eMedia Holdings

ANNUAL FINANCIAL STATEMENTS 2023

eMedia Holdings

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DIRECTORS' REPORT

for the year ended 31 March 2023

Nature of business

eMedia Holdings is a media investment holding company, incorporated in South Africa and listed on the JSE under the media sector.

Operations and business

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

State of affairs and profit for the period

eMedia's financial performance

eMedia is proud to announce a stable set of results for the financial year that ended 31 March 2023, with this year's EBITDA of R667.2 million closely matching the previous year, which was R667.1 million. The net profit for the year of R381.0 million from continuing operations is slightly behind the prior year's profit of R418.7 million (restated for discontinued operations) which is in most part due to the R16 million deferred tax asset raised last year in relation to Platco as well as an increase in marketing spend of approximately R20 million to ensure consistent audience and revenue share.

Despite difficult trading conditions in the form of 282 days of loadshedding, which has had a direct impact on TV viewing, the Group is satisfied with the financial performance achieved for the financial year. The available revenue for TV was impacted so much that it has resulted in a reduction of almost R500 million in advertising revenue to the industry.

Notwithstanding all the negative impacts to business operations in the macroeconomic environment in South Africa, the Group was able to return satisfactory results compared to the previous year and further continues with the declaration of dividends to its shareholders with a dividend of 20 cents per share at the close of the financial year.

Revenue and market share

The Group's revenue for the fiscal of R3.1 billion is only R20 million less than the previous year despite the under-pressure television advertising cake and a reduction in the eNCA licence fee received from MultiChoice. This was underscored by television advertising revenue ending on R2.1 billion and an increase of 49% (R86 million) on the property and facility income driven mainly by the recovery of Media Film Services.

The Group once again outperformed the market in terms of advertising revenue in both the television and radio market. This benefit in advertising revenues can be attributed to the Group maintaining prime time audience market share at 34.5% in March 2023 from 34.1% in March 2022, a slight increase year-on-year.

e.tv

The prime-time market share for e.tv has shown a slight decrease to 21.4% audience share. The continued loadshedding has seen a change in viewer patterns and this has seen an impact on some of the shows. Scandal (19:30 to 20:00) and House of Zwide (19:00 to 19:30) continue to have a demanding market share in their respective timeslots. e.tv, however, decided to cancel Imbewu (21:00 to 21:30) and Durban Gen (18:30 to 19:00), replacing it with Smoke & Mirrors and Nikiwe respectively which launched on 17 April 2023. The Black Door (21:30 to 22:00) will also undergo a revamp and will be relaunched as Isitha: The Enemy on 23 May 2023.

e.tv continues to face the impact of the uncertainty of the imminent analogue switch-off facing the country, but the Group is confident that the audience share will be carefully managed. At present, the Group is once again engaging with the Department of Communication in relation to the switch-off date with e.tv stating that too many ordinary South Africans will remain without TV with a hard switch-off.

Openview

There has also been an improvement in the ratings of the other six channels produced by the Group. eExtra, eMovies Extra and eReality rank in the top 15 of all satellite channels available in South Africa. A few more channels will be launched on the Openview platform in the new fiscal.

This DTH unit of the business accounted for 23.8% of the advertising revenue amounting to R501.3 million which is up from R468.7 million in the previous year. Profitability in this unit has been maintained with content costs for the fiscal being pegged at R381.0 million.

The distribution of the four Openview entertainment channels on MultiChoice, which contributed to the Group's audience and revenue share, is still under investigation by the Competition Commission after non-renewal of the channel carriage agreement. At the time of this report, the channels remain on the MultiChoice bouquet as a decision is yet to be received.

The set-top box activations for Openview for the year amounted to 513 840, taking the amount of activated set-top boxes to 3 166 461 activated at the end of the period.

Technological advancements being the focus of the business will bring in the next upgraded phase of the Openview set-top box, a smarter set-top box which will have memory facilities and Wi-Fi capability.

eSat.tv (eNCA)

The Group's news channel, eNCA, is the most watched news channel in the country among the LSM eight to 10 viewers and the second most-watched news channel in all adults, although it's not offered on all tiers of the DStv bouquet, whereas the competition is. There has been a significant change in average minute ratings (AMRs) since the pandemic and, also due to loadshedding. The Group has also relaunched the channel on 1 May 2023 with the slogan 'Question, Think, Act'.

The Group has secured a further five-year agreement with MultiChoice for the carriage of eNCA. The channel will remain exclusive to MultiChoice.

DIRECTORS' REPORT CONTINUED

eVOD

The platform is now more than 12 months old and has been well accepted in its target market. The number of registered viewers to date has been very encouraging, with the average daily minutes viewed in excess of 1 500 000. The eOriginals offering together with the Afrikaans Turkish telenovelas on eVOD is the leading audience generator on eVOD, making the Group bullish about investing a further R100 million per annum in local original content which will be amortised across the Group's platforms and channels. To date, the Group has added 73 hours of original content to its slate.

Other subsidiaries

All of the Group's subsidiaries have performed exceptionally, with Media Film Services ending the year on a net profit after tax of R45.0 million and YFM ending the year on a profit after tax of R15.9 million. The Group's investment in Cape Town Film Studios increased from 44.7% to 50% (still classified as an equity-accounted investee) during the year, and the company had another satisfactory year. During the year, the Group disposed of Moonlighting Films, Reel Pay and Searle Street Post Production.

Costs

Administrative and other costs have been well maintained although an increase of 11.9% has been revealed. This increase is mainly due to marketing activities returning to normal after the pandemic years, huge increases with regard to the consumption of diesel during loadshedding, and the adverse impact of the rand fluctuation.

Cost of sales, which mainly consists of the cost of content, in the case of e.tv, employee costs in the case of eNCA and cost of the Openview decoder sales, decreased from R1 740.7 million to R1 629.4 million. A significant portion of the decrease can be attributed to the closing of the news and sports channels on Openview as well as retrenchments due to efficiencies at eNCA.

