eMedia Holdings

eMEDIA HOLDINGS LIMITED

ANNUAL FINANCIAL STATEMENTS

2017

CONTENTS

DECLARATION BY COMPANY SECRETARY

We certify that eMedia Holdings Limited has lodged with the Registrar of Companies, for the financial year ended 31 March 2017, all such returns and notices as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

Junadi Van der Merwe
Company Secretary
19 September 2017
Cape Town

DIRECTORS' REPORT
FOR THE TWELVE MONTHS ENDED 31 MARCH 2017

NATURE OF BUSINESS
eMedia Holdings Limited is an investment holding company, incorporated in South Africa and listed on the JSE Limited under the Media Sector.

OPERATIONS AND BUSINESS
eMedia Holdings is a media investment company with media assets housed in eMedia Investments Proprietary Limited. These investments are constantly reviewed and new opportunities sought to complement them.

STATE OF AFFAIRS AND PROFIT FOR THE PERIOD
The year under review resulted in the Group ending the period showing a profit from continuing operations of R128.1 million compared to a profit of R57.2 million in the prior year. Included in the profit are the losses attributable to the continued investment into the multi-channel businesses (OpenView HD and e.tv multi-channel) of R307.1 million compared to R261.9 million in the prior year. Set-top box activations have however increased significantly and at 31 March 2017, 778 160 set-top boxes had been activated, compared to 388 812 at the beginning of the financial year, an increase of 100.14%. The Group recorded revenue of R2.6 billion, up by 7% year-on-year. This was primarily driven by a 9% increase in advertising revenue ending the year on R1.5 billion. EBITDA for the Group ended the year on R488.3 million compared to R521.0 million for the prior year. Included in EBITDA for the prior year, is a once-off gain of R88.5 million as a result of the derecognition of the share-based payment liability arising from forfeited options. If one excludes this "once-off" profit, the year-on-year increase would be 12.9%. Headline earnings for the Group ended the year on R98.0 million compared to R32.2 million in the prior year, an increase of 204.35%.

The Group's only asset is a 67.7% stake in eMedia Investments Proprietary Limited ("eMedia Investments").

eMEDIA INVESTMENTS
The financial year ended 31 March 2017 has seen the market share of e.tv remain constant and has shown an improvement in the key revenue drivers of LSM 5-7 and LSM-10 on the flagship channel, e.tv. This has seen e.tv's advertising revenue increase by 6% (R74 million) year-on-year. A shift to include "high-end" international series and movies and recent deals concluded with Warner Bros, Disney, Sony and CBS have assisted in clawing back and maintaining the market share that had been lost previously. This has however, seen an 8% increase in programming costs ending the year on R603.5 million. Operating expenses are being well maintained in the business and e.tv has shown a good recovery from its previous position, showing a 5% increase in profit after tax and a 13% increase in EBITDA, ending the year on R343.7 million. e.tv approached ICASA for an amendment to its licence conditions in which it has requested that the eNews Direct bulletin be moved out of prime time. ICASA refused the license amendment and e.tv has requested reasons for the decision and will look to take the matter on review if there are reasonable prospects of success. As previously reported, litigation was instituted against the Minister of Communications and Others regarding the Broadcasting Digital Migration policy, which will have an impact on digital terrestrial television ("DTT"). Although e.tv lost the application, leave to appeal was granted and e.tv won the appeal at the Supreme Court of Appeal. The losing respondents have referred the matter to the Constitutional Court for a final determination and the matter was heard on 21 February 2017. We await judgement in the matter.

eSat.tv (eNCA) continues to perform well and continues to be the most-watched 24-hour news channel on DStv with over 50% market share. The current agreement with MultiChoice (DStv) terminated on 31 January 2017 with a short-form agreement being signed during December 2016 with an effective date of 1 February 2017. The new agreement allows us to broadcast our e.tv multi-channel channels on the DStv bouquets. eSat.tv ended the year on a profit after tax of R228.9 million, an increase of 6% year-on-year.

As mentioned, included in the results are losses of R307.1 million from the continued investment into the multi-channel businesses (Platco and e.tv multi-channel) from which very little revenue is currently being derived. The OpenView HD platform continues to increase its viewership footprint, with 778 160 set-top boxes activated at the end of the financial year. This has come at a cost with an amount of R99 million being paid out for subsidies over the period. With this ever-improving rollout, being able to access the DStv bouquets with our channels and when DTT starts, the Group will be in a good position to increase its advertising revenue base.

Certain of the Group's other subsidiaries have performed satisfactorily for the year. These include Sasani Africa, Silverline360 and Strika Entertainment. Management continues to review the non-core and peripheral businesses and will exit these businesses when opportunities present themselves. Included in these results are further impairments of the Ghana business of R22.2 million and a write-off of the loan of R20.3 million to a Los Angeles-based distribution company, 13 Films. During the current financial year the sale of Power Entertainment, TVPC Media and Shibula Lodge was completed and negotiations are underway for the sale of eBotswana. Also sold was one of the properties in the Group, 9 Summit Road, Dunkeld West as it became surplus to requirements. An indicative offer for the sale of the Durban property has also been signed. Despite the challenging economic environment management looks forward to a fruitful six months going forward in the new financial year.

DIVIDENDS
No dividend was declared by the Group.

SHARE CAPITAL
During the year under review, 1 140 494 N-ordinary shares (0.3%) were bought back by the company from employees who resigned and held shares on loan account. As at 31 March 2017, these shares are held as treasury shares by the company.

DIRECTORATE

The directors of the company appear on pages 80. There were no changes to the directorate during the year.

COMPANY SECRETARY

The secretary of the company for the 12 months ended 31 March 2017 is Junadi Van der Merwe. The secretary has an arm's-length relationship with the board of directors. The name, business and postal address of the company secretary are set out on page 80.

AUDITORS

Grant Thornton Johannesburg Partnership will continue in office in accordance with section 90 of the South African Companies Act, with G M Chaitowitz as the designated auditor.

SIGNIFICANT SHAREHOLDERS

The company's significant ordinary shareholders are Fulela Trade and Invest 81 Proprietary Limited and the significant N-ordinary shareholder is HCI Invest 6 Holdco Proprietary Limited.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the company's shareholders at the annual general meeting held on 1 November 2016:

- Approval of the fees payable to non-executive directors for their services as directors or as members of the board subcommittees in respect of the period 1 November 2016 until the date of the next annual general meeting.
- Granting the company and the subsidiaries of the company a general authority in terms of the Listings Requirements of the JSE Limited for the acquisition by the company, or a subsidiary of the company, of ordinary issued shares issued by the company.
- General approval for the provision of financial assistance in terms of sections 44 and 45 of the Companies Act.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the company.

AUDITOR'S REPORT

The consolidated and separate financial statements have been audited by Grant Thornton Johannesburg Partnership and their unqualified audit report is available for inspection at the registered office of the company.

SHAREHOLDING OF DIRECTORS

The shareholding of directors of the company and their participation in the share incentive scheme and in the issued share capital of the company as at 31 March 2017, are set out in the report of the remuneration committee on page 38 of the Intergrated Annual Report.

DIRECTORS' EMOLUMENTS

Directors' emoluments incurred by the company and its subsidiaries for the year ended 31 March 2017 are set out in note 26 of the notes to the annual financial statements.

ASSOCIATES, JOINT VENTURES AND SUBSIDIARIES

Details of the company's associates, joint ventures and subsidiaries are set out in the notes to the annual financial statements.

BORROWING POWERS

There are no limits placed on borrowing in terms of the Memorandum of incorporation ("MOI"). Certain companies in the Group have entered into various loan agreements with providers of loan finance. These loan agreements include various covenants and undertakings by companies in the Group, which may restrict the Group's borrowing powers. Details of these covenants and undertakings are available from the registered office of the company.

LITIGATION STATEMENT

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of eMedia Holdings are aware), which may have or have had, during the 12-month period preceding the last date of this report, a material effect on the financial position of eMedia Holdings.

MATERIAL CHANGE

There has been no material change in the financial or trading position of the eMedia Holdings Group since the publication of its provisional results for the year ended 31 March 2017.

SUBSEQUENT EVENTS

Other than as previously detailed in this report, the directors are not aware of any event or circumstance occurring between the reporting date and the date of this report that materially affects the results or financial position of the Group or company for the year ended 31 March 2017 or the financial position at that date.

PREPARER

These annual financial statemnets were prepared under the supervision of the financial director, Mr A S Lee, CA (SA).

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors of eMedia Holdings Limited are responsible for the preparation, integrity and fair presentation of the annual financial statements of the company and of the Group. The annual audited financial statements for the year ended 31 March 2017 have been prepared in accordance with International Financial Reporting Standards and include amounts based on prudent judgements and estimates by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company and the Group. The financial statements have been audited by the independent auditing firm, Grant Thornton Johannesburg Partnership, which 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 auditors during the audit were valid and appropriate.

The annual financial statements for the year ended 31 March 2017 were approved by the board of directors on 19 September 2017 and are signed on its behalf by:

JA Copelyn	TG Govender	AS Lee
Chairman	Acting Chief Executive Officer	Financial Director

19 September 2017
Cape Town

REPORT OF THE AUDIT AND RISK COMMITTEE

The audit and risk committee is formally established as an independent statutory committee in terms of section 94 (2) of the Companies Act, No. 71 of 2008, as amended (the "Act"). The committee oversees audit and risk matters for all the subsidiaries of eMedia Holdings, as permitted by section 94 (2)(a) of the Companies Act.

The audit and risk committee's terms of reference is formalised in a charter which is reviewed annually.

During the year under review, the audit and risk committee conducted its affairs in accordance with the charter and discharged its responsibilities as required by the charter, the Companies Act and the material requirements of King III.

The audit and risk committee has pleasure in submitting this report in respect of the past financial year of the Group, as required by section 94 of the Companies Act.

AUDIT AND RISK COMMITTEE MEMBERS AND MEETING ATTENDANCE

The audit and risk committee consists of three independent non-executive directors, elected by the shareholders of eMedia Holdings.

Audit and risk committee meetings are held at least four times a year as required by the charter. The attendance of the committee members are recorded below.˙

Audit committee members	May 2016	Aug 2016	Nov 2016	Mar 2017
Loganathan Govender	√	√	√	√
Rachel Watson	√	√	√	√
Velaphi Mphande	√	√	X	√

The financial director, the Group's risk officer, and the Group financial manager attend the meetings as permanent invitees, along with external audit and the outsourced internal audit. Other directors and members of management attend the meetings as required.

AUDIT AND RISK COMMITTEE EVALUATION

As part of the annual evaluation, the performance of the audit and risk committee and its members was assessed and found to be satisfactory. In addition, members were assessed in terms of the independence requirements of King III and the Companies Act. All members of the committee continue to meet the independence requirements.

FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee fulfils an independent oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control, with accountability to both the board and to shareholders. The committee's responsibilities include the statutory duties prescribed by the Companies Act, recommendations by King III and additional responsibilities assigned by the board.

The committee is satisfied that, in respect of the financial period under review, it has performed all the functions required by law to be performed by an audit committee, including as set out by sections 94 of the Act and in terms of the committee's terms of reference and as more fully set out in the corporate governance report. In this connection the committee has:

- reviewed the interim, provisional and year-end financial statements, culminating in a recommendation to the board to adopt them;
- reviewed legal matters that could have a significant impact on the Group's financial statements;
- reviewed the external audit reports on the annual financial statements;
- verified the independence of the external auditor as per section 92 of the act and accordingly nominates Grant Thornton Johannesburg Partnership to continue in office as the independent auditor and noted the appointment of G M Chaitowitz as the designated auditor for 2017;
- approved the audit fees and engagement terms of the external auditor; and
- determined the nature and extent of allowable non-auditservices and approved the contract terms for the provision of non-audit services by the external auditor.

The audit committee fulfils an oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control.

CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between the committee members and the external auditors, which are regularly held.

EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR

As required by JSE Listings Requirements 3.8(h), the committee reviewed the financial director of the Group, Antonio Lee, and considers his expertise and experiences appropriate. The committee is also satisfied that the expertise, resources and experience of the finance function is adequate.

INTERNAL AUDIT

The Group does not consider it necessary to establish an internal audit function and has appointed its holding company HCI's internal audit department to perform the internal audit function. Where appropriate, subsidiaries and or departments are assessed, with regular reports made available and discussed at the eMedia Holdings' audit and risk committee meetings.

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management and the system of internal control of the Group.

The Group operates in a highly regulated environment. Where necessary, compliance officers have been appointed at each of the Group's key operating subsidiaries and associated company levels for ensuring adherence to the various Acts and Codes that govern the day-to-day operations. Each of the Group's companies has its own board of directors responsible for the management, including risk management and internal control, of that company and its business.

Vasili Vass is the Group risk officer for eMedia Holdings. Given the changing landscape of broadcasting and media in South Africa, eMedia Holdings realises that enterprise-wide risk management adds value to the robustness and sustainability of an organisation. It improves communication, enhances risk awareness as well as risk mitigation processes.

The Group utilises the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") risk management methodology to assess the Group's risk appetite versus the cost of risks. The COSO framework allows organisations to develop cost-effective systems of internal control to achieve important business objectives. At least four times a year, the audit committee documents and reports risks that are apparent and arising.

Through thorough consultation with the board, the risk appetite and risk-bearing capacity for eMedia Holdings is defined.

A full risk assessment is conducted annually with quarterly updates and reports to the audit committee. eMedia Holdings finds it imperative to ensure that risk management becomes inducted into daily activities, which leads to a sustainable risk-aware culture.

Risks associated with challenges facing the broadcasting business and hindering growth can be segmented into three broad areas:

- Challenges facing the establishment of a competitive multi-channel free-to-air broadcast environment. While the company's free-to-air satellite platform has seen a marked increase in the number of set-top boxes being activated with the total number sitting at 778 160 as of 31 March 2017, the financial cost of subsidising the boxes and lag of revenue is a risk.
- Fragmentation of audience share due to regulatory and competitor actions, particularly a dominant pay-TV operator, a weak South African Broadcasting Corporation, as well as new ways of delivering content like over-the-top ("OTT") content and Internet Protocol television ("IPTV"). Continued efforts have seen e.tv's audience share increase and stabilise in the last year and eNCA continues to maintain in excess of 50% of the television news audiences (detailed in the Operations Overview section).
- Economic and regulatory issues impacting costs and advertising revenue, including a ban on alcohol advertising and the impact of a fluctuating rand/dollar exchange rate.

RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The committee has evaluated the Integrated Annual Report of eMedia Holdings Limited and the Group for the period ended 31 March 2017 and based on the information provided to the committee, it recommends the adoption of the Integrated Annual Report by the board.

L Govender

Chairperson: Audit and risk committee

Cape Town

19 September 2017

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF eMEDIA HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of eMedia Holdings Limited (the Group) set out on pages 11 to 79, which comprise the statements of financial position as at 31 March 2017, and the statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects the consolidated and separate financial position of the Group as at 31 March 2017, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa.

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 Consolidated and Separate Financial Statements* section of our report.

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

KEY AUDIT MATTERS

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

Consolidated Financial Statements **Key Audit Matter (KAM)**	**How our audit addressed the KAM**
Goodwill assessment IFRS requires goodwill to be reviewed annually for impairment. This annual impairment test was considered a KAM for the following reasons: • The significance of the goodwill balance (R3.778 billion). • The directors have concluded that there is sufficient headroom between the current carrying value and the determined values in use of the cash generating units. The values in use are however sensitive to changes in future cash flows included in the models, and changes in the discount rates applied. • There are significant judgements involved in forecasting the future cash flows used in the value in use calculations.	We obtained management's value in use calculations and performed the following audit procedures: • Identified the key assumptions in the model; • Obtained from the directors available evidence and held discussions with management to support the key assumptions; • Performed sensitivity analyses on the key assumptions; • Tested the mathematical accuracy of the model; • Considered the reasonableness of the revenue and costs forecast against current year actual results; • We used our valuation specialist to independently evaluate the discount and growth rates used in the model and review the reasonableness of the other assumptions; • We also focused on the adequacy of the Group's disclosure (refer note 6) about these assumptions to which the outcome of the annual impairment test is most sensitive, that is, those that have the most significant effect on the determinations of the recoverable amount of goodwill.

<table>
<tr><th colspan="2">Consolidated Financial Statements</th></tr>
<tr><th>Key Audit Matter (KAM)</th><th>How our audit addressed the KAM</th></tr>
<tr><td>Valuation of distribution rights (a category of intangible assets)

The valuation of the distribution rights was considered a KAM for the following reasons:

• The significance of the value of the distribution rights (R248 million).

• The Group's distribution rights comprise various categories which are tested on an annual basis for impairment.</td><td>We performed detailed valuation testing on the schedule of distribution rights received from management by performing the following:

• Reviewed distribution rights included in channel programming forecasts and those subject to potential sales;

• Reviewed the sales of distribution rights in conjunction with their license period;

• Assessed the reasonableness of the amortisation period of the distribution rights by developing an expectation of the amortisation expense for the period; determining a range of acceptance and comparing this to the recorded amounts;

• Inspected when the last sale of the title occurred and whether there is evidence of impairment based on recent sales;

• Discussed our findings with management to evaluate if carrying values exceeded realisable values;

• We also focused on the adequacy of the Group's disclosure (refer note 5) of the distribution rights.</td></tr>
<tr><th>Key Audit Matter (KAM)</th><th>How our audit addressed the KAM</th></tr>
<tr><td>Valuation of programming rights

The valuation of the programming rights was considered a KAM for the following reasons:

• The significance of the value of the programming rights (R866 million).

