 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 15.

The impairment reversal for the group relates to the improvement in the projected cash flows and specifically improvement in the trading losses incurred due to the implementation of cost saving initiatives and the progression in operating margin from building scale in business.

The share of net loss of R59m is equal to 15% of Media24 Holding's equitable losses of R38m (2018: R75m), and adjusted for pre-acquisition accounting of R21m (2018: R21m).

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 14.3% (2018: 14.4%) in measuring the impairment losses for the group and company. 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% to 1%).

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

- An increase in the weighted average cost of capital by 1% reduces the valuation by R9.4m.
- A decrease in the weighted average cost of capital rate by 1% increases the valuation by R27m.

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

	MEDIA24	
	2019 R'000	2018 R'000
Current		
Assets		
Cash and cash equivalent	210 482	299 058
Other current assets (excluding cash)	2 025 989	2 143 075
Total current assets	2 236 471	2 442 133
Liabilities		
Financial liabilities (excluding trade payables)	(1 531 762)	(1 579 881)
Other current liabilities (including trade payables)	(286 334)	(260 064)
Total current liabilities	(1 818 096)	(1 839 945)
Non-current		
Assets	1 088 550	957 551
Liabilities		
Financial Liabilities	(17 607)	(24 558)
Other liabilities	(380 620)	(378 299)
Total non-current liabilities	(398 227)	(402 857)
Net assets	1 108 698	1 156 882
Summarised statement of comprehensive income		
Revenue	4 713 829	4 685 728
Interest income	79 480	67 888
Interest expense	(2 609)	(16 310)
Pre-tax loss from continuing operations	(284 765)	(294 344)
Income tax expense	(20 768)	(34 477)
Post-tax loss from continuing operations	(305 533)	(328 821)
Post-tax loss from discontinued operations	-	(35 871)
Post-tax loss for the year	(305 533)	(364 692)
- Loss for the year attributable to equity holders of group	(254 625)	(499 817)
- Loss for the year attributable to non-controlling interests	(50 908)	135 125
Other comprehensive income/(expense)	(4 956)	(214 281)
Total comprehensive expense	(310 489)	(578 973)
Reconciliation of summarised financial information		
Opening net assets 01 April	1 105 490	1 626 079
Loss for the period	(305 533)	(364 692)
Total other comprehensive (loss)/income	(4 956)	(214 281)
Share-based compensation movement	27 719	25 061
Acquisition of subsidiaries/joint ventures	289 832	(48 338)
Share Capital movement	-	1 439 808
Dividends paid	(48 177)	(1 392 113)
Other movements	(7 069)	(1 239 149)
Non-controlling interest share of movement for the period	(139 138)	1 273 115
Closing net assets	918 168	1 105 490
Interest in associate (15%)	137 725	165 823
Net identifiable assets	213 852	185 754
Carrying value	351 577	351 577

4 Related parties

The chair (Rachel Jafta) holds in aggregate 430 (2018: 430) ordinary shares in the company. Lurica Klink is a trustee of the Rubato Trust which owns 1 167 130 (2018: 1 167 129) shares in aggregate. Jo-Ann Held, a non-executive director, holds in aggregate 430 (2018: 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 R812,076 (2018: R141,924) due to Media24 Proprietary Limited. There are no fixed terms of repayment.

5 Other receivables

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
VAT	5	15	5	15
Interest on call accounts	22	20	22	20
Commission	3	-	3	-
	30	35	30	35

6 Cash and cash equivalents

Cash and cash equivalents attributable to the company	40 477	43 379	40 477	43 379
Cash and cash equivalents held on behalf of investors	98	440	98	440
	40 575	43 819	40 575	43 819

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:

Credit rating

ABSA Bank Limited - Fitch BBB	38 991	42 320	38 991	42 320
FirstRand Bank Limited - Fitch BBB	1 584	1 499	1 584	1 499
	40 575	43 819	40 575	43 819