Profitability

The only asset of the Group is a 67.69% interest in eMedia Investments, the company that owns e.tv, eNCA, Openview and eVOD, among other businesses.

eMedia Investments ended the year with a net profit of R404.7 million, which is inclusive of the loss of R3.4 million relating to discontinued operations, made up of losses from operations that the Group has considered non-essential and has exited in the current financial year.

The above profit should be viewed in light of the continued loadshedding and the impact this has had on the advertising cake, foreign exchange rate and the impact of diesel usage on the business.

Earnings before interest, taxation, depreciation and amortisation for the Group ended at R667.2 million compared to R667.1 million in the prior year.

Material risk and opportunity

Principal risk landscape	Specific risks the Group is exposed to	Potential impact	Risk responses/mitigation
Macroeconomic environment	→ Analogue switch-off → MultiChoice exit → Weakening of the rand → International geopolitics impact the economy	→ Lower revenue, growth and profitability → Increased programming and operating costs	→ Revised strategic priorities → Increased focus on cost savings → Targeted marketing and promotions
Regulatory change and compliance	→ Increased complexity of compliance, eg POPIA, CPA and FICA → Changing B-BBEE requirements → Adverse change in broadcast and/or licensing requirements	→ Lower revenue, growth and profitability → Increased programming and operating costs	→ Comprehensive B-BBEE programme → Actively participate with law-makers through formal structures
Operational	→ Technology and social trends → Increased competitivity, especially in lower LSM market → Unreliable electricity supply/ loadshedding → Outdated infrastructure	→ Lower revenue, growth and profitability → Increased programming and operating costs → Broadcasting difficulties – reduced market share	→ Market research to timeously spot trends → Revise strategic priorities → Investment in facility and back-up upgrades → Maintain investment in local and international programming to retain audiences and attract advertising → Effective monitoring of competition
Human resources	→ Lifestyle diseases, including hypertension and diabetes → Limited pool of qualified, trained and talented employees → Changes in labour legislation	→ Broadcasting difficulties – reduced market share, reduced profitability and reputational impacts	→ Maintain a healthy work environment → Fast-track and develop talented employees → Retention of employees through appropriate remuneration structures → Performance-driven culture
Cyber, IT and information management	→ Cybersecurity, malware, hacking, social engineering → POPI → Social media risk → Technology change management	→ Reputational risk → Lower revenue, increased costs and profitability → Increased risk of compliance	→ Continuous monitoring of IT security and infrastructure → Increased IT auditing and assurance

Dividends

A dividend of 20 cents per share was declared by the Group on 25 May 2023 (2022: 25 cents per share).

Share capital

As at 31 March 2023, no changes to stated capital occurred.

Directorate

The Directors of the company appear on pages 2 and 3 in the Notice of Annual General Meeting. There were no changes to the directorate during the year. The Board has adopted and approved a Board Diversity Policy. Aspects of diversity encompassed in the policy, include, but are not limited to, making good use of differences in skills, industry experience, age, race, gender and other distinctions between members of the Board.

→ **Gender diversity**
  – The Board has adopted a policy on gender diversity at Board level and agreed on voluntary targets. The Board is currently represented by 13% female members, all of who are women from previously disadvantaged backgrounds. The Group remains committed to achieve their target of 25%

→ **Race diversity**
  – The Board has adopted a policy on race diversity at Board level. The voluntary target was set at a majority of members being people from previously disadvantaged backgrounds. 87.5% of the members of the Board are people from previously disadvantaged backgrounds

Company secretary

The secretary of the company for the year ended 31 March 2023 is HCI Managerial Services Proprietary Limited. The secretary has an arm's length relationship with the Board. The name, business and postal address of the company secretary are set out on the inside back cover of this Notice of Annual General Meeting.

Auditor

BDO South Africa Incorporated will continue in office in accordance with section 90 of the South African Companies Act, with Kathryn Luck as the designated auditor.

Significant shareholders

The company's significant ordinary shareholder is Fulela Trade and Invest 81 Proprietary Limited and significant N-ordinary shareholder is Hosken Consolidated Investments Limited.

DIRECTORS' REPORT CONTINUED

Special resolutions

The following special resolutions were passed by the company's shareholders at the Annual General Meeting held on 29 August 2022:

- Granting the Directors, subject to the provisions of the Listings Requirements of the JSE, authority to allot and issue a portion of the authorised but unissued shares, as the Directors at their discretion think fit
- 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 September 2022 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 for the acquisition by the company, or a subsidiary of the company, of ordinary issued shares issued by the company
- Granting the company and the subsidiaries general authorisation of financial assistance in terms of section 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.

Shareholding of Directors

The shareholding of the 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 2023 are set out in the remuneration report, which forms part of the integrated annual report.

Directors' emoluments

Directors' emoluments incurred by the company and its subsidiaries for the year ended 31 March 2023 are set out in the remuneration report in the integrated annual report and in the notes to the annual financial statements.

Associates, joint ventures and subsidiaries

Details of the company's subsidiaries are set out in the annual financial statements available on the company's website at www.emediaholdings.co.za (page 34 and 69).

Borrowing powers

There are no limits placed on borrowing in terms of the 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

eMedia has referred its complaint against MultiChoice (in relation to the distribution of the four Openview entertainment channels on the DStv platform) to the Competition Tribunal in terms of section 51(1) of the Competition Act for consideration. At the time of this report, the outcome of the referral remains unknown and the channels remain on the DStv platform. Other than the matter mentioned above, there are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the Directors of eMedia are aware) that may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of eMedia Holdings.

No change statement

There has been no material change in the financial or trading position of the eMedia Holdings Group since the publication of its reviewed summarised consolidated annual results released on 25 May 2023 for the year ended 31 March 2023.

Subsequent events

There were no significant events subsequent to this reporting date that would require adjustment to the financial results as currently reported.

Approval of annual financial statements

The Directors of eMedia Holdings are responsible for the preparation, integrity and fair presentation of the financial statements of the company and the Group and for other information contained in this integrated annual report.

The audited financial statements set out on pages 14 to 71 and the annual financial statements for the year ended 31 March 2023 is available on the company's website at www.emediaholdings.co.za, have been prepared in accordance with IFRS and include amounts based on prudent judgements and estimates by management.