• The Group's programming rights comprise various categories which are tested on an annual basis for impairment.</td><td>We performed detailed valuation testing on the schedule of programming rights received from management by performing the following:

• Reviewed the scheduling of programming rights in conjunction with their license period;

• Assessed the reasonableness of the amortisation period of the programming rights by developing an expectation of the amortisation expense for the period; determining a range of acceptance and comparing this to the recorded amounts;

• We also focused on the adequacy of the Group's disclosure (refer note 12) of the programming rights.</td></tr>
<tr><th>Key Audit Matter (KAM)</th><th>How our audit addressed the KAM</th></tr>
<tr><td>Income tax matter

There is a disagreement between the South African Revenue Services and e.tv Proprietary Limited as to the timing of the deductibility of the cost of the feature films included in international programming rights which is considered to be a KAM.</td><td>A detailed tax review has been performed by our tax specialists with a focus on the timing of the programming rights amortisation deductions and the applicable provisions of the Income Tax Act (refer note 23).</td></tr>
</table>

Separate Financial Statements **Key Audit Matter (KAM)**	**How our audit addressed the KAM**
Recoverability of the investment in subsidiary and intercompany loans The Company is required to consider indicators of impairment with respect to recoverability of the interests in subsidiary companies and intercompany loans. This annual consideration is a KAM as the balance of interests in subsidiary companies and intercompany loans is material to the seperate financial statements.	Our audit procedures included the following: • Considering indicators of impairment; • We obtained the discounted cash flows for the underlying entities to evaluate the recoverability of the interests in subsidiary companies and intercompany loans; • We used our internal valuations specialist to assist us in evaluating the assumptions and methodologies used by the Company in the models used; • We also focused on the adequacy of the Company's disclosure (refer notes 7 and 40) of the interests in subsidiary companies and intercompany loans.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Integrated Annual Report which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 on the other information obtained prior to the date of this auditor's report, 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 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 consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated 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 consolidated 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 consolidated 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 Grant Thornton has been the auditor of eMedia Holdings Limited for 3 years.

GRANT THORNTON JOHANNESBURG PARTNERSHIP
Registered Auditors

Grant Thornton

G M Chaitowitz
Partner
Registered Auditor
Chartered Accountant (SA)

22 September 2017

@Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH

		GROUP		COMPANY	
		2017	2016	**2017**	2016
	Notes	**R000's**	R000's	**R000's**	R000's
ASSETS					
Non-current assets		**7 622 858**	7 777 611	**5 683 056**	5 683 056
Property, plant and equipment	4	**941 584**	1 013 908	**-**	-
Plant and equipment		**323 028**	356 621	**-**	-
Owner occupied property		**618 556**	657 287	**-**	-
Intangible assets	5	**2 596 701**	2 676 785	**-**	-
Goodwill	6	**3 778 264**	3 774 453	**-**	-
Interest in subsidiary companies	7	**-**	-	**5 333 900**	5 333 900
Equity-accounted investees	8	**203 038**	230 912	**-**	-
Long-term receivables	9	**16 456**	19 206	**349 156**	349 156
Deferred tax assets	10	**86 814**	62 347	**-**	-
Current assets		**1 529 469**	1 140 719	**1 654**	1 370
Inventories	11	**20 946**	17 945	**-**	-
Programming rights	12	**866 244**	490 973	**-**	-
Trade and other receivables	13	**439 962**	493 570	**-**	-
Current tax assets		**16 113**	17 377	**-**	-
Cash and cash equivalents		**186 204**	120 854	**1 654**	1 370
Assets of disposal groups	14	**53 618**	118 492	**-**	-
Total assets		**9 205 945**	9 036 822	**5 684 710**	5 684 426
EQUITY AND LIABILITIES					
Total equity		**7 181 685**	7 091 343	**5 663 028**	5 671 665
Stated capital	15	**6 762 797**	6 762 797	**6 762 797**	6 762 797
Treasury shares	16	**(7 221)**	-	**(7 221)**	-
Reserves		**(600 432)**	(659 674)	**(1 092 549)**	(1 091 132)
Equity attributable to owners of the parent		**6 155 144**	6 103 123	**5 663 028**	5 671 666
Non-controlling interest	41	**1 026 541**	988 220	**-**	-
Non-current liabilities		**877 871**	990 174	**-**	-
Deferred tax liabilities	10	**540 747**	549 530	**-**	-
Borrowings	17	**332 627**	440 644	**-**	-
Operating lease liability		**4 497**	-	**-**	-
Current liabilities		**1 144 769**	938 790	**21 682**	12 761
Current tax liabilities		**6 664**	10 509	**-**	-
Current portion of borrowings	17	**342 537**	385 352	**21 682**	8 603
Trade and other payables	18	**793 757**	542 133	**-**	4 158
Bank overdraft		**1 810**	796	**-**	-
Liabilities of disposal groups	14	**1 621**	16 515	**-**	-
Total liabilities		**2 024 260**	1 945 480	**21 682**	12 761
Total equity and liabilities		**9 205 945**	9 036 822	**5 684 710**	5 684 426
Net asset value		**6 155 144**	6 103 123		
Net asset value per share after treasury shares (cents)		**1 384**	1 369		

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH

		GROUP		COMPANY	
		2017	2016*	**2017**	2016
	Notes	**R000's**	R000's	**R000's**	R000's
Continuing operations					
Revenue	19	**2 582 733**	2 416 156	**-**	5 236 486
Cost of sales		**(1 176 867)**	(1083 336)	**-**	-
Gross profit		**1 405 866**	1 332 820	**-**	5 236 486
Other income		**54 945**	108 206	**-**	-
Administrative and other expenses		**(972 546)**	(920 018)	**(1 417)**	(3 781)
Earnings before interest, taxation, depreciation and amortisation	20	**488 264**	521 008	**(1 417)**	5 232 705
Depreciation, amortisation and impairments	21	**(216 817)**	(260 401)	**-**	(5 861 604)
Operating profit/(loss)		**271 448**	260 607	**(1 417)**	(628 899)
Finance income	22	**10 916**	8 340	**-**	-
Finance expenses	22	**(64 548)**	(50 936)	**-**	-
Share of (loss)/profit of equity-accounted investees, net of taxation		**(2 241)**	7 829	**-**	-
Profit/(loss) before taxation		**215 575**	225 840	**(1 417)**	(628 899)
Taxation	23	**(87 522)**	(168 635)	**-**	-
Profit/(loss) for the year from continuing operations		**128 053**	57 205	**(1 417)**	(628 899)
Discontinued operations					
Profit/(loss) for the year from discontinued operations, net of taxation	24	**32 561**	(146 021)	**-**	-
Profit/(loss) for the year		**160 614**	(88 814)	**(1 417)**	(628 899)
Other comprehensive income, net of related taxation					
Items that are or may be reclassified to profit or loss					
Foreign operations - foreign currency translation differences		**(2 198)**	43 051	**-**	-
Reclassification of foreign currency differences on disposal		**(65 049)**	(11 600)	**-**	-
Other comprehensive (loss)/income, net of taxation		**(67 247)**	31 451	**-**	-
Total comprehensive income/(loss) for the year		**93 367**	(57 363)	**(1 417)**	(628 899)
Profit/(loss) attributable to:					
Owners of the Company		**104 760**	(63 592)		
Non-controlling interest		**55 854**	(25 222)		
		160 614	(88 814)		
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**59 242**	(43 655)		
Non-controlling interest		**34 125**	(13 708)		
		93 367	(57 363)		
Earnings per share	25	**22,01**	7,33		
Earnings per share from continuing operations (cents)	25	**20,23**	8,59		
Earnings per share from discontinued operations (cents)	25	**1,78**	(1,26)		

* Restated for discontinued operations, see note 24

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH

	Stated capital R000's	Treasury shares R000's	Foreign currency translation reserve R000's	Retained income R000's	Equity owners of the parent R000's	Non-controlling interest R000's	Total equity R000's
GROUP							
Balance 31 March 2015	6 665 383	-	16 064	(611 545)	6 069 902	1 062 027	7 131 929
Total comprehensive income/(loss)	-	-	19 937	(63 592)	(43 655)	(13 708)	(57 363)
Loss	-	-	-	(63 592)	(63 592)	(25 222)	(88 814)
Other comprehensive income	-	-	19 937	-	19 937	11 514	31 451
Foreign operations - foreign currency translation differences	-	-	27 290	-	27 290	15 761	43 051
Reclassification of foreign currency differences on disposal	-	-	(7 353)	-	(7 353)	(4 247)	(11 600)
Transactions with owners of the company	97 414	-	2 029	(20 394)	79 049	(65 042)	14 007
Shares issued	97 414	-	-	-	97 414	(97 414)	-
Effect of shares issued to non-controlling interest	-	-	2 029	(20 394)	(18 365)	32 372	14 007
Changes in ownership interest	-	-	-	(2 173)	(2 173)	4 943	2 770
Disposal of share interest	-	-	-	-	-	2 770	2 770
Change in ownership - non-controlling interest acquired	-	-	-	(2 173)	(2 173)	2 173	-
Balance 31 March 2016	**6 762 797**	**-**	**38 030**	**(697 704)**	**6 103 123**	**988 220**	**7 091 343**
Total comprehensive (loss)/income	**-**	**-**	**(45 518)**	**104 760**	**59 242**	**34 125**	**93 367**
Profit	**-**	**-**	**-**	**104 760**	**104 760**	**55 854**	**160 614**
Other comprehensive loss	**-**	**-**	**(45 518)**	**-**	**(45 518)**	**(21 729)**	**(67 247)**
Foreign operations - foreign currency translation differences	**-**	**-**	**(1 488)**	**-**	**(1 488)**	**(710)**	**(2 198)**
Reclassification of foreign currency differences on disposal	**-**	**-**	**(44 030)**	**-**	**(44 030)**	**(21 019)**	**(65 049)**
Transactions with owners of the company	**-**	**(7 221)**	**-**	**-**	**(7 221)**	**(5 252)**	**(12 473)**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**(5 252)**	**(5 252)**
Share buy-back	**-**	**(7 221)**	**-**	**-**	**(7 221)**	**-**	**(7 221)**
Changes in ownership interest	**-**	**-**	**-**	**-**	**-**	**9 449**	**9 449**
Disposal of share interest	**-**	**-**	**-**	**-**	**-**	**9 449**	**9 449**
Balance 31 March 2017	**6 762 797**	**(7 221)**	**(7 488)**	**(592 944)**	**6 155 144**	**1 026 542**	**7 181 686**
Note	**15**	**16**					

	Stated capita R000's	Treasury shares R000's	Retained income R000's	Equity owners of the parent R000's	Total equity R000's
COMPANY					
Balance 31 March 2015	6 665 383	-	(462 233)	6 203 150	6 203 150
Total comprehensive income	-	-	(628 899)	(628 899)	(628 899)
Loss	-	-	(628 899)	(628 899)	(628 899)
Transactions with owners of the company	97 414	-	-	97 414	97 414
Shares issued	97 414	-	-	97 414	97 414
Balance 31 March 2016	6 762 797	-	(1 091 132)	5 671 665	5 671 665
Total comprehensive loss	-	-	(1 417)	(1 417)	(1 417)
Loss	-	-	(1 417)	(1 417)	(1 417)
Transactions with owners of the company	-	(7 221)	-	(7 221)	(7 221)
Share buy-back	-	(7 221)	-	(7 221)	(7 221)
Balance 31 March 2017	6 762 797	(7 221)	(1 092 549)	5 663 028	5 663 028
Note	15	16			

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH

		GROUP		COMPANY	
		2017	2016	**2017**	2016
	Notes	**R000's**	R000's	**R000's**	R000's
Net cash flows from operating activities		**269 096**	329 586	**(5 575)**	(1)
Profit/(loss)		**160 614**	(88 814)	**(1 417)**	(628 899)
Adjustments for:					
Depreciation	21	**130 872**	121 317	**-**	-
Amortisation of intangible assets	21	**76 705**	91 333	**-**	-
Amortisation of programming rights	21	**542 125**	460 051	**-**	-
Net surplus on disposal of property, plant and equipment	20	**(4 420)**	(6 087)	**-**	-
Loss/(profit) from associates	8	**2 240**	(7 828)	**-**	-
Profit on sale of discontinued operations		**(35 223)**	(13 716)	**-**	-
Impairment on property, plant and equipment		**-**	9 810	**-**	-
Impairment of goodwill		**-**	7 738	**-**	-
Impairment of intangible assets	21	**7 390**	148 569	**-**	-
Impairment of investment in associates	21	**23 156**	-	**-**	-
Impairment of other financial assets	21	**2 582**	50 321	**-**	5 861 604
Write-off of intangibles through cost of sales	21	**5 856**	-	**-**	-
Write-off of financial assets	21	**20 309**	-	**-**	-
Fair value adjustment of forward exchange contracts		**36 014**	(4 017)	**-**	-
Revaluation of share-based liability		**-**	(36 650)	**-**	-
Gain on share-based liability forfeited		**-**	(51 774)	**-**	-
Investment income		**-**	-	**-**	(5 236 486)
Other non-cash items		**(11 204)**	5 977	**-**	-
Net finance costs		**53 631**	42 590	**-**	-
Tax income/(expense)		**97 948**	164 272	**-**	-
		1 108 595	893 092	**(1 417)**	(3 781)
Changes in:					
Inventories		**(3 001)**	280	**-**	-
Trade and other receivables		**7 671**	54 351	**-**	57
Trade and other payables		**248 557**	54 996	**(4 158)**	3 723
Programming rights		**(917 395)**	(519 855)	**-**	-
Cash flows from (used in) operating activities		**444 427**	482 864	**(5 575)**	(1)
Net finance costs paid		**(49 004)**	(42 590)	**-**	-
Taxes paid		**(126 327)**	(110 688)	**-**	-
Unpaid at the beginning of the year		**6 868**	(11)	**-**	-
Charged to the profit		**110 010**	102 798	**-**	-
Business combinations		**-**	1 033	**-**	-
Unpaid at the end of the year		**9 449**	6 868	**-**	-

	Notes	GROUP 2017 R000's	GROUP 2016 R000's	COMPANY 2017 R000's	COMPANY 2016 R000's
Net cash used in investing activities		**(50 858)**	(262 089)	-	(106 017)
Acquisition of property, plant and equipment		**(78 103)**	(308 596)	-	-
Acquisition of plant and equipment	4	**(69 922)**	(251 359)	-	-
Acquisition of owner-occupied properties	4	**(8 181)**	(57 237)	-	-
Proceeds from sale of property, plant and equipment		**7 393**	18 133	-	-
Book value of assets disposed		**4 472**	11 973	-	-
Surplus on disposal		**2 921**	6 160	-	-
Movement in financial assets		**2 271**	20 939	-	(8 603)
Acquisition of subsidiary, net of cash acquired	27	**(3 749)**	(703)	-	(97 414)
Net cash flows of discontinued operations	24	**36 928**	42 930	-	-
Additions to intangible assets		**(10 073)**	(29 726)	-	-
Loans advanced to equity accounting investees		**(6 900)**	(6 070)	-	-
Investment income		**1 375**	1 004	-	-
Net cash (used in) from financing activities		**(180 471)**	(44 660)	**5 858**	106 017
Repayment of borrowings		**(170 875)**	(43 266)	**13 079**	8 603
Borrowings raised		**2 877**	7	**-**	-
Rights issue, issue of share capital		**-**	-	**-**	97 414
Share buy back		**(7 221)**	-	**(7 221)**	-
Change in non-controlling interest		**-**	(1 401)	**-**	-
Dividends paid to non controlling interest		**(5 252)**	-	**-**	-
Net change in cash and cash equivalents		**37 767**	22 837	**283**	(1)
Cash and cash equivalents at beginning of the year		**159 528**	130 125	**1 370**	1 371
Effect of movements in exchange rates on cash held		**(4 785)**	6 566	**-**	-
Cash and cash equivalents at end of the year		**192 510**	159 528	**1 654**	1 370
Cash and cash equivalents comprise the following:					
Cash and cash equivalents		**194 320**	160 324	**1 654**	1 370
Bank balances		**186 204**	120 854	**1 654**	1 370
Cash in disposal group assets held for sale		**8 116**	39 470	**-**	-
Bank overdrafts		**(1 810)**	(796)	**-**	-
		192 510	159 528	**1 654**	1 370

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES

eMedia Holdings Limited (the Company) is a company domiciled in South Africa. The consolidated financial statements of the company for the year ended 31 March 2017 and comparative figures for the year ended 31 March 2016 comprise the Company its equity accounted investees and its subsidiaries (together referred to as the Group). Where reference is made to the Group in the accounting policies it should be interpreted as referring to the Company where the context requires, and unless otherwise noted. The Company's registered office is at 5 Summit Road, Dunkeld West, Johannesburg, 2196.

a. Basis of preparation

The consolidated and company annual financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE and the Companies Act of South Africa and have been prepared under the historical cost convention, as modified by the revaluation to fair value of certain financial instruments as described in the accounting policies below.

b. Basis of consolidation

The consolidated financial statements include the financial information of the subsidiaries, associated entities and joint venture entities owned by the group.