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 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 (2018: 14 600 001) ordinary shares of R0.0000001 each	-	-	-	-
Share premium	146 022	146 022	146 022	146 022
	<u>146 022</u>	<u>146 022</u>	<u>146 022</u>	<u>146 022</u>
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	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
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.	<u>387 657</u>	<u>371 267</u>	<u>-</u>	<u>-</u>
8 Payables				
Amounts owing to investors	98	440	98	440
Refunds due to unsuccessful share applicants	820	755	820	755
Other payables	261	266	261	266
Audit fees accrued	95	90	95	90
Due to Media24 Proprietary Limited	812	142	812	142
Securities Transfer Tax	-	2	-	2
	<u>2 086</u>	<u>1 695</u>	<u>2 086</u>	<u>1 695</u>
9 Administration costs				
Audit fees	95	90	95	90
Administration fee	5	5	5	5
	<u>100</u>	<u>95</u>	<u>100</u>	<u>95</u>
10 Finance income and costs				
Finance costs				
Interest on refunds to unsuccessful share applicants	<u>(64)</u>	<u>(124)</u>	<u>(64)</u>	<u>(124)</u>
Finance income				
Interest on current accounts	1 680	1 191	1 680	1 191
Interest on call accounts	243	236	243	236
	<u>1 923</u>	<u>1 427</u>	<u>1 923</u>	<u>1 427</u>
Net finance income/(costs)	<u>1 859</u>	<u>1 303</u>	<u>1 859</u>	<u>1 303</u>

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
11 Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	552	478	552	478
Local income tax - underprovision	-	22	-	22
Local income tax - overprovision	(28)	-	(28)	-
	<u>524</u>	<u>500</u>	<u>524</u>	<u>500</u>
Tax Reconciliation				
Accounting (loss)/profit	(8 336)	(10 903)	8 054	177 212
Taxation at the applicable tax rate of 28% (2018: 28%)	(2 334)	(3 053)	2 255	49 619
Adjusted for:				
Non-deductible expenses	(13 825)	(23 536)	11	12 987
Share of net loss of associate	16 662	26 960	-	-
Exempt dividends	-	-	(1 763)	(62 235)
Expenses apportioned to exempt income	49	107	49	107
Prior year adjustments	(28)	22	(28)	22
Taxation provided in the income statement	<u>524</u>	<u>500</u>	<u>524</u>	<u>500</u>
Tax relating to share of changes in associate's other comprehensive income	-	1 023	-	-
Total unrecognised deferred tax assets amounts to R78 million (2018: 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 (2018: Rnil).				
12 Basic earnings/(loss) per share				
Basic (loss)/earnings per share				
Profit/(loss) from continuing operations attributable to owners of the parent	<u>(8 860)</u>	<u>(11 403)</u>	<u>7 530</u>	<u>176 712</u>
Weighted-average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
Basic (loss)/earnings per share	(R 0.61)	(R 0.78)	R 0.52	R 12.10
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				
Profit/(loss) for the year	(8 860)	(11 403)	7 530	176 712
(Reversal of impairment)/impairment of investment	(49 414)	(84 177)	-	46 262
Gross	(49 414)	(84 177)	-	46 262
Tax effect	-	-	-	-
Headline (loss)/earnings for the year	(58 274)	(95 580)	7 530	222 974
Weighted-average number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
Headline (loss)/earnings per share	(R 3.99)	(R 6.55)	R 0.52	R 15.27
Net asset value per share				
Total net asset value	357 076	355 751	357 076	355 751
Total number of ordinary shares in issue ('000)	14 600	14 600	14 600	14 600
Net asset value per share	R 24.46	R 24.37	R 24.46	R 24.37

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
13 Cash generated from operations				
(Loss)/Profit before tax	(8 336)	(10 903)	8 054	177 212
Adjusted for:				
- Dividends received	-	-	(6 295)	(222 266)
- Share of net profit of associate (refer to note 3)	59 509	96 288	-	-
- (Reversal of impairment)/impairment (refer to note 3)	(49 414)	(84 177)	-	46 262
- Net Finance (income)/costs (refer to note 10)	(1 859)	(1 303)	(1 859)	(1 303)
Cashflow before changes below	(100)	(95)	(100)	(95)
Changes in operating assets and liabilities	(4 543)	32 589	(4 543)	32 589
Payables	391	388	391	388
Other receivables	5	30	5	30
Shareholders for dividends	(4 939)	32 171	(4 939)	32 171
	(4 643)	32 494	(4 643)	32 494

14 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 R0.4m (2018: R0.3m).

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.

14 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.

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
<i>Financial Instruments</i>				
Cash and cash equivalents	40 575	43 819	40 575	43 819
Other receivables	25	20	25	20

Liquidity risk

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

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

	Carrying Value R'000	Total Contractual Cash flows R'000	Less than 1 Year R'000
At 31 March 2019			
Shareholders' dividends	33 020	33 020	33 020
Other payables	2 086	2 086	2 086
At 31 March 2018			
Shareholders' dividends	37 959	37 959	37 959
Other payables	1 695	1 695	1 695

15 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.

16 Going concern

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

17 Subsequent event

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