The Directors are satisfied that the information contained in the consolidated and separate financial statements fairly represents the results of operations for the year and the financial position of the Group at year-end. The accuracy of the other information included in this report was considered by the Directors and they are satisfied that it accords with the consolidated financial statements.

The Directors are also responsible for the Group's system of internal financial controls. The system was developed to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements, the safeguarding of assets, and to prevent and detect misrepresentation and losses.

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 for at least 12 months after year-end 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, BDO South Africa Incorporated, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board. The report of the independent auditor is presented on page 10.

The Directors believe that all representations made to the independent auditor during the audit were valid and appropriate.

Each of the Directors, whose names are stated below, hereby confirm that:

(a) The annual financial statements set out on pages 14 to 71, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS

(b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading

(c) Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer

(d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls

(e) Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies

(f) We are not aware of any fraud involving Directors

The annual financial statements for the year ended 31 March 2023 were approved by the Board on 26 July 2023 and are signed on its behalf by:

MKI Sherrif	AS Lee
MKI Sherrif Chief Executive Officer	**AS Lee** Financial Director

26 July 2023

DECLARATION BY THE COMPANY SECRETARY

We certify that eMedia Holdings has lodged with the Registrar of Companies, for the financial year ended 31 March 2023, 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.

HCI Managerial Services Proprietary Limited

HCI Managerial Services Proprietary Limited company secretary

REPORT OF THE AUDIT AND RISK COMMITTEE

Role and mandate

Functions 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, 71 of 2008, as amended (the Companies 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 fulfils an independent oversight role regarding the Group's financial statements and the reporting process, including overseeing and evaluating appropriate financial reporting procedures applicable to the Group and all the entities within the Group together with 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 IV™ 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 and Risk Committee, including as set out by section 94 of the Companies 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 Companies Act and accordingly nominates BDO South Africa Incorporated to continue in office as the independent auditor and noted the appointment of Mrs KA Luck as the designated auditor for 2023. The committee has recommended the reappointment of Mrs KA Luck as the designated registered auditor for the 2024 financial year
- Approved the audit fees and engagement terms of the external auditor
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditor
- The committee has satisfied itself that BDO South Africa Incorporated, the external auditor, and Mrs KA Luck, the designated auditor, are independent of the company and of the Group

The Audit and Risk Committee has reviewed sections 3, 8, 13, 15 and 22 and Schedule 8 of the JSE Listings Requirements and, based on the amended requirements of the JSE accreditation of auditors, effective 15 October 2017, confirms that:

- The audit firm has met all the criteria stipulated in the requirements, including that the audit regulator has completed a firm-wide independent quality control (ISQC 1) inspection on the audit firm during its previous inspection cycle
- The auditors have provided to the Audit and Risk Committee, the required IRBA inspection decision letters, findings report and proposed remedial action to address the findings, both at the audit firm and the individual auditor level
- Both the audit firm and the individual auditor understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities
- Expertise and experience of the Financial Director and finance function
- During the period under review, the committee considered the expertise and experience of the Financial Director, Antonio Lee CA(SA), and is satisfied that, in terms of section 3.84(h) of the JSE Listings Requirements, the Financial Director has the appropriate skills, expertise and experience to meet the responsibilities of the position. The committee has also, in terms of King IV™, assessed the expertise of the finance function and the committee is satisfied that the finance team has the required and adequate skills to perform their duties

Internal audit

- The Group has appointed GRiPP Advisory Proprietary Limited to perform the internal audit function
- Where appropriate, subsidiaries and/or departments are assessed, with quarterly 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

REPORT OF THE AUDIT AND RISK COMMITTEE CONTINUED

- The Financial Director, Antonio Lee CA(SA), oversees risk management 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's (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 and Risk 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 and Risk Committee. eMedia Holdings finds it imperative to ensure that risk management becomes inducted into daily activities which lead to a sustainable risk-aware culture

Recommendation of the annual financial statements

The committee has evaluated the annual financial statements of eMedia Holdings Limited and the Group for the period ended 31 March 2023 and based on the information provided to the committee, it recommends the adoption of the annual financial statements by the Board.

Activities and areas of focus areas

The Audit and Risk Committee's terms of reference are 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, the material requirements of King IV™ IFRS, the JSE Listings Requirements and the organisation's Memorandum of Incorporation.

Considered the JSE's most recent report on the proactive monitoring of financial statements, and where necessary, those of previous periods. The committee has taken appropriate action to respond to the findings as highlighted in the JSE's report when preparing the annual financial statements for the year ended 31 March 2023.

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.

Meetings

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 Financial Director 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 as required.

Private meetings

Audit and Risk Committee agendas provide for private meetings between the committee members and the external auditors which are regularly held.

Committee performance

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 IV™ and the Companies Act. All members of the committee continue to meet the independence requirements.

Key focus areas

Key audit matters

- Impairment assessment in respect of goodwill, marketing-related and contract-based intangible assets
  - The committee reviewed the impairment tests performed by management. The value-in-use calculations and assumptions were considered together with the external auditor's opinion on these calculations. The committee is satisfied that goodwill, marketing-related and contract-based intangible assets is not impaired
- Assessment of economic useful lives and impairment indicators relating to distribution rights
  - The committee reviewed the assessment performed by management. The assumptions were considered together with the external auditor's opinion on these calculations
  - The committee is satisfied with the write-off processed for the year and comfortable that no further write-offs are necessary
- Assessment of the valuation of programming rights
  - The committee reviewed the assessment performed by management. The assumptions were considered together with the external auditor's opinion on these calculations
  - The committee is satisfied with the write-off processed for the year and comfortable that no further write-offs are necessary