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where the group's interest in subsidiaries is less than 100%, the share attributable to outside shareholders is reflected in non-controlling interests. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. The group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The company records its investment in subsidiaries at cost less any impairment charges. These interests include any intergroup loans receivable, which represent by nature a further investment in the subsidiary.

ii) Interests in equity-accounted investments

The Group's interests in equity-accounted investees comprise interest in associates.

Associates are entities over which the group has directly or indirectly significant influence but not control, generally accompanying a shareholding of 20% to 50%, where significant influence is the ability to influence the financial and operating policies of the entity. Investments in associates are accounted for using the equity method of accounting.

The Company accounts for interests in equity-accounted investees at cost.

iii) Goodwill and bargain purchase

Goodwill arising on consolidation represents the excess of the costs of acquisition over the Group's interest in the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities of the acquired entity at the date of acquisition.

Where the fair value of the group's share of separable net assets acquired exceeds the fair value of the consideration, the difference is recognised immediately in profit or loss. Goodwill is stated at cost less impairment losses and is reviewed for impairment on an annual basis. Any impairment identified is recognised immediately in profit or loss and is not reversed.

Goodwill is allocated to cash-generating units ('CGUs') for the purpose of impairment testing. Each of those CGUs is identified in accordance with the basis on which the businesses are managed from both a business type and geographical basis.

c. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost is usually determined as the amount paid by the Group, unless the asset has been acquired as part of a business combination.

Amortisation is included together with depreciation in the income statement.

Intangible assets with indefinite lives are not amortised but are subject to annual reviews for impairment. Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives, and only tested for impairment where there is a triggering event. The directors' assessment of the useful life of intangible assets is based on the nature of the asset acquired, the durability of the products to which the asset attaches and the expected future impact of competition on the business.

Intangible assets acquired as part of a business combination are recognised separately when they are identifiable, and it is probable that economic benefits will flow to the group.

i) Computer software

Where computer software is not an integral part of a related item of property, plant and equipment, the software is capitalised as an intangible asset. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use. Direct costs associated with the production of identifiable and unique internally generated software products controlled by the group that will probably generate future economic benefits are capitalised.

Direct costs include software development employment costs (including those of contractors used) and an appropriate portion of overheads. Capitalised computer software, licence and development costs are amortised over their useful economic lives that are reassessed on an annual basis. Internally generated costs associated with maintaining computer software programs are expensed as incurred.

ii) Trademarks

Trademarks are recognised initially at cost. Trademarks have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives.

iii) Distribution rights

Distribution rights represent multi-territory and multiplatform programming rights that the group is able to "on sell" to other broadcasters. Distribution rights are initially recognised at cost.

Distribution rights are amortised over the products' economic life-cycle which is determined on a pro-rata basis of the individual titles total cost based on the territory and broadcast platform for which the distribution rights have been "on sold".

Distribution rights are tested for impairment annually until they are brought into use.

iv) Programming available for distribution

Programming available for distribution represents internally produced content that is available to be licensed to broadcasters. The useful life is estimated to be indefinite as ownership does not transfer when licensed to broadcasters. The amortisation method is consistent with the amount received for individual titles licensed to the broadcasters. Programming available for distribution are tested annually for impairment.

v) Marketing-related intangible assets

Marketing-related intangible assets relate to trademarks, trade names and brand names for e.tv, eNCA, Yfm and Sasani. The useful life for this class of assets were applied as indefinite as it extended beyond the foreseeable horizon.

vi) Customer-related intangible assets

Customer-related intangible assets relate to customer contracts and the related relationships and non-contractual customer relationships. The useful life was estimated as between 2,7 years and 10 years.

vii) Contract-based intangible assets

Contract-based intangible assets relate to the broadcasting rights. No amortisation is accounted as the useful life is indefinite.

d. Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment losses.

Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

i) Depreciation

No depreciation is provided on freehold land or assets in the course of construction. In respect of all other property, plant and equipment, depreciation is provided on a straight-line basis at rates calculated to write off the cost or valuation, less the estimated residual value of each asset over its expected useful life as follows:

Land and buildings	20 years to indefinite
Broadcast, technical and studio equipment	5 – 8 years
Other equipment and vehicles	3 – 6 years

ii) Capitalisation of borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. The group considers a period of greater than 12 months to be substantial. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

iii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

e. Programming rights

Programming rights acquired by the Group are initially measured at cost and are amortised over the number of licensed broadcasting runs. For features on first run, 70% of the cost is amortised and the remaining 30% over the balance of the licensed broadcasting runs. For genres other than features the cost is amortised on the first run. If, at the end of the licence period, the number of licensed broadcasting runs has not been fully utilised, a write-off is accounted for through profit or loss. Programming rights are tested on an annual basis for impairment.

f. Inventory

Raw materials and consumables, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined on the first-in, first-out principle and includes direct material costs together with appropriate allocations of labour and overheads based on normal operating capacity.

g. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material provisions are determined by discounting the expected future cost. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current or best estimate.

h. Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognised at fair value plus any directly attributable transaction costs (transaction costs are not included on initial recognition for financial instruments carried at fair value through profit or loss).

Financial assets are recognised when the Group becomes a party to the contractual provisions of the respective instrument. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired. If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and there is an intention to settle net, the relevant financial assets and liabilities are offset.

Finance costs are charged against income in the year in which they accrue using the effective interest rate method. Premiums or discounts arising from the difference between the net proceeds of financial instruments purchased or issued and the amounts receivable or repayable at maturity are included in the effective interest calculation and taken to finance costs over the life of the instrument.

i) Financial instruments at fair value through profit or loss

Financial instruments at fair value through profit or loss are financial assets held for trading and/or designated by the entity upon initial recognition as at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within other losses/gains – net, in the period in which they rise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the group's right to receive payments is established.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets (trade and other receivables), except for maturities of greater than 12 months after the statement of financial position date which are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

An allowance for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

iii) Financial liabilities at fair value through profit or loss

Non-derivative financial liabilities are measured initially and subsequently at fair value by discounting the future cash payments using the market rate applicable at statement of financial position date. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

iv) Financial liabilities at amortised cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings.

v) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classified as any of the above. Investments in this category are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit and loss; translation differences on non-monetary securities are recognised in other comprehensive income.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest rate method is recognised in profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payments is established.

vi) Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, bank deposits, other short-term highly liquid investments and bank overdrafts.

Bank overdrafts are included within cash and cash equivalents on the face of the statement of cash flows as they form an integral part of the group's cash management.

vii) Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, and for unlisted securities, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity specific inputs.

viii) Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are analysed between current and noncurrent liabilities on the face of the balance sheet, depending on when the obligation to settle will be realised.

i. Impairment

i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

ii) Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held to maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

iii) Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in other reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

iv) Non-financial assets

The carrying amounts of the Group's non-financial assets except for investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-live intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j. Finance income and expenses

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

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

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets that are recognised in profit or loss. All borrowing costs not capitalised in terms of IAS 23 are recognised in profit or loss using the effective interest method.

k. Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or OCI.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are off-set if there is a legally enforceable right to off-set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Dividend withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2013. The company withholds dividend tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the company's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received the dividend is recognised at the gross amount with the related withholding tax recognised as part of tax expense, unless it is otherwise reimbursable in which case it is recognised as an asset.

l. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

i) Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

i) Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

iii) Advertising

Advertising revenues from the group's free-to-air television and radio platforms are recognised on flighting and over the period of the advertising contract.

iv) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired the group reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the original effective interest rate, and continuing to unwind the discount as interest income.

v) Royalty income

Royalty income is recognised on an accrual basis in accordance with the relevant agreements and is included in other income.

vi) Dividend income

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

vii) Lease income

Revenues from operating leases are recognised on a straight-line basis over the lease term.

m. Leases

i) Finance leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the Group are classified as finance leases.

Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

ii) The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group enters into finance leasing arrangements for its copiers, faxes and point-of-sale equipment. All leases are denominated in South African Rands. The average term of finance leases entered into is four to five years.

iii) Operating leases – The Group as lessee

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease. The leased assets are not recognised in the Group's statement of financial position.

n. Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability to the employees for annual leave up to the balance sheet date. This liability is included in 'Trade and other payables' in the balance sheet.

iii) Long-term incentives

A subsidiary of the Group has long-term incentive plans accounted for in terms of IFRS 2 Share-based Payment as cash-settled equity schemes for certain employees. Liabilities equal to the current fair market values of the plans are recognised at each balance sheet date. The moves in the fair values of these liabilities are expensed.

o. Earnings per share

Basic earnings per share is based on earnings attributable to shareholders and is calculated on the weighted average number of shares in issue during the financial year. Headline earnings per share is based on profit attributable to shareholders, excluding any non-trading capital items and the tax effect thereon, and is calculated as above. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

p. Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into South African Rand at rates of exchange ruling at the reporting date. Translation gains and losses, whether realised or unrealised, are taken to profit or loss. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest rate and payments during the year, and amortised cost in foreign currency translated at the exchange rate at the end of the year.

q. Foreign exchange

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand which is the group's presentation and the company's functional currency.

ii) Transactions and balances

The financial statements for each Group company have been prepared on the basis that transactions in foreign currencies are recorded in their functional currency at the rate of exchange ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date with the resultant translation differences being recognised in profit or loss. Translation differences on non-monetary assets such as equity investments classified as available-for-sale are recognised in other comprehensive income.

iii) Foreign subsidiaries and associates – translation

Once-off items in the income statement and statement of cash flows of foreign subsidiaries and associates expressed in currencies other than the South African Rand are translated to South African Rand at the rates of exchange prevailing on the day of the transaction. All other items are translated at weighted average rates of exchange for the relevant reporting period. Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets together with differences between income statements translated at average and closing rates are recognised as a separate component of equity. For these purposes net assets include loans between Group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and is either denominated in the functional currency of the parent or the foreign entity. When a foreign operation is disposed of, any related exchange differences in equity are recycled through profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange at reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH

2. USE OF JUDGEMENTS AND 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.

Principles of critical accounting estimates and assumptions

i. The group makes estimates and assumptions concerning the future.
The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below."

ii. Estimated impairment of goodwill and indefinite lived intangible assets

The group tests annually whether goodwill and indefinite lived intangible assets have suffered any impairment, in accordance with the accounting policy. The recoverable amounts of CGUs have been determined based on value-in-use calculations.

These calculations require the use of estimates – see note 5 and 6 for details.

Deferred tax assets

Management has applied a probability analysis to determine future taxable income against which calculated tax losses will be utilised.

iii. Property, plant and equipment, excluding land

Changes in business landscape or technical innovations may impact the useful lives and estimated residual values of these assets. Similar assets are grouped together, but useful lives may vary between individual assets in a category. Management reviews assets' residual values, useful lives and related depreciation charges annually at each reporting date.

iv. Business combinations

On the acquisition of a business, a determination of the fair value and the useful life of assets acquired is performed, which requires the application of management judgement. Future events could cause the assumptions used by the group to change which could have a significant impact on the results and net position.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values that are reviewed on an ongoing basis. Review includes significant unobservable inputs and valuation adjustments. If third-party information is used to measure fair values, then it's assessed if the evidence obtained from the third parties support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group audit committee.

When measuring the fair value of an asset or a liability the Group uses market observable data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If inputs used to measure the fair value of an asset or a liability might be categorised in the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE:

3.1 Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 April 2017 or later periods which the group has not early adopted:

Standard	Details of Amendment	Annual periods beginning on or after
IFRS 2 Share Based Payments	Classification and Measurement of Share-based payment transactions: A collection of three distinct narrow-scope amendments dealing with classification and measurement of share-based payments. The amendments address: • The effects of vesting conditions on the measurement of a cash-settled share-based payment; • The accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and • Classification of share-based payment transactions with net settlement features. The impact of the adoption of the amendments to IFRS 2 is not anticipated to be significant.	The Group will apply the IFRS 2 amendments from annual periods beginning 1 April 2018
IFRS 9 Financial Instruments	A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on classification and measurement, impairment hedge accounting and derecognition: • IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. • The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. • IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39. The financial impact of the adoption of IFRS 9 will be provided closer to the date of application.	The Group will apply IFRS 9 from annual periods beginning 1 April 2018

3. NEW STANDARDS (continued)

Standard	Details of Amendment	Annual periods beginning on or after
IFRS 12 Disclosure of Interest in Other Entities	Annual Improvements 2014-2016 Cycle: Clarification of the scope of IFRS 12 with respect to interests in entities classified as held for sale in accordance with IFRS 5 Non-current assets held for sale and Discontinued operations. The impact of the adoption of the amendments to IFRS 12 is not anticipated to be significant.	The Group will apply the IFRS 12 amendments from annual periods beginning 1 April 2018
IFRS 15 Revenue from Contracts with Customers	New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The new standard supersedes: • IAS 11 Construction contracts; • IAS 18 Revenue; • IFRIC 13 Customer loyalty programmes; • IFRIC 15 Agreements for the construction of real estate; • IFRIC 18 Transfers of assets from customers; and • SIC-31 Revenue—Barter transactions involving advertising services. The group is in the process of finalising the impact of IFRS 15 and has identified its customer loyalty programme mostly impacted. The group will provide the financial impact of the adoption of IFRS 15 closer to the date of application.	The Group will apply IFRS 15 from annual periods beginning 1 April 2018

3. NEW STANDARDS (continued)

Standard	Details of Amendment	Annual periods beginning on or after
IFRS 16 Leases	New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows. IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes the following Standards and Interpretations: • IAS 17 Leases; • IFRIC 4 Determining whether an Arrangement contains a Lease; • SIC-15 Operating Leases—Incentives; and • SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The group is in the process of assessing the impact of IFRS 16 and has identified its Sandton Convention Centre and certain hotel property and land leases, where the group is the lessee as mostly impacted.	The Group will apply the IFRS 16 amendments from annual periods beginning 1 April 2019.

3. NEW STANDARDS (continued)

Standard	Details of Amendment	Annual periods beginning on or after
IAS 7 Statement of Cash Flows	Disclosure initiative: Amendments requiring entities to disclose information about changes in their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).	The Group will apply the IAS 7 amendments from annual periods beginning 1 April 2017
IAS 40 Investment Properties	Transfers of investment property: Clarification of the requirements on transfers to, or from, investment property. The impact of the adoption of the amendments to IAS 40 is not anticipated to be significant.	The Group will apply the IAS 40 amendments from annual periods beginning 1 April 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	This interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The impact of IFRIC 22 is not anticipated to be significant.	The Group will apply IFRIC 22 from annual periods beginning 1 April 2018
IFRIC 23 Uncertainty over Income Tax Treatments	IFRIC 23 addresses uncertainty over how tax treatments should affect the accounting for income taxes. The impact of IFRIC 23 is not anticipated to be significant.	The Group will apply IFRIC 23 from annual periods beginning 1 April 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH

4. PROPERTY, PLANT AND EQUIPMENT

	GROUP			
	Owner-occupied properties at cost R000's	Equipment and fittings at cost R000's	Motor vehicles at cost R000's	Total R000's
Reconciliation of carrying amount				
2017				
Cost at 31 March 2017	**664 906**	**975 847**	**31 597**	**1 672 350**
Opening balance	**698 892**	**1 040 128**	**33 452**	**1 772 472**
Additions	**4 983**	**69 497**	**3 624**	**78 104**
Acquisition through business combinations	**-**	**9 318**	**296**	**9 614**
Reclassification to assets held for sale	**(25 469)**	**(631)**	**-**	**(26 100)**
Written-off (not in use)	**(13 500)**	**(131 836)**	**(3 645)**	**(148 981)**
Disposals	**-**	**(10 629)**	**(2 130)**	**(12 759)**
Accumulated depreciation and impairment at 31 March 2017	**46 350**	**661 707**	**22 709**	**730 766**
Opening balance	**41 605**	**692 934**	**24 025**	**758 564**
Current period depreciation	**20 729**	**106 258**	**3 644**	**130 631**
Reclassification to assets held for sale	**(2 484)**	**(252)**	**-**	**(2 736)**
Written-off (not in use)	**(13 500)**	**(131 836)**	**(3 645)**	**(148 981)**
Disposals	**-**	**(5 397)**	**(1 315)**	**(6 712)**
Carrying value at 31 March 2017	**618 556**	**314 140**	**8 888**	**941 584**
Rate of (straight line) depreciation	0 - 5%	12.5 - 33.3%	20%	
Residual values	0%	0%	0%	
2016				
Cost at 31 March 2016	698 892	1 040 128	33 452	1 772 472
Opening balance	656 862	374 117	15 328	1 046 307
Exchange differences	-	31	-	31
Additions	57 237	245 967	5 392	308 596
Reallocations	26 193	602 831	18 867	647 891
Reclassification to assets held for sale	(39 289)	(27)	(76)	(39 392)
Written-off (not in use)	-	(173 456)	(5 532)	(178 988)
Disposals	(2 111)	(9 335)	(527)	(11 973)
Accumulated depreciation and impairment at 31 March 2016	41 605	692 934	24 025	758 564
Opening balance	8 173	145 212	5 948	159 333
Current period depreciation	14 916	101 762	4 639	121 317
Reallocations	11 206	617 818	18 867	647 891
Impairment loss	7 310	1 598	103	9 011
Written-off (not in use)	-	(173 456)	(5 532)	(178 988)
Carrying value at 31 March 2016	657 287	347 194	9 427	1 013 908

4. PROPERTY, PLANT AND EQUIPMENT (continue)

Transfer to disposal group as held-for-sale

Property transferred to the disposal group as held-for-sale amounts to R26.1 million at cost at 31 March 2017. The Group signed an offer to purchase agreement for the sale of Portion 8 (of 5) of Erf 2406 Umhlanga Rocks, situated at 73, Richeford Circle, Umhlanga Rocks, Kwa-Zulu Natal (title deed T25291/2013). A mortgage bond in favour of Standard Bank of South Africa Limited was registered for R23 million as at 31 March 2017. See note 14 for further details regarding the disposal group held-for-sale.

Security

A Standard Bank mortgage bond of R341 million (2016: R341 million) has been registered over owner-occupied properties with a carrying value of R617 million (2016: R655 million). See note 17 for details on bank borrowings secured.

Depreciation charge

Depreciation expense of R131 million (2016: R121 million) has been charged to the "depreciation, amortisation and impairment" category and R0.2 million (2016: R1 million) has been charged to the "discontinued operations" category.

During the year, the Group wrote-off various assets with a cost of R149 million (2016: R179 million) that were fully depreciated and no longer in use.

A register of property plant and equipment property, is available for inspection at the registered office of the company.

5. INTANGIBLE ASSETS

	GROUP				
	Marketing-related intangible assets R000's	Customer-related intangible assets R000's	Contract-related intangible assets R000's	Distribution rights R000's	Programming under development R000's
2017					
Cost at 31 March 2017	**1 938 758**	**435 902**	**128 197**	**363 313**	**-**
Opening balance	**1 938 758**	**435 902**	**128 197**	**328 733**	**-**
Assets acquired seperately	**-**	**-**	**-**	**19 327**	**-**
Foreign exchange differences	**-**	**-**	**-**	**(559)**	**-**
Reclassifications	**-**	**-**	**-**	**21 668**	**-**
Write-offs	**-**	**-**	**-**	**(5 856)**	**-**
Accumulated amortisation and impairment at of 31 March 2017	**-**	**240 818**	**-**	**115 250**	**-**
Opening balance	**-**	**200 680**	**-**	**55 581**	**-**
Current period amortisation	**-**	**40 138**	**-**	**30 611**	**-**
Reclassifications	**-**	**-**	**-**	**21 668**	**-**
Impairment losses recognised in profit and loss	**-**	**-**	**-**	**7 390**	**-**
Carrying value at 31 March 2017	**1 938 758**	**195 084**	**128 197**	**248 063**	**-**
2016					
Cost at 31 March 2016	1 938 758	435 902	128 197	328 733	-
Opening balance	1 938 758	435 902	128 197	332 551	9 662
Assets acquired seperately	-	-	-	15 781	-
Reclassifications	-	-	-	(19 599)	(9 662)
Accumulated amortisation and impairment at 31 March 2016	-	200 680	-	55 581	-
Opening balance	-	120 364	-	54 356	-
Current period amortisation	-	80 316	-	1 225	-
Carrying value at 31 March 2016	1 938 758	235 222	128 197	273 152	-
Nature of useful lives	Indefinite	Finite	Indefinite	Finite	Finite
Amortisation method	n/a	Straight line	n/a	Revenue-based	Revenue-based
Rate of amortisation	n/a	10% - 37%	n/a	Period of economic life	Period of economic life
Residual values	n/a	0%	n/a	0%	0%

5. INTANGIBLE ASSETS (continued)

	GROUP				
	Programming available for distribution R000's	Music libraries R000's	Website domain R000's	Trademarks R000's	Total R000's
2017					
Cost at 31 March 2017	105 055	-	97	841	2 972 163
Opening balance	99 402	15 459	97	-	2 946 548
Assets acquired seperately	1 757	339	-	281	21 704
Foreign exchange differences	-	724	-	-	165
Transfer to disposal group held-for-sale	-	(16 596)	-	-	(16 596)
Reclassifications	3 896	74	-	560	26 198
Write-offs	-	-	-	-	(5 856)
Accumulated amortisation and impairment at 31 March 2017	18 810	-	-	582	375 460
Opening balance	10 997	2 505	-	-	269 763
Current period amortisation	3 917	2 016	-	22	76 704
Transfer to disposal group held-for-sale	-	(4 595)	-	-	(4 595)
Reclassifications	3 896	74	-	560	26 198
Impairment losses recognised in profit and loss	-	-	-	-	7 390
Carrying value at 31 March 2017	86 245	-	97	259	2 596 703
2016					
Cost at 31 March 2016	99 402	15 459	97	-	2 946 548
Opening balance	78 958	11 658	97	-	2 935 783
Assets acquired seperately	11 869	1 884	-	-	29 534
Foreign exchange differences	-	1 917	-	-	1 917
Reclassifications	9 662	-	-	-	(19 599)
Disposals	(1 087)	-	-	-	(1 087)
Accumulated amortisation and impairment at 31 March 2016	10 997	2 505	-	-	269 763
Opening balance	9 965	835	-	-	185 520
Current period amortisation	1 032	1 670	-	-	84 243
Carrying value at 31 March 2016	88 405	12 954	97	-	2 676 785
Nature of useful lives	Finite	Finite	Indefinite	Finite	
Amortisation method	Revenue-based	Straight line	n/a	Straight line	
Rate of amortisation	Period of economic life	Period of economic life	n/a	10%	
Residual values	0%	0%	n/a	0%	

Marketing-, customer- and contract related intangible assets which forms part of the eMedia Investments Proprietary Limited cash generating unit are tested for impairment on the same basis as goodwill.

Included under amortisation of distribution rights is an amount of R29.3 million (2016: R19.6 million) that relate to distribution rights reclassified to programming rights.

5. INTANGIBLE ASSETS (continued)

Distribution rights represent multi-territory and multi-platform programming rights that the group is able to on sell to other entities. These rights are amortised over their economic life, based on the territory and platform for which the respective rights have been on sold.

Management assesses on an annual basis the recoverable amount of distribution rights and programming available for distribution based on the prospect of the demand from broadcasting channels both from internally (i.e. e.tv Proprietary Limited) and from external broadcasters as well as the demand from Over-the-top (OTT) platforms. Management further considers the economic use of the distribution rights and programming available for distribution by taking into account quality control measures, language constraints and the obsolescence of the content. At year end 31 March 2017 management identified distribution rights to be obsolete in the amount of R5.9 million (2016: R Nil) and impaired in the amount of R7.4 million (2016: R Nil). There was no impairment for programming available for distriibution at year end.

The amortisation of intangible assets is included in the following line items in the statement of comprehensive income:

	GROUP	
	2017 R000's	2016 R000's
Continuing operations		
Cost of sales	**34 789**	3 927
Administrative and other expenses	**40 138**	80 316
	74 927	84 243
Discontinued operations		
Cost of sales	**1 778**	7 090
Administrative and other expenses	**-**	-
	1 778	7 090
Amortisation charge for the year	**76 705**	91 333

6. GOODWILL

	GROUP	
	2017 R000's	2016 R000's
Arising on acquisition of shares in subsidiaries	**3 778 264**	3 774 453
Reconciliation of goodwill		
Opening balance	**3 774 453**	3 737 528
- Cost	**3 914 511**	3 869 849
- Accumulated impairment	**(140 058)**	(132 321)
Through business combinations	**3 811**	47 090
Disposals	**-**	(2 428)
- Cost	**(7 738)**	(2 428)
- Accumulated impairment	**7 738**	-
Impairment	**-**	(7 737)
Carrying value at year-end	**3 778 264**	3 774 453
- Cost	**3 910 584**	3 914 511
- Accumulated impairment	**(132 320)**	(140 058)

6. GOODWILL (continued)

Impairment tests for goodwill

The Group has performed impairment testing on its single cash generating unit that contains goodwill and certain intangible assets recognised on the acquisition of eMedia Investments Proprietary Limited. Goodwill relates to the Group's interest in eMedia Investments Proprietary Limited with a carrying value of R3.778 billion (2016: R3.775 billion). The value of the cash generating unit to which goodwill has been allocated has been determined based on value in use calculations using management generated cash flow projections. The following were the principle assumptions, based on past experience, that were used to calculate the net present value of the CGU:

Discount rates: 15.97%

Number of years: 5 years

Cost growth rate: 4.0% to 6.0%

The following assumptions were applied when reviewing goodwill impairment:

- Asset values were based on the carrying amounts for the financial period.
- Future expected profits were estimated using historical information and approved budgets extending to five years.
- Sales growth and gross margins were based on historical performance and future prospects.
- Costs were assumed to grow in line with expansion plans and expected inflation.
- Cash flows were extended into perpetuity at a growth rate of 6% as management has no reason to believe that the Group will not continue beyond the budget period.

The recoverable amount of the eMedia Investments Proprietary Limited cash generating unit was determined to be higher than the relevant portion of goodwill and therefore no impairment was necessary.

The discount rate of 15.97% (2016: 15.94%) used reflects the appropriate cost of capital and risks associated with the business. Management's key assumptions include gradual improvement in profit margins, based on the normal margins achieved throughout the Group. If the discount rate rises above 18.49%, then goodwill will require impairment.

Goodwill impairments included in the carrying value in the statement of financial position:

	GROUP	
	2017 R000's	2016 R000's
TVPC Media Proprietary Limited	**-**	7 738
Longkloof Limited	**129 597**	129 597
e.Botswana Proprietary Limited	**572**	572
Natural History Unit of Africa Proprietary Limited	**2 151**	2 151
	132 320	140 058

7. INTEREST IN SUBSIDIARY COMPANIES

	COMPANY	
	2017	2016
	R000's	R000's
Shares at cost	**-**	5 861 604
Impairment	**-**	(5 861 604)
Carrying value - HCI Invest 3 Holdco Proprietary Limited	**-**	-
Shares at cost	**5 333 900**	5 333 900
Impairment	**-**	-
Carrying value - eMedia Investments Proprietary Limited	**5 333 900**	5 333 900
Carrying value - interest in subsidiary companies	**5 333 900**	5 333 900

Full details of subsidiary companies are provided in note 40.

Refer to note 41 for details of subsidiary companies that have non-controlling interests (NCI) that are material to the Group.

The Company has performed impairment testing on its interest in eMedia Investments Proprietary Limited. The discount rate of 15.97% (2016: 15.94%) used reflects the appropriate cost of capital and risks associated with the business. Management's key assumptions include gradual improvement in profit margins, based on the normal margins achieved throughout the Group. If the discount rate rises above 16.73%, then the interest in eMedia Investments Proprietary Limited will require impairment.

8. EQUITY-ACCOUNTED INVESTEES

	GROUP 2017 R000's	GROUP 2016 R000's
Reconciliation of investments in associates		
Interest in associates	**203 038**	230 912
Opening balance	**230 912**	206 985
Increase in loans to associates	**5 525**	6 070
(Loss)/profit for the year	**(2 240)**	7 828
Foreign exchange differences	**(8 003)**	10 029
Impairment through profit or loss	**(23 156)**	-
Closing balance	**203 038**	230 912

List of investments in associates

	GROUP 2017				GROUP 2016	
Name of associates	**Place of business / country of incorporation**	**Listed/ Unlisted**	**% holding**	**Carrying amount R000's**	**% holding**	**Carrying amount R000's**
Cape Town Film Studios Proprietary Limited	South Africa	Unlisted	42,5	**84 848**	42,5	76 687
Dreamworld Management Company Proprietary Limited	South Africa	Unlisted	50,0	**47 797**	50,0	47 723
Global Media Alliance Broadcasting Limited	Ghana	Unlisted	37,0	**-**	37,0	28 417
Da Vinci Media GmbH	Germany	Unlisted	33,0	**70 393**	33,0	78 084
				203 038		230 912

Main business and operations of the associates

Cape Town Film Studios Proprietary Limited provides sound stages and support buildings for the film industry in the Western Cape.

Dreamworld Management Company Proprietary Limited will develop residential accommodation in future, adjacent to the Cape Town Film Studio site.

Global Media Alliance Broadcasting Limited has its interest in television and radio broadcasting.

Da Vinci Media GmbH is an independent media group dedicated to providing high-quality on-air and on-demand educational programming around the world.

The company's subsidiary, eMedia Investments Proprietary Limited, has signed a surety and cession of a loan receivable from Cape Town Film Studios Proprietary Limited in favour of ABSA Bank Limited.

The summarised financial information in respect of the group's principal associates

The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

8. EQUITY-ACCOUNTED INVESTEES (continued)

	Cape Town Film Studios Proprietary Limited R000's	Dreamworld Management Company Proprietary Limited R000's	Global Media Alliance Broadcasting Limited R000's	Da Vinci Media GmbH R000's
2017				
Summarised statement of financial position as at 31 March 2017				
Non-current assets	300 801	8 689	13 002	26 961
Current assets	6 325	124	2 918	85 615
Non-current liabilities	(84 834)	-	(5 782)	-
Current liabilities	(242 571)	(23 356)	(9 381)	(21 143)
Net assets as at 31 March 2017	(20 279)	(14 543)	757	91 433
Reconciliation to carrying amounts				
Closing net assets at 31 March 2017	(20 279)	(14 543)	757	91 433
Reporting entities' share (in %)	42,5	50,0	37,0	33,0
Reporting entities' share in (R'000)	(8 615)	(7 272)	280	30 173
Dividends paid	-	-	-	(1 375)
Loans to associates	95 264	11 666	-	-
Reporting entities' adjustment for fair value*	(1 801)	38 329	926	2 021
Foreign exchange differences	-	-	21 950	6 396
Impairments	-	-	(23 156)	-
Goodwill	-	5 073	-	33 178
Carrying amount as at 31 March 2017	84 848	47 797	-	70 393

Summarised statements of profit and loss and other comprehensive income				
for the year ended 31 March 2017				
Revenue	40 007	-	13 533	87 511
Profit/(loss) from continued operations	3 526	(820)	(14 219)	9 195
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	3 526	(820)	(14 219)	9 195
Share of associates's profit/(loss)	1 498	(410)	(5 261)	3 034
Elimination of unrealised profit or loss	247	-	-	(1 348)
Group's share of associates' profits/(losses)	1 745	(410)	(5 261)	1 686
Dividends received	-	-	-	1 375

* The group revalued its existing interests in associates in accordance with accounting standards for business acquisitions and adjustments were made to the carrying value of associates as at the acquisition date of 1 October 2013.

8. EQUITY-ACCOUNTED INVESTEES (continued)

	Cape Town Film Studios Proprietary Limited R000's	Dreamworld Management Company Proprietary Limited R000's	Global Media Alliance Broadcasting Limited R000's	Da Vinci Media GmbH R000's
2016				
Summarised statement of financial position as at 31 March 2016				
Non-current assets	303 747	8 560	20 679	39 273
Current assets	5 396	212	18 482	85 089
Non-current liabilities	(106 418)	-	-	-
Current liabilities	(226 530)	(22 495)	(19 474)	(22 245)
Net (liabilities)/assets as at 31 March 2016	(23 805)	(13 723)	19 687	102 118
Reconciliation to carrying amounts				
Closing net assets at 31 March 2016	(23 805)	(13 723)	19 687	102 118
Reporting entities' share (in %)	42,5	50,0	37,0	33,0
Reporting entities' share in (R000's)	(10 113)	(6 861)	7 284	33 699
Dividends paid	-	-	-	(1 015)
Loans to associates	88 601	11 182	-	-
Reporting entities' adjustment for fair value*	(1 801)	38 329	926	2 021
Foreign exchange differences	-	-	20 207	10 202
Goodwill	-	5 073	-	33 178
Carrying amount as at 31 March 2016	76 687	47 723	28 417	78 084
Summarised statements of profit and loss and other comprehensive income				
for the year ended 31 March 2016				
Revenue	36 531	-	16 137	89 899
Profit/(loss) from continued operations	775	(889)	(8 636)	30 332
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	775	(889)	(8 636)	30 332
Share of associates's profit/(loss)	329	(445)	(3 195)	10 009
Elimination of unrealised profit or loss	(195)	-	2 077	(752)
Group's share of associates' profits/(losses)	134	(445)	(1 118)	9 257
Dividends received	-	-	-	1 015

* The group revalued its existing interests in associates in accordance with accounting standards for business acquisitions and adjustments were made to the carrying value of associates as at the acquisition date of 1 October 2013.

8. EQUITY-ACCOUNTED INVESTEES (continued)

Reconciliation of Group's share of profit/(loss)

	Group's share of associates' profits/ (losses) for the year R000's	Intra-group transactions eliminated R000's	Other R000's	Total R000's
2017				
Cape Town Film Studios Proprietary Limited	**1 498**	**247**	**-**	**1 745**
Dreamworld Management Company Proprietary Limited	**(410)**	**-**	**-**	**(410)**
Global Media Alliance Broadcasting Limited	**(5 261)**	**-**	**-**	**(5 261)**
Da Vinci Media GmbH	**3 034**	**(1 213)**	**(135)**	**1 686**
	(1 139)	**(966)**	**(135)**	**(2 240)**
2016				
Cape Town Film Studios Proprietary Limited	329	(195)	-	134
Dreamworld Management Company Proprietary Limited	(445)	-	-	(445)
Global Media Alliance Broadcasting Limited	(3 195)	-	2 077	(1 118)
Da Vinci Media GmbH	10 009	(617)	(135)	9 257
	6 698	(812)	1 942	7 828

"Other" relates to the dilution of the share interest in Global Media Alliance Broadcasting Limited and the amortisation of intagible assets recognised through business combinations for Da Vinci Media GmbH.