Loganathan Govender

Loganathan Govender
Chairperson: Audit and Risk Committee

26 July 2023

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 and company) set out on pages 14 to 71, which comprise the consolidated and separate statements of financial position as at 31 March 2023, and the consolidated and separate statements of profit and loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate 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 eMedia Holdings Limited as at 31 March 2023, 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 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 Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company 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 corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* (including International Independence Standards). 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 key audit matters below are related to the audit of the consolidated financial statements. We have determined that there are no key audit matters in respect of the audit of the separate financial statements to communicate in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment in respect of goodwill, marketing-related and contract-based intangible assets *(notes 5 and 6 to the consolidated financial statements)* International Financial Reporting Standards (IFRS) require goodwill and indefinite life intangible assets to be assessed annually for impairment by management. The impairment assessment in respect of goodwill, marketing-related and contract-based intangible assets was considered a matter of most significance to our current year audit of the consolidated financial statements for the following reasons: → The significance of the goodwill (R139 million), marketing-related intangible assets (R1.939 billion) and contract-based intangible assets (R128 million) balances as at 31 March 2023; → The significant judgements and estimates made by management in forecasting the future cash flows used in the value-in-use calculations, as well as in the discount and growth rates used; and → The sensitivity in the value-in-use calculations to changes in future cash flows included in the models, as well as changes in the discount rates applied.	We obtained management's value-in-use calculations and performed the following audit procedures: → We assessed the design and implementation of relevant controls within the impairment assessment process; → We identified the key assumptions applied in the model and performed sensitivity analyses on these key assumptions; → We tested the mathematical accuracy of the model; → We considered the reasonableness of the revenue and costs forecasts against current year actual results and our knowledge of the business and the industry; → We made use of our internal valuations expertise to independently evaluate the discount and growth rates used in the model by comparison to market-related benchmarks for reasonability; and → We considered the adequacy of the group's disclosure against the requirements of IFRS (refer to notes 5 and 6 to the consolidated financial statements).

Key audit matter	How our audit addressed the key audit matter
Assessment of economic useful lives and impairment indicators relating to distribution rights *(a category of intangible assets) (note 5 to the consolidated financial statements)* The assessment of the useful economic lives and the existence of whether impairment indicators relating to the distribution rights exist was considered a matter of most significance to the current year audit of the consolidated financial statements for the following reasons: → The significance of the carrying value of the distribution rights (R188 million) as at 31 March 2023; and → The significant judgement involved in assessing whether any impairment indicators existed, and in the determination of the amortisation period for the distribution rights.	Our audit procedures included the following: → We assessed the design and implementation of relevant controls in the assessment of economic useful lives and whether impairment indicators relating to the distribution rights exist; → We obtained a written representation from management on their considerations around impairment indicators and whether any existed at year end; → We held discussions with management to identify any indicators of impairment that existed at year end. In this regard, we did not note any aspects which required further consideration; → We compared the information included in the channel programming forecasts to the schedule of distribution rights; → We evaluated the total sales for the financial year of distribution rights against their carrying value at year end; and → We considered the adequacy of the group's disclosure regarding the distribution rights against the requirements of IFRS (refer to note 5 to the consolidated financial statements).
Assessment of the valuation of programming rights *(note 12 to the consolidated financial statements)* The assessment of the valuation of programming rights was considered a matter of most significance to the current year audit of the consolidated financial statements for the following reasons: → The significance of the carrying value of the programming rights (R945 million) as at 31 March 2023; and → The significant judgement involved in assessing the amortisation policy and in the determination of the net-realisable value for the programming rights.	Our audit procedures included the following: → We assessed the design and implementation of relevant controls in the assessment of the amortisation policy; → We obtained a written representation from management regarding their considerations around impairment indicators and whether any exist at year end; → On a sample basis, we assessed the scheduling of programming rights against their licence periods to evaluate for potential indicators of write-down; → We assessed for indicators of write-down to net realisable value by identifying content with specific characteristics that may result in a write-down; → On a sample basis, we assessed the reasonableness of the amortisation charge for the year of the programming rights by developing an expectation of the amortisation expense for the period in terms of the accounting policy; and → We considered the adequacy of the group's disclosure regarding programming rights against the requirements of IFRS (refer note 12 to the consolidated financial statements).

INDEPENDENT AUDITOR'S REPORT CONTINUED

Other Information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "eMedia Holdings Limited Annual Financial Statements for the year ended 31 March 2023" and the document titled "eMedia Holdings Limited Integrated Annual Report for the year ended 31 March 2023", which includes the Declaration by the company secretary, the Directors' report and the Report of the audit and risk committee as required by the Companies Act of South Africa. The other information does not include the consolidated and separate 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, 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 and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the 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 and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 and/or the company 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, actions taken to eliminate threats or safeguards applied.

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 BDO South Africa Incorporated has been the auditor of eMedia Holdings Limited for nine years.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

KA Luck
Director
Registered Auditor

26 July 2023

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

		GROUP		COMPANY	
	Notes	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Assets					
Non-current assets		**3 869 676**	3 823 419	**2 361 602**	2 361 602
Property, plant and equipment	3	**1 057 523**	1 066 761	**–**	–
Right-of-use assets	4	**9 529**	15 956	**–**	–
Intangible assets	5	**2 422 452**	2 300 072	**–**	–
Goodwill	6	**139 076**	182 143	**–**	–
Interest in subsidiary companies	7	**–**	–	**2 361 602**	2 361 602
Equity-accounted investees	8	**191 942**	189 147	**–**	–
Long-term receivables	9	**7 686**	8 619	**–**	–
Deferred tax assets	10	**41 468**	60 721	**–**	–
Current assets		**1 758 318**	1 785 597	**8 614**	20 429
Inventories	11	**151 581**	92 954	**–**	–
Programming rights	12	**945 387**	978 651	**–**	–
Trade and other receivables	13	**515 221**	513 010	**–**	–
Short-term receivables	9	**–**	–	**8 602**	20 420
Current tax assets		**2 778**	1 840	**–**	–
Cash and cash equivalents		**143 351**	199 142	**12**	9
Assets of disposal groups	14	**4 896**	4 896	**–**	–
Total assets		**5 632 890**	5 613 912	**2 370 216**	2 382 031
Equity and liabilities					
Total equity		**4 089 861**	3 996 695	**2 331 447**	2 373 429
Stated capital	15	**6 762 797**	6 762 797	**6 762 797**	6 762 797
Treasury shares	16	**(20 801)**	(20 801)	**(20 801)**	(20 801)
Reserves		**(4 019 227)**	(3 989 224)	**(4 410 549)**	(4 368 567)
Equity attributable to owners of the parent		**2 722 769**	2 752 772	**2 331 447**	2 373 429
Non-controlling interest	17	**1 367 092**	1 243 923	**–**	–
Non-current liabilities		**969 962**	863 709	**–**	–
Deferred tax liabilities	10	**524 853**	522 807	**–**	–
Borrowings	18	**440 798**	329 164	**–**	–
Lease liabilities	19	**4 311**	11 738	**–**	–
Current liabilities		**571 302**	751 743	**38 769**	8 602
Current tax liabilities		**3 972**	118	**–**	–
Current portion of borrowings	18	**102 769**	91 647	**38 755**	8 602
Trade and other payables	20	**464 561**	659 978	**14**	–
Liabilities of disposal groups	14	**1 765**	1 765	**–**	–
Total liabilities		**1 543 029**	1 617 217	**38 769**	8 602
Total equity and liabilities		**5 632 890**	5 613 912	**2 370 216**	2 382 031
Net asset value		**2 722 769**	2 752 772		
Net asset value per share after treasury shares (cents)		**615**	622		