At 31 March 2017, the Group fully impaired its investment in Global Media Alliance Broadcasting as management do not believe that the investment is recoverable based on the historical performance of the business and its current business plan.

There are no contingent liabilities relating to the group's interest in the associates.

9 . LONG-TERM RECEIVABLES

	GROUP	
	2017	2016
	R000's	R000's
Loans to Group employees	**14 594**	19 206
Operating lease asset	**1 862**	-
	16 456	19 206
Loans to Group employees		
Opening balance	**19 206**	10 251
Loans granted, cash-settled share options	**-**	13 224
Loans granted, discounted at a rate of 8%	**(5 035)**	(5 340)
Interest income	**1 249**	1 071
Amounts written-off	**(37)**	-
Repayments	**(789)**	-
	14 594	19 206
Loans to Group employees - Interest at 0%	**13 182**	17 426
Loans to Group employees - Interest bearing	**1 412**	1 779
	14 594	19 205

Loans to Group employees are due on 31 October 2018 and bear interest ranging from 0% to 8% (2016: 0% to 8%) per annum.

These loans arose due to shares issued to employees on loan account.

Fair value of long-term receivables

Loans to Group employees that did not include a market rate of interest were fair valued at initial recognition by discounting the future cash flows based on the interest rate prescibed by the South African Revenue Service for interest free loans. There were no impairment provisions on non-current receivable financial assets during the current or prior years.

	COMPANY	
	2017	2016
Loans receivable from subsidiary companies	**R000's**	R000's
eMedia Investment Proprietary Limited	**340 553**	340 553
HCI Invest 3 Holdco Proprietary Limited	**8 603**	8 603
	349 156	349 156

The loan owing by eMedia Investment Proprietary Limited is interest free and has no set terms for repayment. The company regards these loans as part of the net investment in the subsidiary.

The loan owing by HCI Invest 3 Holdco Proprietary Limited was transferred to eMedia Holdings Limited during the previous year as part of a dividend in specie transaction. The loan is interest free and has no set terms of repayment. Previously this loan was directly due by HCI Invest 3 Holdco Proprietary Limited to HCI Treasury Proprietary Limited and as at year end remains due by eMedia Holdings Limited to HCI Treasury Proprietary Limited.

10 . DEFERRED TAXATION

	GROUP 2017 R000's	GROUP 2016 R000's
Movements in deferred taxation		
Opening balance	**(487 183)**	(425 378)
Current movements recognised in profit or loss	**33 250**	(61 805)
Continuing operations	**33 250**	(56 213)
- Capital allowances	**(1 013)**	(26 265)
- Tax losses	**13 054**	39 844
- Capital allowances on intangible assets	**8 991**	(69 980)
- Working capital differences	**12 218**	188
Discontinuing operations	**-**	(5 592)
- Capital allowances on intangible assets	**-**	(5 592)
Closing balance at the end of the year	**(453 933)**	(487 183)
Analysis of deferred taxation		
Capital allowances on intangible assets	**(509 667)**	(518 658)
Capital allowances	**(13 505)**	(12 492)
Revaluations	**(14 723)**	(14 723)
Tax losses	**57 982**	44 928
Working capital allowances	**25 980**	13 762
	(453 933)	(487 183)
Composition of deferred taxation		
Deferred tax assets	**86 814**	62 347
Deferred tax liabilities	**(540 747)**	(549 530)
	(453 933)	(487 183)

During the year, a major subsidiary of the Group, etv Proprietary Limited, incurred a tax loss of R173.6 million (2016: R130.8 million). Management consider it probable that future taxable profits will be available against which such losses can be utilised and has therefore recognised the tax effect of R48.6 million (2016: R36.6 million). Management also consider it probable that future taxable profits will be available for use against the deferred tax asset balance of R9.3 million (2016: R8.3 million) relating to other subsidiaries of the Group.

11. INVENTORIES

	GROUP	
	2017	2016
	R000's	R000's
Finished goods	**20 946**	17 945
Inventories stated at net realisable value	**20 946**	17 945

12. PROGRAMMING RIGHTS

Television programmes		
- International	**733 650**	398 284
- Local	**132 594**	92 689
	866 244	490 973
Reconciliation of carrying amount		
International television programmes		
Opening balance	**398 284**	322 427
Additions	**636 580**	260 113
Amortisations through cost of sales	**(301 214)**	(184 256)
Closing balance	**733 650**	398 284
Local television programmes		
Opening balance	**92 689**	108 742
Additions	**280 815**	259 742
Amortisations through cost of sales	**(240 910)**	(275 795
Closing balance	**132 594**	92 689

Included in international programming additions is an amount of R29.3 million (2016: R19.6 million) that was reclassified from distribution rights.

Nature of useful lives and amortisation method

Programming rights acquired by the Group are initially measured at cost and are amortised over the number of licensed broadcasting runs. For features on first run, 70% of the cost is amortised and the remaining 30% over the balance of the licensed broadcasting runs. For genres other than features the cost is amortised on the first run.

13. TRADE AND OTHER RECEIVABLES

	GROUP	
	2017 R000's	**2016 R000's**
Reconciliation of carrying value		
Trade receivables	**358 017**	368 624
Less: provision for impairment of trade receivables	**(5 862)**	(4 846)
Trade receivables - net	**352 155**	363 778
Lease receivables	**-**	338
Other receivables	**52 624**	81 874
Fair value of outstanding foreign exchange contracts	**-**	17 225
Prepayments	**35 183**	30 355
	439 962	493 570

Fair value of trade receivables

The carrying value approximates fair value because of the short period to maturity of these instruments.

Trade receivables neither past due nor impaired

The credit quality of trade and other receivables that are neither past due nor impaired is assessed on and ongoing basis for individual debtors and based on repayment history. A significant amount of the Group's trade debt is in respect of sales to advertisers (agencies), in particular Omnicom Media Group Proprietary Limited (R45.8 million) (2016: R43.8 million), Mindshare South Africa Proprietary Limited (R33.0 million) (2016: R36.9 million), The Mediashop Johannesburg Proprietary Limited (R31.3 million) (2016: R32.7 million) and Aegis Media Central Services Proprietary Limited (R18.2 million) (2016: R16.3 million).

Trade receivables pledged as security

e.tv Proprietary Limited, a subsidiary of the Group has at 31 March 2017 pledged trade debt with a carrying value of R256.3 million (2016: R232.9 million) to the Standard Bank of South Africa in respect of a borrowing facility. The carrying value of the borrowing facility at 31 March 2017 amounted to R127.5 million (2016: R197.5 million).

Trade receivables past due but not impaired

At 31 March 2017, trade receivables of R31.2 million (2016: R4.9 million) were past due but not impaired. These relate mainly to a number of independent customers for whom there is no history of default. The ageing of these trade receivables is as follows:

	GROUP	
	2017 R000's	2016 R000's
30 to 60 days	**9 611**	766
60 to 90 days	**6 132**	1 056
More than 90 days	**15 406**	3 122
	31 149	4 944

13. TRADE AND OTHER RECEIVABLES (continued)

Impairment of trade receivables

At 31 March 2017, trade receivables of R5.9 million (2016: R4.9 million) were impaired. Impaired trade receivables relate to debtors that have been handed over to attorneys for collection and debtors that have been outstanding for more than one year.

Movement in the allowance for impairment of trade receivables is as follows:

	GROUP	
	2017	2016
	R000's	R000's
Opening balance	**4 846**	3 443
Allowance for receivables impaired	**7 140**	5 752
Amounts written off as uncollectable	**(6 124)**	(4 349)
Closing balance	**5 862**	4 846

In determining the impairments the Group considered, inter alia, disputes with customers, untraceable and slow payers, long overdue accounts and customers placed under liquidation. The Group holds no collateral security against non-payment of any of the above mentioned trade receivables, but does have credit guarantee insurance to protect against default. There has been no renegotiation of terms.

	GROUP	
	2017	2016
	R000's	R000's
Other receivables		
Included under other receivables are:		
Cinecom LLC trading as 13 Films	**-**	21 259
The loan was written off during the current year.		
Value Added Taxation	**5 563**	10 773
Deposits	**5 071**	4 886
Harlan Special Opportunities Fund LP	**14 979**	20 431
The loan arose on the advance of funds for the purpose of investing in an unlisted equity.		
Other receivables not specified above	**27 011**	24 525
	52 624	81 874

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

South African Rand	**428 361**	480 802
US dollar	**11 058**	12 768
Euros	**437**	-
British Pound	**106**	-
	439 962	493 570

14. DISPOSAL GROUP ASSETS/LIABILITIES HELD FOR SALE

	GROUP 2017 R000's	2016 R000's
Disposal group assets classified as held for sale	53 618	118 492
Liabilities associated with the disposal group assets held for sale	(1 621)	(16 515)
	51 997	101 977

	GROUP				
	Longkloof Limited group entities R000's	e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited R000's	Lalela Music SA Proprietary Limited and Lalela Musicc LLC R000's	Sabido Properties Proprietary Limited R000's	Total R000's
31 March 2017					
Disposal group assets classified as held for sale					
Property, plant and equipment	-	2 801	296	22 985	26 082
Intangible assets	-	-	12 001	-	12 001
Deferred tax assets	-	1 797	19	-	1 816
Trade and other receivables	1 689	973	2 942	-	5 604
Cash and cash equivalents	3 900	43	4 172	-	8 116
	5 589	5 614	19 430	22 985	53 618
Liabilities associated with the disposal group assets held for sale					
Deferred tax liability	-	(42)	-	-	(42)
Taxation payable	(176)	-	(145)	-	(321)
Trade and other payables	(54)	(132)	(1 072)	-	(1 258)
	(230)	(174)	(1 217)	-	(1 621)
	5 359	5 440	18 213	22 985	51 997

14. DISPOSAL GROUP ASSETS/LIABILITIES HELD FOR SALE (continued)

	GROUP				
	Longkloof Limited group entities	e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited	Shibula Lodge and Spa Proprietary Limited	Sabido Properties Proprietary Limited	Total
	R000's	R000's	R000's	R000's	R000's
31 March 2016					
Disposal group assets classified as held for sale					
Property, plant and equipment	-	3 017	5 532	33 860	42 409
Intangible assets	11 629	-	-	-	11 629
Deferred tax assets	-	1 935	3	-	1 938
Taxation receivable	-	-	158	-	158
Trade and other receivables	21 711	1 025	152	-	22 888
Cash and cash equivalents	39 162	224	84	-	39 470
	72 502	6 201	5 929	33 860	118 492
Liabilities associated with the disposal group assets held for sale					
Taxation payable	(203)	-	-	-	(203)
Trade and other payables	(15 579)	(303)	(430)	-	(16 312)
	(15 782)	(303)	(430)	-	(16 515)
	56 720	5 898	5 499	33 860	101 977

Longkloof Limited group entities classified as held for sale

Certain subsidiaries of the Longkloof Limited Group remain classified in disposal groups held for sale following a decision made previously by the Longkloof board of directors to dispose of the Group's interest in Power Entertainment Limited (a wholly-owned subsidiary), Media Film Services Incorporated and its subsidiary (a wholly-owned subsidiary), Africa Media Group (a wholly-owned subsidiary) and e.tv China Limited and its subsidiary (an 80% subsidiary). Power Entertainment Limited was sold during the current year for US$600 000.

Refer to note 24 for details of operations related to the above assets and liabilities that have been classified as discontinued.

e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited classified as held for sale

e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited remain classified as disposal groups held for sale following a decision made previously by the eMedia Investments board of directors to dispose of the Group's interest in e.Botswana Proprietary Limited (a 49% subsidiary) and e.tv Botswana Proprietary Limited (an 80% subsidiary)

Refer to note 24 for details of operations related to the above assets and liabilities that have been classified as discontinued.

Lalela Music SA Proprietary Limited and Lalela Music LLC

For the current year ended 31 March 2017, a decision was made to sell the music library (intangible assets) of Lalela Music SA Proprietary Limited (a 75% subsidiary) and Lalela Music LLC (an 85% subsidiary). The sale of the music library will be followed by the deregistration of the entities and therefore all assets and liabilities have been reclassified as assets and liabilities of disposal groups in the statement of financial position.

14. DISPOSAL GROUP ASSETS/LIABILITIES HELD FOR SALE (continued)

Refer to note 24 for details of operations related to the above assets and liabilities that have been classified as discontinued.

Shibula Lodge and Spa Proprietary Limited classified as held for sale

During the year ended 31 March 2016 a decision was made by the eMedia Investments board of directors to dispose of the Group's 100% interest in Shibula Lodge and Spa Proprietary Limited. The company was sold during the current year for R5.4 million.

Refer to note 24 for details of operations related to the above assets and liabilities that have been classified as discontinued.

Sabido Properties Proprietary Limited - property

For the year ended 31 March 2017, a decision was taken to dispose of a commercial building at 73 Richefond Circle, Ridgeside, Umhlanga, Kwazulu-Natal owned by Sabido Properties Proprietary Limited.

During the previous year a decision was made by the Sabido Properties Proprietary Limited board of directors to dispose of a commercial building at 9 Summit Road, Dunkeld West, Johannesburg. The building was sold during the year for R35 million.

15. STATED CAPITAL

	GROUP AND COMPANY		GROUP AND COMPANY	
	2017	2016	2017	2016
	Number of shares		R000's	R000's
Authorised				
Ordinary shares of R0 each (2016: R0 each)	**70 000 000**	70 000 000	-	-
Each ordinary share has the right to 100 votes at general meetings				
N-ordinary shares of R0 each (2016: R0 each)	**1 055 000 000**	1 055 000 000	-	-
Each N ordinary share has the right to one vote at general meetings				
Issued stated capital				
Ordinary shares	**63 810 244**	63 810 244	**333 591**	333 591
Balance at the beginning of the year	**63 810 244**	63 810 198	**333 591**	333 591
Effect of share consolidation	**-**	46	**-**	-
N-ordinary shares	**381 927 359**	381 927 359	**6 429 206**	6 429 206
Balance at the beginning of the year	**381 927 359**	368 010 977	**6 429 206**	6 331 792
Effect of share consolidation	**-**	4	**-**	-
Issued during the year	**-**	13 916 378	**-**	97 414
	445 737 603	445 737 603	**6 762 797**	6 762 797

Unissued shares are under the control of the directors until the next annual general meeting.

Issue and repurchase of shares

During the previous year 13 916 378 N-ordinary shares at R7.00 per share, fairly valued to R97.4 million were issued to certain employees of the Group. The issuing of the N-ordinary shares were in exchange for eMedia Investments Proprietary Limited shares previously held by the employees.

Diluted weighted average number of shares

There is no difference between the weighted average number of shares and the diluted weighted average number of shares.

16. TREASURY SHARES

	GROUP AND COMPANY			
	2017	2016	**2017**	2016
	R000's	R000's	**000's**	000's
eMedia Holdings Limited (The Company)				
Ordinary shares				
Balance at the beginning and the end of the year	**-**	-	-	-
Balance at the end of the year	**-**	-	-	-
N-Ordinary shares				
Balance at the beginning and the end of the year	**-**	-	-	-
Repurchase	**7 221**	-	**1 140**	-
Balance at the end of the year	**7 221**	-	**1 140**	-
Total at the end of the year	**7 221**	-	**1 140**	-

During the year 1 140 494 N-ordinary shares were repurchased at a total value of R7.2 million. The repurchase of the N-ordinary shares were from certain employees of the Group that resigned.

17. BORROWINGS

	GROUP 2017 R000's	GROUP 2016 R000's
Bank borrowings	**432 024**	613 878
Instalment sale and finance lease agreements	**22 180**	13 662
Foreign exchange contracts	**18 789**	-
Other borrowings	**202 171**	198 456
Carrying value of borrowings	**675 164**	825 996
Current portion of borrowings	**(342 537)**	(385 352)
Non-current portion of borrowings	**332 627**	440 644
Secured borrowings		
Bank borrowings	**432 024**	578 841
Instalment sale and finance lease agreements	**22 180**	13 662
	454 204	592 503
Unsecured borrowings		
Bank borrowings	**-**	35 037
Foreign exchange contracts	**18 789**	-
Other borrowings	**202 171**	198 456
	220 960	233 493
Carrying value of borrowings	**675 164**	825 996

Secured bank borrowings bearing interest at various rates include prime overdraft less 1.5% (2016: prime overdraft less 1.5%) and JIBAR plus 1.75% and 1.80% (2016: JIBAR plus 1.75% and 1.80%), repayable in monthly and quartely instalments. The secured bank borrowings mature until August 2020. A mortgage bond has been registered for R341 million (2016: R341 million). Instalment sale agreements at various rates include prime and prime less 0.5%, repayable in monthly instalments over the next 4 years with the last instalment due in April 2021. Secured instalment sale agreements have been secured by technical equipment with a carrying value of R18.9 million (2016: R12.8 million).

The following represents the carrying value of the security for these secured bank borrowings:

	2017 R000's	2016 R000's
Property, plant and equipment	**617 000**	655 000
Trade receivables	**256 300**	232 900
	873 300	887 900

Unsecured bank borrowings include a demand loan of Rnil (2016: R35.0 million) bearing interest at 8.65% (2016: 8%). The loan was being utilised on a short-term basis and was repaid soon after utilisation.