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2023

		GROUP		COMPANY	
	Notes	2023 R'000	2022* R'000	2023 R'000	2022 R'000
Continuing operations					
Media and broadcasting revenue	21	**3 125 051**	3 144 983	**–**	–
Lease income		**17 124**	15 394	**–**	–
Dividends received		**–**	–	**166 550**	–
Cost of sales		**(1 629 426)**	(1 740 658)	**–**	–
Gross profit		**1 512 749**	1 419 719	**166 550**	–
Other income		**8 933**	11 141	**–**	–
Administrative and other expenses		**(854 466)**	(763 761)	**(3 493)**	(3 147)
Earnings/(loss) before interest, taxation, depreciation and amortisation		**667 216**	667 099	**163 057**	(3 147)
Depreciation and amortisation		**(136 100)**	(138 305)	**–**	–
Operating profit/(loss)	22	**531 116**	528 794	**163 057**	(3 147)
Finance income	23	**21 323**	12 442	**–**	–
Finance expenses	24	**(45 614)**	(28 457)	**–**	–
Share of profit of equity-accounted investees, net of taxation	8	**11 285**	4 986	**–**	–
Profit/(loss) before taxation		**518 110**	517 765	**163 057**	(3 147)
Taxation	25	**(137 066)**	(99 083)	**–**	–
Profit/(loss) for the year from continuing operations		**381 044**	418 682	**163 057**	(3 147)
Discontinued operations					
(Loss)/profit for the year from discontinued operations, net of taxation	26	**(3 356)**	2 148	**–**	–
Profit/(loss) for the year		**377 688**	420 830	**163 057**	(3 147)
Other comprehensive loss, net of related taxation					
Items that will be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		**–**	(6 502)	**–**	–
Other comprehensive (loss), net of taxation		**–**	(6 502)	**–**	–
Total comprehensive income/(loss) for the period		**377 688**	414 328	**163 057**	(3 147)
Profit attributable to:					
Owners of the company		**253 347**	283 321	**–**	–
Non-controlling interest	17	**124 341**	137 509	**–**	–
		377 688	420 830	**–**	–
Total comprehensive income attributable to:					
Owners of the company		**253 347**	278 920	**–**	–
Non-controlling interest		**124 341**	135 408	**–**	–
		377 688	414 328	**–**	–
Owners of the company					
Continuing operations		**256 790**	281 867	**–**	–
Discontinued operations		**(2 271)**	1 454	**–**	–
		254 519	283 321	**–**	–
Basic and diluted earnings per share (cents)					
Earnings/(loss)	27	**57.47**	63.96	**–**	–
Continuing operations	27	**57.98**	63.63	**–**	–
Discontinued operations	27	**(0.51)**	0.33	**–**	–

** Restated for discontinued operations, see note 26.*

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Accumulated loss R'000	Equity owners of the parent R'000	Non-controlling interest R'000	Total equity R'000
GROUP							
Balance 31 March 2021	6 762 797	(19 861)	(27 860)	(4 079 819)	2 635 257	1 108 515	3 743 772
Total comprehensive (loss)/income	–	–	(4 401)	283 321	278 920	135 408	414 328
Profit	–	–		283 321	283 321	137 509	420 830
Other comprehensive loss	–	–	(4 401)	–	(4 401)	(2 101)	(6 502)
Foreign currency translation reserve	–	–	(4 401)	–	(4 401)	(2 101)	(6 502)
Transactions with owners of the company	–	(940)	–	(160 465)	(161 405)	–	(161 405)
Dividends	–	–	–	(160 465)	(160 465)	–	(160 465)
Share buy-back	–	(940)	–	–	(940)	–	(940)
Balance 31 March 2022	**6 762 797**	**(20 801)**	**(32 261)**	**(3 956 963)**	**2 752 772**	**1 243 923**	**3 996 695**
Total comprehensive income	**–**	**–**	**–**	**253 347**	**253 347**	**124 341**	**377 688**
Profit	**–**	**–**	**–**	**253 347**	**253 347**	**124 341**	**377 688**
Transactions with owners of the company	**–**	**–**	**–**	**(284 522)**	**(284 522)**	**–**	**(284 522)**
Dividends	**–**	**–**	**–**	**(284 522)**	**(284 522)**	**–**	**(284 522)**
Changes in ownership interest	**–**	**–**	**–**	**–**	**–**	**(1 172)**	**(1 172)**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**(1 172)**	**(1 172)**
Balance 31 March 2023	**6 762 797**	**(20 801)**	**(32 261)**	**(3 986 966)**	**2 722 769**	**1 367 092**	**4 089 861**
Note	15	16				17	

	Stated capital R'000	Treasury shares R'000	Accumulated loss R'000	Equity owners of the parent R'000	Total equity R'000
COMPANY					
Balance 31 March 2021	6 762 797	(19 861)	(4 204 955)	2 537 981	2 537 981
Total comprehensive loss	–	–	(3 147)	(3 147)	(3 147)
Loss	–	–	(3 147)	(3 147)	(3 147)
Transactions with owners of the company	–	(940)	(160 465)	(161 405)	(161 405)
Dividends	–	–	(160 465)	(160 465)	(160 465)
Share buy-back	–	(940)	–	(940)	(940)
Balance 31 March 2022	**6 762 797**	**(20 801)**	**(4 368 567)**	**2 373 429**	**2 373 429**
Total comprehensive income	**–**	**–**	**163 057**	**163 057**	**163 057**
Profit	**–**	**–**	**163 057**	**163 057**	**163 057**
Transactions with owners of the company	**–**	**–**	**(205 039)**	**(205 039)**	**(205 039)**
Dividends	**–**	**–**	**(205 039)**	**(205 039)**	**(205 039)**
Balance 31 March 2023	**6 762 797**	**(20 801)**	**(4 410 549)**	**2 331 447**	**2 331 447**
Note	15	16			

STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

	Notes	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Cash from operating activities					
Cash flows from operating activities	28.1	**452 054**	674 176	**163 072**	(4 097)
Finance income	23	**8 754**	3 963		
Finance costs	24	**(45 767)**	(30 687)	**–**	–
Taxes paid	28.2	**(116 543)**	(117 495)	**–**	–
Dividend paid	28.4	**(284 522)**	(160 465)	**(205 039)**	(160 465)
Net cash inflow/(outflow) from operating activities		**13 976**	369 492	**(41 967)**	(164 562)
Cash from investing activities				**–**	–
Acquisition/development of property, plant and equipment		**(93 895)**	(84 497)	**–**	–
Proceeds from sale of property, plant and equipment		**1 774**	77	**–**	–
Receipts from group loan	9	**–**	–	**41 970**	164 571
Settlement of contingent consideration	18	**–**	(13 560)	**–**	–
Proceeds on disposal of subsidiaries	9	**32 263**	–	**–**	–
Additions to intangible assets	5	**(162 963)**	–	**–**	–
Loans repaid by equity-accounted investees	8	**19 987**	8 267	**–**	–
Net cash (used in)/from investing activities		**(202 834)**	(89 713)	**41 970**	164 571
Cash from financing activities				**–**	–
Repayment of borrowings	18	**(193 877)**	(326 298)	**–**	–
Borrowings raised	18	**335 000**	200 000	**–**	–
Principal paid on lease liabilities	19	**(8 056)**	(12 747)	**–**	–
Net cash from/(used in) financing activities		**133 067**	(139 045)	**–**	–
Net change in cash and cash equivalents		**(55 791)**	140 734	**3**	9
Cash and cash equivalents at beginning of the year		**199 431**	58 697	**9**	–
Cash and cash equivalents at end of the year		**143 640**	199 431	**12**	9
Cash and cash equivalents comprise the following				**–**	–
Cash and cash equivalents		**143 640**	199 431	**12**	9
Bank balances		**143 351**	199 142	**12**	9
Cash in disposal group assets held for sale	14	**289**	289	**–**	–
		143 640	199 431	**12**	9

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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 2023 and comparative figures for the year ended 31 March 2022 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 unless otherwise noted. The company's registered office is at 4 Albury Road, Dunkeld West, Johannesburg, 2196.

a. Basis of preparation

The financial statements are prepared on the historical cost basis, except for financial instruments which have been accounted for in terms of IFRS 9 of which certain financial instruments are accounted for on the fair value basis. The financial statements incorporate the principal Accounting Policies set out below, which are consistent with those applied in the previous year.

These policies comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the South African Companies Act and the JSE Listings Requirements.

The financial statements are presented in South African rand as it is the currency of the economic environment in which the group operates.

The financial statements are prepared on a going concern basis.

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 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 joint ventures (reclassified from interest in associates in the current year). Investments in joint ventures are accounted for using the equity method of accounting. The company accounts for interests in equity-accounted investees at cost.

The group has exercised its judgement in determining whether its shareholding in the local invested entities should be accounted for as an investment in joint ventures. The group exercised significant influence over the Financial and Operating Policy decisions of entities classified as investments in joint ventures in terms of IAS 28. The group does not have the ability to control the financial and operating activities so as to obtain benefit from the activities and as such has classified their investment as an investment in a joint venture.

c. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-maker, the executive members of the Board, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

Segment revenue reflects both sales to external parties and intergroup transactions across segments. Intersegment revenue is revenue raised by one segment relating to sales to other segments within the group, which is eliminated.

d. Goodwill and intangible assets

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred, and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Goodwill is tested for impairment annually or more frequently if there is an indicator of impairment.

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.

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 have indefinite economic lives that are reassessed on an annual basis. Internally generated costs associated with maintaining computer software programmes are expensed as incurred.

ii) Trademarks

Trademarks are recognised initially at cost. Trademarks have finite useful lives of 20 years 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 multi-platform programming rights that the group is able to on-sell to other content acquirers in the media industry. Distribution rights are initially recognised at cost.

Distribution rights related to factual programming are amortised over 10 years.

Distribution rights related to movies represent content available to be licensed to broadcasters. The amortisation method is consistent with the amount received for individual titles licensed to broadcasters.

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

iv) Programming completed

Programming completed represents internally produced content that is available to be licensed to broadcasters. The amortisation method is consistent with the amount received for individual titles licensed to the broadcasters. Programming available for distribution is assessed annually for impairment.