Unsecured other borrowings includes loans from non-controlling interest entities, in particular Venfin Media Beleggings Proprietary Limited (R156.6 million) (2016: R156.6 million) and other (R3.6 million) (2016: R1.2 million). These loans from non-controlling interest entities bears interest varying from 0% to 10.5% and have no set terms of repayment.

Also included under unsecured borrowings is a loan of R8.6 million (2016: R8.6 million) from HCI Treasury Proprietary Limited and a contingent consideration (R33.4 million) (2016: R32.1 million) relating to an additional purchase consideration payable on 30 June 2018 and 30 June 2021 (refer to note 31 for more detail).

	2017 R000's	2016 R000's
Maturity of borrowings are as follows:		
Due within 1 year	**342 537**	385 352
Due within 2 to 5 years	**332 627**	440 644
	675 164	825 996
Analysis by currency:		
South African Rand	**675 164**	825 996

17. BORROWINGS (continued)

	COMPANY 2017 R000's	COMPANY 2016 R000's
Current portion of borrowings		
Loan from HCI Treasury Proprietary Limited	**8 603**	8 603
Loan from eMedia Investments Proprietary Limited	**13 079**	-
	21 682	8 603

These loans bear interest at 0% and have no set terms of repayment.

As at 31 March 2017, the fair value of non-current borrowings approximates their carrying amount as market related rates have been applied to discount the instruments. The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

Breach of loan covenant and waiver thereof

e.tv Proprietary Limited ("e.tv"), a major subsidiary of the Group has a secured bank term loan with a carrying amount of R128m (2016: R198m). These loans are repayable in quarterly instalments with the last instalment due in May 2019.

The term loans contain two covenants that are required to be satisfied at the end of each measurement period ended September and March each year. The covenants state that for the 12 month rolling period ending on each measurement date, the following conditions must be met:-

- e.tv's debt:EBITDA ratio in respect of each measurement period shall be less than 2.0 (two) times; and
- e.tv's debt service cover ratio ("DSCR") in respect of each measurement period shall be greater than 1.4 (one point four) times.

As defined in the loan agreement, debt means all non-subordinated interest bearing debt, including and without limitation general banking facilities and instalment sale agreements. EBITDA means consolidated earnings before interest, tax, depreciation, amortisation and other non-cash item. Debt service cover ratio means the ratio between free cash flow and the debt service obligation. Free cash flow means EBITDA plus/less changes in working capital, less capital expenditure paid, less taxation paid or plus tax credits. Lastly, the debt service obligation means the aggregate of all amounts (whether in respect of principal, interest or otherwise) which become payable in respect of the relevant measurement period on account of e.tv's financial indebtedness.

If a breach occurs, the term loans may become repayable on demand should a formal waiver of the breach not be granted by the lenders.

e.tv satisfied the debt:EBITDA ratio covenant at both measurement dates during the period. The company was however in breach of the DSCR covenant at both measurement dates. At year end the bank indicated that the breach would be waived. Accordingly the term loans were not recalled or repayable on demand at 31 March 2017.

The arrangement involved a guarantee signed by e.sat tv Proprietary Limited, whereby e.sat tv Proprietary Limited supports the loan in the event that the company is unable to settle it when it becomes due and payable.

18. TRADE AND OTHER PAYABLES

	GROUP 2017 R000's	GROUP 2016 R000's	COMPANY 2017 R000's	COMPANY 2016 R000's
Trade payables	**639 986**	383 106	**-**	-
Operating lease liabilities	**-**	1 915	**-**	-
Accruals and other current liabilities	**153 771**	157 112	**-**	4 158
	793 757	542 133	**-**	4 158

Fair value of trade and other payables

The carrying value approximates fair value because of the short period to settlement of these obligations.

18. TRADE AND OTHER PAYABLES (continued)

	GROUP	
	2017 R000's	2016 R000's
Accruals and other current liabilities		
Included under accruals and other current liabilities are:		
Amounts received in advance	**48 593**	21 904
Value Added Taxation	**18 040**	24 125
Provisions, employee cost - leave pay	**28 619**	30 160
Additions amounted to R8.2 million (2016: R7.7 million) and amounts utilised amounted to R9.8 million (2016: R9.5 million).		
Provisions, other cost	**9 612**	9 160
Additions amounted to R8.1 million (2016: R9.9 million) and amounts utilised amounted to R7.7 million (2016: R8.0 million).		
Other payables not specified above	**48 907**	71 763
	153 771	157 112

	GROUP	
	2017 R000's	2016 R000's
Provisions		
Employee cost - leave pay	**28 619**	30 160
This provision is raised in respect of accumulated annual leave days accrued to employees as the Group has a present legal obligation as a result of past services provided by the employees. The timing of the settlement is uncertain given the nature of the provision.		
Other cost - bonus provision	**6 986**	5 649
This provision is recognised when the Group has a present legal or constructive obligation as a result of past services provided by the employees. The timing and extent of claims settled remain uncertain until settlement occurs.		
Other cost	**2 626**	3 511
This provision for other cost relates mainly to an amount recognised based on a judgement by the Supreme Court of Appeal regarding royalties payable by radio broadcasters to the South African Music Performance Rights Association (SAMPRA). The judgement indicated that royalties of 3% of revenue should be paid in relation to performance royalties. The timing of the settlement is uncertain due to the silence of the judgement on the effective date of the royalty becoming an obligation.		
The carrying amounts of the group's trade and other payables are denominated in the following currencies:		
South African Rand	**339 119**	229 799
US dollar	**451 713**	297 810
Euros	**1 996**	2 560
British Pound	**929**	11 964
	793 757	542 133

19. REVENUE

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	R000's	R000's	**R000's**	R000's
Media and broadcasting revenue	**2 582 733**	2 416 156	-	-
Dividend in specie	**-**	-	-	5 236 486
	2 582 733	2 416 156	-	5 236 486

20. EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION

The following items have been taken into account in arriving at earnings before interest, taxation, depreciation and amortisation:

	GROUP					
	Continuing operations		Discontinued operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	R000's	R000's	**R000's**	R000's	**R000's**	R000's
Income						
Gain on revaluation of share-based liability	**-**	36 650	**-**	**-**	**-**	36 650
Gain on share-based liability forfeited	**-**	51 774	**-**	**-**	**-**	51 774
Gain on disposal of property and equipment	**4 420**	6 087	**-**	**-**	**4 420**	6 087
Forex exchange gain	**30 686**	-	**-**	**-**	**30 686**	-
Expenditure						
Staff costs included in administrative and other expenses	**322 197**	295 969	**5 058**	10 248	**327 255**	306 217
Operating lease charges - premises	**25 154**	32 409	**595**	614	**25 749**	33 023
Operating lease charges - equipment and vehicles	**1 367**	1 407	**61**	31	**1 428**	1 438
Consulting fees	**12 084**	6 462	**22**	28	**12 106**	6 490
Forex exchange loss	**-**	38 356	**4 397**	-	**4 397**	38 356
Repairs and maintenance	**34 965**	29 726	**524**	-	**35 489**	29 726
Research and development costs	**5 770**	3 588	**-**	-	**5 770**	3 588

21. DEPRECIATION, AMORTISATION AND IMPAIRMENTS

	GROUP					
	Continuing operations		Discontinuing operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	R000's	R000's	**R000's**	R000's	**R000's**	R000's
Recognised in profit or loss						
Depreciation	**130 631**	120 134	**241**	1 183	**130 872**	121 317
Amortisation of intangible assets	**74 927**	84 243	**1 778**	7 090	**76 705**	91 333
Amortisation of programming rights	**542 125**	460 051	**-**	-	**542 125**	460 051
Impairment of goodwill	**-**	7 738	**-**	-	**-**	7 738
Impairment of property and equipment	**-**	1 561	**-**	8 249	**-**	9 810
Impairment of intangible assets	**7 390**	-	**-**	148 569	**7 390**	148 569
Impairment of investment in associates	**23 156**	-		-	**23 156**	-
Impairment of other financial assets	**2 583**	50 321	**-**	-	**2 583**	50 321
Write-off of intangible assets	**5 856**	-	**-**	-	**5 856**	-
Write-off of financial assets	**20 309**	-	**-**	-	**20 309**	-
	806 977	724 048	**2 019**	165 091	**808 996**	889 139
Amortisation included in cost of sales						
- Intangible assets	**(34 789)**	(3 596)	**-**	(7 090)	**(34 789)**	(10 686)
- Programming rights	**(542 125)**	(460 051)	**-**	-	**(542 125)**	(460 051)
Impairment of intangible assets included in cost of sales	**(7 390)**	-	**-**	-	**(7 390)**	-
Write-off of intangible assets included in cost of sales	**(5 856)**	-	**-**	-	**(5 856)**	-
	216 817	260 401	**2 019**	158 001	**218 836**	418 402
Company: Impairments - interest in subsidiaries					**-**	5 861 604

22. FINANCE INCOME AND EXPENSE

	GROUP					
	Continuing operations		Discontinuing operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	R000's	R000's	**R000's**	R000's	**R000's**	R000's
Recognised in profit or loss						
Finance income						
Interest received from financial institutions	**8 383**	7 906	**-**	-	**8 383**	7 906
Other interest received	**2 533**	434	**1**	6	**2 534**	440
	10 916	8 340	**1**	6	**10 917**	8 346
Finance expense						
Interest paid to financial institutions	**52 439**	50 863	**-**	-	**52 439**	50 863
Tax authorities	**5 877**	-	**-**	-	**5 877**	-
Other interest paid	**6 232**	73	**-**	-	**6 232**	73
	64 548	50 936	**-**	-	**64 548**	50 936

23. TAXATION

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	R000's	R000's	**R000's**	R000's
South African taxes				
Current tax	**118 852**	106 830	**-**	-
Prior year underprovision	**1 920**	-	**-**	-
Deferred taxation	**(33 250)**	61 805	**-**	-
	87 522	168 635	**-**	-
Reconciliation of tax rate	**%**	%	**%**	%
Normal tax rate	**28,0**	28,0	**(28,0)**	(28,0)
Prior year	**0,9**	-	**-**	-
Deferred tax not raised on losses	**2,3**	6,2	**-**	-
Exempt income	**-**	-	**-**	(233,2)
Impairments not deductible	**5,9**	7,4	**-**	261,0
Other non-deductible items	**3,1**	5,2	**28,0**	0,2
Income not subject to income tax	**-**	(11,0)	**-**	-
Differential tax rates - CGT and foreign	**0,4**	(1,2)	**-**	-
Change in CGT rate	**-**	40,1	**-**	-
Effective rate	**40,6**	74,7	**-**	-

Various subsidiaries have incurred operating losses which result in losses for tax purposes. Deferred tax assets have not been raised unless it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Losses for tax purposes available for set off against future taxable income and for which deferred tax assets have not been raised are estimated at R308 million (2016: R305 million) resulting in a tax relief of R86 million (2016: R85 million) at current tax rates of 28% (2016: 28%).

There is a disagreement between the South African Revenue Services and e.tv Proprietary Limited as to the timing of the deductibility of the cost of the feature films included in international programming rights which is considered to be a KAM.

We have consulted tax specialists and the matter is waiting for a date to be set down in the Tax Court.

24. DISCONTINUED OPERATIONS

	GROUP 2017 R000's	GROUP 2016 R000's
Profit/(loss) from discontinued operations, net of taxation	32 561	(146 021)
Longkloof Limited group entities classified as held for sale		

During the previous year a decision was made by the Longkloof Limited board of directors to dispose of the Group's interest in Power Entertainment Limited and its subsidiaries (a wholly-owned subsidiary), Media Film Services Incorporated and its subsidiary (a wholly-owned subsidiary), Africa Media Group (a wholly-owned subsidiary) and e.tv China Limited and its subsidiary (an 80% subsidiary). The results of these operations were therefore classified as discontinued operations for the Group. Power Entertainment Limited was sold during the current year and the rest of the entities previoulsy reclassified as remain classified in discontinued operations in the statement of comprehensive income for the year ended 31 March 2017. Exit and sale strategies are being finalised for these entities classified as discontinued operations.

Profit/(loss) *from discontinued operations relating to the Longkloof Limited disposal group are as follows:*

	2017 R000's	2016 R000's
Revenue	3 304	26 735
Operating and other costs	(8 310)	(30 089)
Profit on sale of subsidiary	38 658	-
Impairment of intangible assets	-	(148 569)
Impairment of property, plant and equipment	-	(135)
Share of profit in equity-accounted investees	-	15 433
Profit/(loss) before taxation	33 652	(136 625)
Taxation	-	5 437
Profit/(loss) for the year from discontinued operations	33 652	(131 188)
Attributable to equity holders of the parent	33 652	(129 850)
Attributable to non-controlling interest	-	(1 338)
Profit/(loss) for the year from discontinued operations	33 652	(131 188)

	GROUP Power Entertainment Limited and its subsidiaries R000's	Media Film Services Incorporated and its subsidiary R000's	e.tv China Limited and its subsidiary R000's	Total R000's
2017				
Revenue	3 304	-	-	3 304
Operating and other costs	(8 310)	-	-	(8 310)
Profit/(loss) on sale of subsidiary	44 790	-	(6 132)	38 658
Profit/(loss) before taxation	39 784	-	(6 132)	33 652
Taxation	-	-	-	-
Profit/(loss) for the year from discontinued operations	39 784	-	(6 132)	33 652
Attributable to equity holders of the parent	39 784	-	(6 132)	33 652
Attributable to non-controlling interest	-	-	-	-
Profit/(loss) for the year from discontinued operations	39 784	-	(6 132)	33 652

The Longkloof board of directors disposed its interest in Power Entertainment Limited (a subsidiary), with effect from 1 July 2016.

24. DISCONTINUED OPERATIONS (continued)

	GROUP					
	Power Entertainment Limited and its subsidiaries	Media Film Services Incorporated and its subsidiary	Africa Media Group	e.tv China Limited and its subsidiary	Setanta Sports Asia Limited	Total
	R000's	R000's	R000's	R000's	R000's	R000's
2016						
Revenue	23 351	867	-	2 518	-	26 735
Operating and other costs	(23 564)	3 231	(2 779)	(6 976)	-	(30 089)
Impairment of intangible assets	(148 569)	-	-	-	-	(148 569)
Impairment of property, plant and equipment	-	(135)	-	-	-	(135)
Share of profit in equity-accounted investees	-	-	-	-	15 433	15 433
(Loss)/profit before taxation	(148 783)	3 963	(2 779)	(4 459)	15 433	(136 625)
Taxation	5 588	-	(151)	-	-	5 437
(Loss)/profit for the year from discontinued operations	(143 195)	3 963	(2 931)	(4 459)	15 433	(131 188)
Attributable to equity holders of the parent	(143 195)	3 963	(2 931)	(3 121)	15 433	(129 850)
Attributable to non-controlling interest	-	-	-	(1 338)	-	(1 338)
(Loss)/profit for the year from discontinued operations	(143 195)	3 963	(2 931)	(4 459)	15 433	(131 188)

The Longkloof board of directors disposed of its interest in Setanta Sports Asia Limited (an associate), effective 30 June 2015. A profit on disposal of R13.5 million was realised and is included under profit in equity-accounted investees above.

Refer to note 14 for details of assets and liabilities relating to the above discontinued operations that have been classified as held for sale.

24. DISCONTINUED OPERATIONS (continued)

e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited classified as held for sale

During the previous year a decision was made by the eMedia Investments Proprietary Limited board of directors to dispose of the Group's interest in e.Botswana Proprietary Limited (a 49% subsidiary) and e.tv Botswana Proprietary Limited (an 80% subsidiary). The results of these operations have therefore been classified as discontinued operations for the Group. These entities remain classified in discontinued operations in the statement of comprehensive income for the year ended 31 March 2017. Exit and sale strategies are being finalised for these entities classified as discontinued operations

Losses from discontinued operations relating to e.Botswana Proprietary Limited are as follows:

	GROUP	
	2017	2016
	R000's	R000's
Revenue	**4 409**	4 790
Operating and other costs	**(4 421)**	(5 344)
Loss before taxation	**(12)**	(554)
Taxation	**-**	-
Loss for the year from discontinued operations	**(12)**	(554)

Refer to note 14 for details of assets and liabilities relating to the above discontinued operations that have been classified as held for sale.

Learnthings Africa Proprietary Limited, Afrikaans Satelliet Televisie Proprietary Limited and Shibula Lodge and Spa Proprietary Limited classified as held for sale

During the previous year a decision was made by the eMedia Investments Proprietary Limited board of directors to dispose of the Group's interest in Learnthings Africa Proprietary Limited (a 100% subsidiary), Afrikaans Satelliet Televisie Proprietary Limited (a 80% subsidiary) and Shibula Lodge and Spa Proprietary Limited (a 100% subsidiary). Shibula Lodge and Spa Proprietary Limited was sold, effective 13 July 2016. Learnthings Africa Proprietary Limited was sold during the previous year, effective 31 March 2016 and Afrikaans Satelliet Televisie Proprietary Limited was sold during the previous year, effective 1 November 2015. The results of these operations have therefore been classified as discontinued operations for the Group.

24. DISCONTINUED OPERATIONS (continued)

Losses from discontinued operations relating to Learnthings Africa Proprietary Limited, Afrikaans Satelliet Televisie Proprietary Limited and Shibula Lodge and Spa Proprietary Limited are as follows:

	GROUP	
	2017	2016
	R000's	R000's
Revenue	**363**	10 065
Operating and other costs	**(1 343)**	(12 419)
Profit/(loss) on sale of subsidiaries	**28**	(1 717)
Loss in associate company	**-**	(1 224)
Impairment of property, plant and equipment	**-**	(7 449)
Loss before taxation	**(952)**	(12 744)
Taxation	**-**	(329)
Loss for the year from discontinued operations	**(952)**	(13 073)
Attributable to equity holders of the company	**(952)**	(12 503)
Attributable to non-controlling interest	**-**	(570)
Loss for the year from discontinued operations	**(952)**	(13 073)

TVPC Media Proprietary Limited classified as discontinued operations

During the current year ended 31 March 2017 a decision was made by the eMedia Investments Proprietary Limited board of directors to dispose of the Group's interest in TVPC Media Proprietary Limited (a 70% subsidiary). The results of these operations have therefore been classified as discontinued operations for the Group. TVPC Media Proprietary Limited was sold, effective 1 July 2016.

24. DISCONTINUED OPERATIONS (continued)

Losses from discontinued operations relating to TVPC Media Proprietary Limited are as follows:

	GROUP	
	2017	2016
	R000's	R000's
Revenue	**749**	4 499
Operating and other costs	**(409)**	(7 705)
Loss on sale of subsidiaries	**(3 464)**	-
Loss before taxation	**(3 124)**	(3 206)
Taxation	**-**	-
Loss for the year from discontinued operations	**(3 124)**	(3 206)
Attributable to equity holders of the company	**(3 260)**	(1 924)
Attributable to non-controlling interest	**136**	(1 282)
Loss for the year from discontinued operations	**(3 124)**	(3 206)

Lalela Music SA Proprietary Limited and Lalela Music LLC classified as held for sale

During the current year ended 31 March 2017 a decision was made by the eMedia Investments Proprietary Limited board of directors to dispose of the music library (intangible assets) of Lalela Music SA Proprietary Limited (a 75% subsidiary) and Lalela Music LLC (an 85% subsidiary). The sale of the music library will result in the deregistration of the entities and therefore these operations have been classified in discontinued operations in the statement of comprehensive income.

Profit from discontinued operations relating to Lalela Music SA Proprietary Limited and Lalela Music LLC are as follows:

	GROUP	
	2017	2016
	R000's	R000's
Revenue	**13 082**	10 660
Operating and other costs	**(8 650)**	(7 585)
Profit before taxation	**4 432**	3 075
Taxation	**(1 435)**	(1 075)
Profit for the year from discontinued operations	**2 997**	2 000
Attributable to equity holders of the company	**2 365**	1 566
Attributable to non-controlling interest	**632**	434
Profit for the year from discontinued operations	**2 997**	2 000
Aggregated cash inflow / (outflow) for disposal groups and discontinued operations		
Cash flows (used in) from operating activities	**(31 818)**	17 246
Cash flows from investing activities	**36 928**	42 930
	5 110	60 176

25. EARNINGS, DILUTED AND HEADLINE EARNINGS PER SHARE

	GROUP	
	Gross R000's	Net R000's
For the year ended 31 March 2017		
Earnings attributable to equity owners of the parent		**104 760**
IAS 16 gains on disposal of plant and equipment	**(2 995)**	**(2 156)**
IAS 21 foreign currency translation reserve reclassified to profit or loss	**(44 030)**	**(44 030)**
IAS 36 impairment of other assets	**15 674**	**15 674**
IAS 38 impairment of intangible assets	**5 002**	**3 602**
IFRS 10 loss on the loss of control of a subsidiary	**20 189**	**20 189**
		98 039
For the year ended 31 March 2016		
Loss attributable to equity owners of the parent		(63 592)
AS 16 gains on disposal of plant and equipment	(4 120)	(5 274)
IAS 16 impairment of plant and equipment	6 640	5 152
IAS 21 foreign currency translation reserve reclassified to profit or loss	(7 851)	(10 050)
IAS 28 gain on disposal of associates	(2 730)	(2 730)
IAS 36 impairment of other assets	1 458	1 730
IAS 38 impairment of intangible assets	100 563	100 563
IFRS 3 impairment of goodwill	5 238	5 238
IFRS 10 loss on the loss of control of a subsidiary	1 162	1 162
		32 199

	GROUP	
	2017 R000's	2016 R000's
Basic earnings (R'000)		
Earnings/(loss)	**104 760**	(63 593)
Continuing operations	**72 969**	35 245
Discontinued operations	**31 791**	(98 837)
Headline earnings	**98 039**	32 198
Continuing operations	**90 089**	37 759
Discontinued operations	**7 950**	(5 560)
Basic earnings per share (cents)		
Earnings/(loss)	**23,52**	(14,47)
Continuing operations	**16,38**	8,02
Discontinued operations	**7,14**	(22,49)
Headline earnings	**22,01**	7,34
Continuing operations	**20,23**	8,59
Discontinued operations	**1,78**	(1,26)
Weighted average number of shares in issue - 31 March ('000)	**445 359**	439 408
Issued shares as at 1 April ('000)	**445 738**	431 821
Effect of shares issued ('000)	**-**	7 587
Effect of own shares held ('000)	**(379)**	-
Net number of shares in issue - 31 March ('000)	**444 597**	445 738
Number of shares in issue - 31 March ('000)	**445 738**	445 738
Number of treasury shares in issue - 31 March ('000)	**(1 140)**	-

Prior year restated for discontinued operations

Issue and repurchase of shares

During the previous year ended 31 March 2016 13 916 378 N-ordinary shares at R7.00 per share, fairly valued to R97.4 million were issued to certain employees of the Group. Refere to note 15 for more detail on the issue of shares.

26. DIRECTORS' EMOLUMENTS

	Salary R000's	Bonus R000's	Retirement and medical contributions R000's	Share options R000's	Directors' fees R000's	Other R000's	Total R000's
For the year ended 31 March 2017							
Executive directors *							
T G Govender	3 380	1 690	-	1 640	-	585	7 295
A S Lee	2 356	1 552	194	-	-	-	4 102
Non-executive directors							
J Copelyn (Chairman)	6 493	4 870	-	3 803	-	833	15 999
E V Mphande	-	-	-	-	804	-	804
R Watson	-	-	-	-	657	-	657
L Govender	-	-	-	-	238	-	238
Prescribed officers							
M Rosin (Chief Operating Officer)	3 569	2 351	278	-	-	-	6 198
K Sherrif (Chief Commercial Officer)	3 569	2 351	278	-	-	-	6 198
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the eMedia Holdings Group	(9 873)	(6 560)	-	(5 443)	(972)	(1 418)	(23 635)
	9 494	6 254	750	-	727	-	17 225
For the year ended 31 March 2016							
Executive directors *							
T G Govender	3 183	525	-	1 500	-	607	5 815
A S Lee	2 244	187	164	-	-	-	2 595
Non-executive directors							
J Copelyn (Chairman)	6 114	2 751	-	3 488	-	877	13 230
E V Mphande	-	-	-	-	612	-	612
R Watson	-	-	-	-	610	-	610
L Govender	-	-	-	-	283	-	283
Prescribed officers							
M Rosin (Chief Operating Officer)	3 400	283	234	-	-	-	3 917
K Sherrif (Chief Commercial Officer)	3 400	283	234	-	-	-	3 917
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the eMedia Holdings Group	(9 297)	(3 276)	-	(4 988)	(1 024)	(1 484)	(20 069)
	9 044	753	632	-	481	-	10 910

* There is no distinction made in the remuneration packages of executive directors for services as directors and services for carrying on the business of the Group.

27. BUSINESS COMBINATIONS

Subsidiary name	Principle activity	Date of acquisition	Proportion of shares acquired
Waterfront Film Studios Proprietary Limited - The acquisition was facilitated through the purchase of the company's issued share capital . The subsidiary was acquired to expand the group's business in the film and television production facilities sector within which this entity operates.	Premium production company	11 July 2016	100%

Detail on principle business acquisition during the year
Acquisition of Waterfront Film Studios Proprietary Limited
During the year the group acquired and consolidated 100% of Waterfront Film Studios Proprietary Limited, effective 1 July 2016. All risks and rewards have been transferred to the Group as 100% of the issued shares was acquired. The purchase consideration of the shareholding was R7.5 million of which R3.8 million is deferred at year end.

Impact of acquisitions on the results of the Group

Subsidiary name	Revenue contributed to the Group R000's	Net profit/(loss) contributed to the Group R000's	Revenue contributed to the Group had the acquisition been effective 1 April R000's	Net profit/(loss) contributed to the Group had the acquisition been effective 1 April R000's
2017				
Waterfront Film Studios Proprietary Limited	**16 300**	**(1 700)**	**21 100**	**(6 400)**

27. BUSINESS COMBINATIONS (continued)

Identifiable assets acquired and liabilities assumed

The following table summarises the amount of the assets acquired and liabilities assumed recognised at the acquisition date:

	Waterfront Film Studios Proprietary Limited R000's
2017	
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	9 614
Other financial liability - current	(1 920)
Deferred lease liability	(1 495)
Deferred lease liability - current	(2 510)
Total identifiable net assets	3 689
Less: Non-controlling interest	-
Goodwill	3 811
Total consideration	7 500
Cash flow from investing activity	
Cash consideration transferred	(3 749)
Cash and cash equivalents in the business acquired	-
Net cash used in investing operations	(3 749)

Goodwill

The goodwill is attributable mainly to intangible assets that are either not separable or can not be valued reliably as per IFRS 3. This includes non-competition agreements, customer lists, production backlog, lease agreements, employment contracts, databases, patented/unpatented technology, computer software, service or supply contracts and service contracts.

28. LEASES

	GROUP 2017 R000's	GROUP 2016 R000's
Operating leases - as lessor (income)		
Non-cancellable operating lease rentals are receivable as follows:		
Less than one year	**13 724**	1 983
Between one and five years	**29 110**	12 629
More than five years	**87 260**	129 340
	130 094	143 952

Certain of the Group's commercial property is held to generate rental income from external parties. A lease agreement was entered into with The Federal Republic of Germany effective from 1 July 2016 with an initial lease period of 10 years and an extended period of a further 10 years, ending 30 June 2036.

Operating leases - as lessee (expense)		
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	**23 318**	-
In second to fifth year inclusive	**54 608**	-
	77 926	-

Operating lease payments represent rentals payable by various companies in the Silverline 360 Proprietary Limited Group for certain of its office spaces located in Johannesburg and Cape Town. Leases range in duration from one year to six years and lease rentals increase annually in line with each property's specific lease contract. The lease period commenced during the current year and the end date is 30 September 2021. No contingent rent is payable.

29. BORROWING FACILITIES

Available facility	**101 833**	101 856
Net utilised	**(1 810)**	(35 833)
Unutilised balance	**100 023**	66 023

As at 31 March 2017 borrowing facilities comprised a demand loan facility with Investec Bank Limited (R100 million) and a bank overdraft facility (R1.9 million).

30. COMMITMENTS

Commitments authorised by the board of directors but not yet contracted:		
Plant and equipment	**96 143**	81 648
Programming rights	**486 492**	485 800
	582 635	567 448

The committed expenditures will be financed by available bank facilities and retained profits.

The Group has a contracted commitment for its signal distribution as at 31 March 2017 amounting as follows, R93 million within one year, R207 million after one year to five years and R228 million after five years with the contract date ending on 31 July 2028. The contracted commitments will be funded from the Group's available bank facilities and retained profits.

31. CONTINGENCIES

There are no material contingencies at the date of signing this report other than the contingency liability included and reported under the borrowings note. The increase in the contingent liability is due to higher Net Profit After Tax projected compared to those projected at initial recognition.The detail of the contingent consideration is as follows:

Moonlighting Films Proprietary Limited ("Moonlighting") acquired in the previous financial year with payment to be made as follows, a contingent consideration arrangement requires the Group to pay the sellers of Moonlighting an additional purchase consideration on 30 June 2018 and 30 June 2021 for the remaining shares (49%) held by the sellers. The sellers remain entitled to dividends while they hold the remaining shares, as it is also stipulated that Moonlighting will declare all profits (subject to working capital requirements) as a dividend at the end of each financial year.

In 2018, the additional purchase price will be calculated as follows:

(Net Profi t After Tax for 2016, 2017 and 2018) plus (Lower of Net Profit After Tax for 2016, 2017 and 2018 or R5 million per annum for 2016, 2017 and 2018) x 2 x 49%"

The previous owners have agreed to a restraint of trade until 30 June 2018. If they break this restraint, the purchase price changes. If they leave prior to June 2018, then the purchase price will be actual Net Profit After Tax for any completed year plus the lower of actual Net Profit After Tax or R5 million for the years subsequent to leaving. This is subject to a penalty as follows:

- Leave during the year ended 30 June 2016 (year 1) – only 25% of the total additional purchase price will be paid;
- Leave during the year ended 30 June 2017 (year 2) – only 50% of the total additional purchase price will be paid;
- Leave during the year ended 30 June 2018 (year 3) – only 75% of the total additional purchase price will be paid;

If the sellers do break the restraint, their shares will immediately be transferred to the Group and they will lose the right to dividends. However, any purchase price that will accrue to them between 2016 and 2018 will only be paid on 30 September 2018.

In 2021, the additional purchase price will be calculated as follows:

If the sellers do not leave prior to 30 June 2021 – the purchase price is: (The sum of Net Profit After Tax for 2016, 2017, 2018, 2019, 2020 and 2021) less any payments already made by the Group.

If the sellers leave Moonlighting in 2019, 2020 or 2021, Net Profit After Tax will be calculated as the:

(Lower of actual Net Profit After Tax for 2016, 2017, 2018, 2019, 2020 and 2021) or (R5 million per annum for 2016, 2017, 2018, 2019, 2020 and 2021)

If the sellers choose to sell or are forced to sell, their shares will immediately be transferred to the Group and they will lose the right to dividends. However, any purchase price that will accrue between 2018 and 2021 will only be paid on 30 September 2021.

The Group will pay for a further 24% of the shares on 1 July 2018. The purchase price will be the higher of R5 million or (Average Net Profit After Tax for 2016, 2017 and 2018) x 6 x 24%.

The Group will pay for the remaining 25% of the shares on 1 July 2021. The purchase price will be equal to (The sum of Net Profit After Tax for 2016, 2017, 2018, 2019, 2020 and 2021) less any payments already made by the Group. If this amount exceeds R42 million, only 50% of that excess will be paid to the sellers.

The fair value of the contingent consideration arrangement was determined by using the free cash flow approach. The discount rate applied in the estimate was 16.5% (2016: 15%) and Net Profit After Tax, were in the range of R6.7 million to R10.1 million (2016: R6.7 million to R10.4 million).

32. POST-YEAR-END EVENTS

The directors are not aware of any event or circumstance occuring between the reporting date and the date of this report that materially affects the results of the Group or Company for the year ended 31 March 2017 or the financial position at that date

33. CHANGE IN COMPARATIVES

The results of discontinued operations have been separately disclosed on the face of the statement of comprehensive income. For further detail refer to note 24.

34. SHARE INCENTIVE SCHEME

	GROUP	
	2017	2016
	R000's	R000's
Share-based liability		
Liability at the beginning of the year	-	102 431
Fair value adjustment recognised through profit and loss	-	(36 650)
Forfeited	-	(65 781)
Liability at year-end (Rand)	-	-
Reconciliation of movements in options:		
Opening balance	-	828 418
Exercised during the year	-	(176 398)
Forefeited during the period	-	(652 020)
Closing balance	-	-

The share-based liability relates to an employee share option plan that existed in eMedia Investments Proprietary Limited when acquired by the Company. The employee share option plan had a portion that vested and a portion that was forefeited. The portion that vested was converted from eMedia Investments Proprietary Limited shares to N-ordinary shares of the Company during the previous year.

An expense of R11.7 million relating to these cash-settled share-based payment transactions were recognised in profit and loss by the subsidiary companies during the previous year.

35. RELATED PARTIES

During the year, in the ordinary course of business, certain companies within the group entered into transactions with one another. These intra-group transactions have been eliminated on consolidation.

Transactions with Hosken Consolidated Investments Limited ("HCI") (ultimate holding company), entities in which HCI has an interest, Remgro Limited ("Remgro") (shareholder in eMedia Investments Proprietary Limited) and Venfin Media Investments Proprietary Limited ("Venfin") (a wholly-owned subsidiary of Remgro) are included in the following table:

	2017	2016
	R000's	R000's
Income / (expense) transaction values with related parties		
HCI - management fees paid	**(15 810)**	(14 915)
HCI - internal audit service fee	**(136)**	(340)
Venfin - management fees paid	**(1 781)**	(1 689)
Interest income - interest bearing loans to employees	**128**	139
Interest income - unwinding of employee loans at 0% interest	**1 249**	1 028
Balances owing (to)/by related parties		
HCI - working capital loan	**(8 603)**	(8 603)
HCI ManagerialServices Proprietary Limited - creditor	**(1 555)**	(1 450)
Venfin - loan relating to the acquisition of Longkloof Limited	**(156 605)**	(156 605)
Cape Town Film Studios - associate loan	**101 858**	95 442
Dreamworld Management Company - associate loan	**11 666**	11 182
Employees of the Group - loans relating to company shares held by employees	**14 593**	19 205

35. RELATED PARTIES (continued)

Share swap with related parties:

During the previous year eMedia Holdings purchased all of the issued share capital in eMedia Investments Proprietary Limited ("eMedia Investments shares") held by non-controlling shareholders (Group employees) other than those issued shares held by Venfin Media Investments Proprietary Limited.