Programming available for distribution related to factual programming is amortised over 10 years.

v) Programming under development

Programming under development represents costs relating to programming that is still in the process of development and cannot yet be brought into use. Once brought into use, these assets will be amortised and transferred to programme rights. Programming under development is tested annually for impairment.

vi) 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 was applied as indefinite as it extended beyond the foreseeable horizon. Marketing-related intangible assets are assessed annually for indicators of impairment.

vii) 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 10 years.

viii) Contract-based intangible assets

Contract-based intangible assets relate to broadcasting rights. No amortisation is accounted for as the useful life is indefinite. Contract-based intangible assets are assessed annually for impairment.

e. 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:

Owner-occupied buildings	70% over 20 years
Owner-occupied land	30% indefinite*
Equipment and fittings	5 – 10 years
Motor vehicles	5 years

** 30% of the cost of the property is attributed to land and is not depreciated.*

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1. Accounting Policies continued

ii) Profit or loss on disposal

The profit or loss on the disposal of an asset is the difference between the disposal proceeds and the carrying amount of the asset.

iii) 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.

f. Programming rights

Programming rights acquired by the group are initially measured at cost and are amortised over the number of licensed broadcasting runs. The genre of features acquired from the 2022 financial year generate advertising revenue over more than two runs and the amortisation method for these features is 40% on the first run, 40% on the second run and 20% on the remaining run and this has remained the same for 2023 with the exception of programming rights acquired specifically for the MultiChannel platform. These are amortised 20% over each 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 assessed on an annual basis for indicators of write-downs to net realisable value.

g. Inventory

Inventory relates to set-top boxes which 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. These boxes are shipped to and assembled in South Africa. Inventory is recognised once the goods arrive at the South African harbour.

h. Financial instruments

Financial instruments include receivables, loans receivable, cash and cash equivalents, borrowings, payables and derivative financial instruments.

Financial assets and financial liabilities are recognised on the statement of financial position when the group becomes a party to the contractual terms of the instrument.

Financial assets

Financial assets are initially measured at fair value at initial recognition plus transaction costs directly attributable to acquisition of the asset.

For financial assets which are subsequently measured at fair value through profit and loss, their transaction costs are recognised in profit and loss.

Financial assets are derecognised when the contractual right to receive cash flows expires or the group substantially transfers the risks and rewards of ownership.

Financial assets are subsequently measured at amortised cost using the effective interest rate method, net of impairment losses.

Financial assets which meet both of the following criteria are measured at amortised cost:
- It is held within the group's business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In accordance with IFRS 9, when a financial asset cannot be classified as measured at amortised cost, a debt instrument measured at fair value through other comprehensive income or an equity instrument measured at fair value through other comprehensive income, it is measured at fair value through profit or loss.

In applying this forward-looking approach, a distinction is made between:
- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have a low credit risk (Stage 1)
- Financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2)
- Financial assets that have objective evidence of impairment at the reporting date (Stage 3)

For financial assets in Stage 1, 12-month expected credit losses are recognised while for financial assets in Stage 2 and Stage 3, lifetime expected credit losses are recognised.

Measurement of the expected credit losses is determined by probability-weighted estimate of credit losses over the expected life of the financial instrument, taking into account the time value of money. Interest is accrued on the impairment balance in Stage 3.

Financial assets measured at amortised cost on the face of the statement of financial position comprise the following:

Trade receivables and other receivables

Trade and other receivables are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any and subsequently at amortised cost.

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

Loss allowance for all trade receivables is determined as lifetime expected credit losses (simplified approach). This is the default approach for trade receivables.

Trade and other receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 45 days from the invoice date and failure to engage with the group on alternative payment arrangement among others are considered indicators of no reasonable expectation of recovery.

In determining the loss allowance, the group considered, inter alia, disputes with customers, untraceable and slow payers, long overdue accounts and customers placed under liquidation. Historical data is also assessed to identify indicators of possible default by customers in the group. The group at year-end performs an assessment of the expected credit loss taking into account forward-looking information by assessing the general economic condition of the media and advertising industry.

The group evaluates the macroeconomic information within the advertising and media industry as well as the health of the industry which includes the monthly advertising spend as monitored by the broadcast and research council. This gives the group an overview of how much spend there is in the market currently.

Long-term receivables

Loan receivables are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

A loan is in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on cash flow projections and solvency and liquidity ratios.

A significant increase in credit risk (SICR) assessment is performed qualitatively by reference to the borrower's cash flow and liquid asset position. The risk that the borrower will default on a demand loan depends on whether the subsidiary has enough cash or other liquid assets to repay the loan immediately (low risk of default) or insufficient cash or other liquid assets to repay the loan immediately (potential risk of default).

At year-end, the group reviews cash forecasts of their subsidiaries to determine if they have sufficient resources to meet debt commitments. The group also stress tests subsidiaries' future cash forecasts for a worst-case scenario to assess if subsidiaries have sufficient assets to recover the loan. Based on these factors, the group will determine if they will expect their subsidiaries to experience significant financial difficulty or a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1. Accounting Policies continued

At year-end, the group considers whether there was a significant increase in credit risk (SICR) based on the Accounting Policy. With regards to loans repayable on demand, if there is no SICR, then it can be concluded that the risk of default is 0% and no expected credit loss (ECL) allowance should be recognised. If there is a SICR, then the group evaluates the different recovery options and credit loss scenarios to assess the risk of default.

Long-term receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. Failure to make payments within agreed terms and failure to engage with the group on alternative payment arrangements among others are considered indicators of no reasonable expectation of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently measured at amortised cost.

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

In accordance with IFRS 9, when a financial asset cannot be classified as measured at amortised cost, a debt instrument measured at fair value through other comprehensive income or an equity instrument measured at fair value through other comprehensive income, it is measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are measured at fair value at initial recognition plus transaction costs directly attributable to the issuance of the financial liability in the case of financial liabilities not subsequently measured at fair value through profit or loss.

For financial liabilities subsequently measured at fair value through profit or loss, transaction costs are recognised in profit or loss.

Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expired.

Financial liabilities measured at amortised cost on the face of the statement of financial position comprise the following:

Trade and other payables

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

Bank overdraft and borrowings

Bank overdraft and borrowings are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities measured at fair value through profit or loss on the face of the statement of financial position comprise the following:

Forward exchange contracts

Forward exchange contracts are initially and subsequently measured at fair value. The fair value is the estimated exchange price between market participants.

The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Any directly attributable transaction costs are recognised in profit or loss as incurred.

i. Finance income and expenses

Finance income comprises interest income on funds invested.

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.

j. Taxation

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.

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.