Loans to associates

Loans to associates are disclosed as equity-accounted investees on the face of the Statement of Financial Position.

	2017 R000's	2016 R000's
Remuneration key management personnel		
Key management personnel are directors and those executives having authority and responsibility for planning, directing and controlling the activities of the Group. The remuneration (all short-term benefits) paid by the Group to its key management personnel is as follows:		
Salaries and other short-term employee benefits	**17 225**	10 910

The percentage of shares held by directors of the company and their related entities at the reporting date are disclosed in the Directors' Interest in Shares report in the Intergrated Annual Report, page 28.

Company

The ultimate holding company is Hosken Consolidated Investment Limited.

Related parties: All subsidiaries qualify as related parties. All subsidiaries are listed in note 40.

36. FINANCIAL INSTRUMENTS

Financial instruments by category	GROUP 2017 R000's	2016 R000's
Financial assets		
The carrying amount of financial assets, which also represents the maximum credit exposure and reasonably approximate their fair values, are as follows:		
Loans and receivables	**705 685**	716 987
Fair value through profit or loss	**14 979**	37 656
	720 664	754 643

Reconciliation with line items presented in the statement of financial position:

	Loans and receivables R000's	Fair value through profit or loss R000's	Non-financial assets R000's	Total R000's
2017				
Equity-accounted investees	**106 930**	**-**	**96 108**	**203 038**
Long-term receivables	**14 594**	**-**	**1 862**	**16 456**
Trade and other receivables	**384 237**	**14 979**	**40 746**	**439 962**
Cash and cash equivalents	**186 204**	**-**	**-**	**186 204**
Assets of disposal groups	**13 719**	**-**	**39 899**	**53 618**
	705 685	**14 979**	**178 615**	**899 279**
2016				
Equity-accounted investees	99 783	-	131 129	230 912
Long-term receivables	19 206	-	-	19 206
Trade and other receivables	414 786	37 656	41 128	493 570
Cash and cash equivalents	120 854	-	-	120 854
Assets of disposal groups	62 359	-	56 133	118 492
	716 988	37 656	228 390	983 034

	GROUP 2017 R000's	2016 R000's
Financial liabilities		
The carrying amount of financial liabilities, which also reasonably approximates their fair values, are as follows:		
Fair value through profit or loss	**18 789**	-
Measured at amortised cost	**1 435 160**	1 361 112
	1 453 949	1 361 112

36. FINANCIAL INSTRUMENTS (continued)

Reconciliation with line items presented in the statement of financial position:

	Fair value through profit or loss R000's	Measured at amortised cost R000's	Non-financial liabilities R000's	Total R000's
2017				
Forward exchange contracts	18 789	-	-	18 789
Borrowings - non current	-	332 627	-	332 627
Borrowings - current	-	323 748	-	323 748
Trade and other payables	-	775 717	18 040	793 757
Bank overdraft	-	1 810	-	1 810
Liabilities of disposal groups	-	1 258	363	1 621
	18 789	1 435 160	18 403	1 472 352
2016				
Borrowings - non current	-	440 644	-	440 644
Borrowings - current	-	385 352	-	385 352
Trade and other payables	-	518 008	24 125	542 133
Bank overdraft	-	796	-	796
Liabilities of disposal groups	-	16 312	203	16 515
	-	1 361 112	24 328	1 385 440

Maturity profile of financial instruments
Maturity profile of financial assets and liabilities at 31 March is summarised as follows:

	Less than 1 year R000's	1 - 3 years R000's	3 - 5 years R000's	Over 5 years R000's	Total R000's
2017					
Assets					
Equity-accounted investees	-	-	-	106 930	106 930
Long-term receivables	-	14 594	-	-	14 594
Trade and other receivables	399 216	-	-	-	399 216
Cash and cash equivalents	186 204	-	-	-	186 204
Assets of disposal groups	13 719	-	-	-	13 719
Total financial assets	599 139	14 594	-	106 930	720 664
Liabilities					
Forward exchange contracts	18 789	-	-	-	18 789
Borrowings	323 748	206 409	126 218	-	656 375
Trade and other payables	775 717	-	-	-	775 717
Bank overdraft	1 810	-	-	-	1 810
Liabilities of disposal groups	1 258	-	-	-	1 258
Total financial liabilities - non-derivatives	1 121 322	206 409	126 218	-	1 453 949
Net financial (liabilities)/assets	(522 183)	(191 815)	(126 218)	106 930	(733 285)

36. FINANCIAL INSTRUMENTS (continued)

	Less than 1 year R000's	1 - 3 years R000's	3 - 5 years R000's	Over 5 years R000's	Total R000's
2016					
Assets					
Equity-accounted investees	-	-	-	99 783	99 783
Long-term receivables	-	19 205	-	-	19 205
Trade and other receivables	452 442	-	-	-	452 442
Cash and cash equivalents	120 854	-	-	-	120 854
Assets of disposal groups	62 359	-	-	-	62 359
Total financial assets	635 655	19 205	-	99 783	754 643
Liabilities					
Borrowings	385 352	270 778	169 866	-	825 996
Trade and other payables	518 008	-	-	-	518 008
Bank overdraft	796	-	-	-	796
Liabilities of disposal groups	16 312	-	-	-	16 312
Total financial liabilities - non-derivatives	920 468	270 778	169 866	-	1 361 112
Net financial (liabilities)/assets	(284 813)	(251 573)	(169 866)	99 783	(606 469)

Contractual undiscounted cash flows

	Less than 1 year R000's	1 - 3 years R000's	3 - 5 years R000's	Over 5 years R000's	Total R000's
2017					
Liabilities - contractual undiscounted cash flows					
Borrowings	**342 852**	**242 825**	**131 189**	**-**	**716 866**
Trade and other payables	**775 717**	**-**	**-**	**-**	**775 717**
Bank overdraft	**2 000**	**-**	**-**	**-**	**2 000**
Liabilities of disposal groups	**1 258**	**-**	**-**	**-**	**1 258**
Total financial liabilities - non-derivatives	**1 121 827**	**242 825**	**131 189**	**-**	**1 495 841**
2016					
Liabilities - contractual undiscounted cash flows					
Borrowings	429 004	321 526	186 458	-	936 988
Trade and other payables	518 008	-	-	-	518 008
Bank overdraft	880	-	-	-	880
Liabilities of disposal groups	16 312	-	-	-	16 312
Total financial liabilities - non-derivatives	964 204	321 526	186 458	-	1 472 188

36. FINANCIAL INSTRUMENTS (continued)

Fair value of financial instruments

The fair value of short-term financial assets and liabilities approximate their carrying values as disclosed in the statement of financial position.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than qouted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Fair value			
	Level 1	Level 2	Level 3	Total
2017	R000's	R000's	R000's	R000's
Financial assets measured at fair value				
Harlan Special Opportunities Fund LP	**-**	**14 979**	**-**	**14 979**
Financial assets not measured at fair value				
Forward exchange contracts	**-**	**18 789**	**-**	**18 789**

	Fair value			
	Level 1	Level 2	Level 3	Total
2016	R000's	R000's	R000's	R000's
Financial assets measured at fair value				
Forward exchange contracts	-	17 225	-	17 225
Harlan Special Opportunities Fund LP	-	20 431	-	20 431
	-	37 656	-	37 656
Financial liabilities measured at fair value	-	-	-	-

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and 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 financial performance of the Group.

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

Risk management framework

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

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

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

Market risk

Currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from exposure in the foreign operations due to trading transactions in currencies other than the functional currency. Foreign currency imports within the Group are managed using forward exchange contracts. Forward exchange contracts ("FECs") are not used for speculative purposes. FECs act as natural hedges and formal hedge accounting is not performed.

Refer to note 38 for detail on significant exchange rates applied during the year as well as note 13 and 18 for detail on carrying amounts exposed to foreign currency exchange risk.

Interest rate risk

The Group's primary interest rate risk arises from long-term borrowings and funds placed in the money market. It is exposed to a lesser extent to interest rate changes on loans to non-controlling interests of fellow subsidiary companies. This risk is managed by maintaining an appropriate mix of fixed and daily call placements with a reputable financial institution.

Interest rate sensitivity analysis

At year-end the Group's interest-bearing borrowings amounted to R457.8 million (2016: R628.8 million). In the main the interest rates applicable to these loans are variable. A change of 100 basis points in interest rates would increase or decrease profit or loss by R5.2 million before tax.

Refer to note 17 for detail on borrowings.

37. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

The Group has no significant concentrations of credit risk. Overall credit risk is managed at an entity level. Credit risk arises from cash and cash equivalents and credit exposure to the Group's customer base, including outstanding receivables. Trade receivables comprise a large, widespread customer base and the Group performs ongoing credit evaluations of the financial condition of its customers. The utilisation of credit limits are regularly monitored. Refer to note 13 for further credit risk analysis in respect of trade and other receivables. No material credit limits were exceeded during the year under review, and management does not expect any losses from non-performance by these counterparties.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Adequate liquidity is managed through the use of cash flow forecasts and by the maintenance of adequate borrowing facilities.

Refer to note 36 for detail on the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Defaults and breaches on loans

Refer to note 17 for breaches or defaults on covenants of bank borrowings.

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital base of the business is viewed as being the shareholder equity and non-current liabilities.

38. FOREIGN CURRENCY COMMITMENTS

	Currency	Uncovered R000's	Covered R000's	Total R000's
2017				
Foreign currency monetary items are as follows:				
Foreign receivables	**GBP**	**106**	**-**	**106**
	EUR	**437**	**-**	**437**
	USD	**11 058**	**-**	**11 058**
		11 601	**-**	**11 601**
Foreign payables				
	GBP	**929**	**-**	**929**
	EUR	**1 996**	**-**	**1 996**
	USD	**87 006**	**364 706**	**451 713**
		89 931	**364 706**	**454 638**

	Currency	Uncovered R000's	Covered R000's	Total R000's
2016				
Foreign currency monetary items are as follows:				
Foreign receivables	USD	12 768	-	12 768
		12 768	-	12 768
Foreign payables				
	GBP	11 964	-	11 964
	EUR	2 560	-	2 560
	USD	149 148	148 662	297 810
		163 672	148 662	312 334

	Average rate		Reporting date	
	2017	2016	**2017**	2016
The following significant exchange rates applied during the year:				
British Pound	**18,5882**	20,7353	**16,9741**	21,3991
Euro	**15,5769**	15,2109	**14,5110**	16,9941
United States Dollar	**14,1446**	13,7599	**13,5088**	14,8305

39. SEGMENT REPORT

The Group has one operating segment i.e. the media segment. In accordance with the applicable accounting standards (IFRS 5: Non-current Assets Held for Sale and Discontinued Operations) the non-media assets have been accounted for as 'discontinued operations' in the Statement of Comprehensive Income and the media segment as 'continuing operations'.

The chief operating decision-maker, identified as the executive member of the board considers the operations of the Group at year end as those of media only and therefore no seperate disclosure for operating segments are required.

40. INTEREST IN SUBSIDIARY COMPANIES

Name of subsidiary companies
(Incorporated in the Republic of South Africa unless otherwise stated)

	Issued capital		% Interest		Shares at book value	
	2017	2016	**2017**	2016	**2017**	2016
Direct holdings	**R**	R	**%**	%	**R**	R
HCI Invest 3 Holdco Proprietary Limited	**800 000 100**	800 000 100	**100**	100	**-**	-
eMedia Investments Proprietary Limited	**54 871 329**	54 871 329	**67,7**	67,7	**5 333 899 924**	5 333 899 924
Shares at book value					**5 333 899 924**	5 333 899 924

During the previous year, HCI Invest 3 Holdco Proprietary Limited transferred its holding in eMedia Investments Proprietary Limited to eMedia Holdings Limited as a dividend in specie amounting to R5.236 billion. In addition to the shareholding transferred, eMedia Holdings Limited issued N-ordinary shares valued at R94.4 million to non-controlling shareholders, mainly Group employees in exchange for their shares held in eMedia Investments Proprietary Limited. Further detail on the shares issued was published on SENS on 7 September 2015.

The book value of the shares held in HCI Invest 3 Holdco Proprietary Limited was fully impaired which amounted to R5.862 billion, following the transfer of the shareholding in eMedia Investments Proprietary Limited to eMedia Holdings Limited.

The below indirect holdings are all held by eMedia Investments Proprietary Limited (previously Sabido Investments Proprietary Limited). During the previous year the effective interest in subsidiary companies increased from 63.9% to 67.7%, following the above share exchange and the cancellation of 1 367 598 issued shares by eMedia Investments Proprietary Limited.

	Issued capital		% Effective interest		Shares at book value	
	2017	2016	**2017**	2016	**2017**	2016
Indirect holdings	**R**	R	**%**	%	**R**	R
e.tv Proprietary Limited	**108 373**	108 373	**67,7**	67,7	**860 487 649**	860 487 649
Yired Proprietary Limited	**1 003**	1 003	**67,7**	67,7	**1 003**	1 003
Platco Digital Proprietary Limited	**1 000**	1 000	**67,7**	67,7	**1 000**	1 000
Silverline 360 Proprietary Limited	**200**	200	**67,7**	67,7	**20 791 900**	20 791 900
e.sat tv Proprietary Limited	**100**	100	**67,7**	67,7	**100**	100
Sasani Africa Proprietary Limited	**100**	100	**67,7**	67,7	**100**	100
Sabido Properties Proprietary Limited	**2**	2	**67,7**	67,7	**2**	2
Crystal Brook Distribution Proprietary Limited	**100**	100	**67,7**	67,7	**100**	100
Longkloof Limited	**100**	100	**67,7**	67,7	**506 015 859**	506 015 859
Shares at book value					**1 387 297 713**	1 387 297 713

40. INTEREST IN SUBSIDIARY COMPANIES (continued)

	Loans at book value	
	2017	2016
	R	R
eMedia Investment Proprietary Limited	**340 553 328**	340 553 328
eMedia Investment Proprietary Limited - working capital loan	**(13 079)**	-
HCI Invest 3 Holdco Proprietary Limited	**8 603 115**	8 603 115
Amounts owing by subsidiary companies	**349 143 364**	349 156 443

Subsidiary companies (indirect holding) whose financial position or results are not material are excluded. Details of excluded subsidiaries are available from the company secretary.

The loan payable/(receivable) by eMedia Investment Proprietary Limited is interest free and has no set terms for repayment. The company regards this loan as part of the net investment in the subsidiary.

The loan owing by HCI Invest 3 Holdco Proprietary Limited was transferred to eMedia Holdings Limited as part of the dividend in specie transaction referred to above. The loan is interest free and has no set terms of repayment. Previously this loan was directly due by HCI Invest 3 Holdco Proprietary Limited to HCI Treasury Proprietary Limited and as at year end remains due by eMedia Holdings Limited to HCI Invest 3 Holdco Proprietary Limited to HCI Treasury Proprietary Limited.

Longkloof Limited is incorporated and operates in the Channel Islands and all other subsidiary companies (indirect holding) listed above are incorporated and operate in South Africa.

41. NON-CONTROLLING INTEREST

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interest.

	eMedia Invesments Proprietary Limited	
	2017	2016
	R000's	R000's
Non-controlling interest percentage	**32,31%**	32,31%
Non-current assets	**4 106 056**	4 260 811
Current assets	**1 540 798**	1 143 407
Assets of disposal groups	**53 618**	118 492
Non-current liabilities	**(877 872)**	(990 176)
Current liabilities	**(1 475 979)**	(1 270 007)
Liabilities of disposal groups	**(1 621)**	(16 515)
Net assets	**3 345 000**	3 246 012
Less non-controlling interest in eMedia Investments financials	**(15 976)**	(6 612)
Net assets attributable to the shareholders of eMedia Investments	**3 329 024**	3 239 400
Carrying amount of non-controlling interest - 32.31%	**1 075 608**	1 046 650
Add non-controlling interest in eMedia Investments financials	**15 976**	6 612
Effect of change in interest of non-controlling interest	**(65 042)**	(65 042)
Total carrying amount of non-controlling interest	**1 026 542**	988 220
Revenue	**2 582 734**	2 416 157
Profit/(loss) for the year	**194 108**	(17 568)
Other comprehensive (loss)/income for the year	**(67 247)**	31 451
Total comprehensive income	**126 861**	13 883
Profit/(loss) allocated to non-controlling interest	**55 854**	(25 222)
Other comprehensive (loss)/income allocated to non-controlling interest	**(21 729)**	11 514

CORPORATE INFORMATION

eMEDIA HOLDINGS LIMITED

The company's shares are under the Media sector of the JSE.

COMPANY REGISTRATION NUMBER

1968/011249/06 (Incorporated in the Republic of South Africa)

JSE SHARE CODES:

Ordinary Shares: EMH IZIN: ZAE000208898
N-Ordinary Shares: EMN IZIN: ZAE000209524

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T G Govender (Acting chief executive officer)
A S Lee (Financial director)
V E Mphande*^
L Govender*^
R D Watson*^

(* Non-executive ^Independent)

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Junadi Van der Merwe

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eMedia Holdings

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