A deferred tax asset or liability is recognised for all taxable temporary differences, except to the extent that the deferred tax asset or liability arises from:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which:
  - Is not a business combination
  - At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

k. Revenue recognition

The group currently has several revenue streams that include the following:

- Advertising revenue
- Content revenue
- Licence fees revenue
- Facility income
- Box sales
- Pay-TV revenue

To determine whether to recognise revenue, the group follows a five-step process:

1) Identify the contract with a customer
2) Identify the performance obligation
3) Determine the transaction price
4) Allocate the transaction price to the performance obligations
5) Recognise revenue when/as performance obligations are satisfied

Advertising revenue refers to contracts with customers where an advertising slot is provided for an agreed amount. The advertisement is then aired as per the agreed slot. The service is provided at a set price with no variable consideration and no time value of money effects and no estimates. The performance obligation is fulfilled when the commercial advert is aired as per the contractual term. No significant judgements and estimates are made as the performance obligation is fulfilled when the commercial advert is aired as per the contractual term. Advertising revenue is recognised in profit or loss on a straight-line basis over the term of the agreement, net of value added taxation.

Content revenue refers to programmes sold to customers. The service is provided at a set price with no variable consideration and no time value of money effects and no estimates. Once the contract is signed, the content is delivered and revenue is earned. No significant judgements and estimates are made as the performance obligation is satisfied at a point in time once content is delivered. Content sales revenue is recognised in profit and loss at a point in time, net of value added taxation.

Licence fees revenue for the group refers mainly to the production of news channel which is aired 24/7 on DStv. The service is provided at a set price with no variable consideration and no time value of money effects and no estimates. The performance obligation is satisfied over time as the customer consumes the benefit of access to the news channel which is aired 24/7 on DStv. There are no other goods or services provided in the contract other than the provision of the news channel. No significant judgements and estimates are made as the performance obligation is satisfied over time as news channel is aired. Licence fees revenue is recognised in profit and loss on a straight-line basis, net of value added taxation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1. Accounting Policies continued

Facility income refers to the offering of the full technical spectrum of preproduction, production and post-production services, as well as broadcasting studios and solutions for live local and international broadcasts. The service is provided at a set price with no variable consideration, no time value of money effects and no estimates. This service also includes the provision of specialised equipment. All these services are provided to the customer over a period of time. As part of the agreement, the group has the obligation to replace the assets provided with another asset if the asset does not meet the required task any longer.

The provisions stated in IFRS 16 BC112 are applicable to the group in this instance and the contract does then not contain a lease and falls within the scope of IFRS 15. No significant judgements and estimates are made as the performance obligation is satisfied over time as services are provided to customers. Facility income is recognised in profit or loss on a straight-line basis over the contract term of the agreement, net of value added taxation.

Openview box sales relate to the sale of set-top boxes to customers. Revenue is recognised at a point in time upon delivery of the goods when control has transferred from the group to the customer. Settlement of goods is either made upfront or credit extended to customers who are reputable; sales are not directly made to the public. No significant judgements and estimates are made as the performance obligation is satisfied at a point in time. Openview's manufacturing agreement dictates that any returns by consumers are to be rectified by the manufacturer and are of no liability to the group.

Pay-TV revenue is earned from Ultraview – additional bouquets of niche content and curated entertainment on the standard Openview decoder, completely optional to the viewer. Revenue is earned over time as the content is provided with subscribers paying in advance before unlocking Ultraview privileges. Any revenue received before services are provided is recorded as amounts received in advance under trade and other payables. Monthly subscriptions do not include any variable consideration or discounting factors.

l. Leases

Operating lease – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term. The difference between the amounts recognised as income and the contractual amounts received are recognised as an operating lease asset. This asset is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are capitalised to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

The group is the lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low-value assets
- Leases with a term of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease unless this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability includes:
- Amounts expected to be payable under any residual value guarantee
- The exercise price of any purchase option granted in favour of the group if it is reasonably certain to exercise that option
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- Lease payments made at or before commencement of the lease
- Initial direct costs incurred
- The amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease.

m. 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.

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.

n. Earnings per share

Basic earnings per share are based on earnings attributable to shareholders and are calculated on the weighted average number of shares in issue during the financial year. Headline earnings per share are 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 are 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. As required by the JSE Listings Requirements, the group reports headline earnings in accordance with Circular 1/2021: Headline Earnings as issued by SAICA.

o. 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.

p. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management is committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

q. Discontinued operations

Discontinued operations are major lines of business or geographical areas of operations within the group which the group has disposed of or is currently classified as held for sale. The subsidiary will only be considered to be a discontinued operation once there is a feasible plan in place to dispose of it. These operations will then be presented separately in the financial statements, particularly in the statement of profit and loss and other comprehensive income and the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. Significant 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.

Significant judgements

i) 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.

ii) Deferred tax assets

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

Estimation uncertainty

i) 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 residual values and useful lives may vary significantly between individual assets in a category. Management reviews assets' residual values, useful lives and related depreciation charges annually at each reporting date.

ii) Measurement of fair values

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, such as external property valuations, 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 of the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the group Audit Committee.

iii) Programming rights

The useful life of programming rights is based on audience views and is amortised over three to five years. Programming rights are assessed on an annual basis for indicators of impairment.

iv) Owned intangible assets

Management assessed the economic useful life for these items to 10 years as this best reflects the economic benefits that would be generated from the intangible assets. This is assessed annually for re-evaluation of its useful life as well as impairment.

3. Property, plant and equipment

	GROUP			
Reconciliation of carrying amount	**Owner-occupied properties at cost R'000**	**Equipment and fittings at cost R'000**	**Motor vehicles at cost R'000**	**Total R'000**
2023				
Cost at 31 March 2023	**982 016**	**761 297**	**38 603**	**1 781 916**
Opening balance	**941 331**	**773 207**	**36 531**	**1 751 069**
Additions	**40 532**	**48 862**	**4 501**	**93 895**
Borrowing costs capitalised	**153**	**–**	**–**	**153**
Disposal of subsidiaries	**–**	**(19 227)**	**(474)**	**(19 701)**
Disposals	**–**	**(41 545)**	**(1 955)**	**(43 500)**
Accumulated depreciation and impairment at 31 March 2023	**113 944**	**580 092**	**30 357**	**724 393**
Opening balance	**101 482**	**552 192**	**30 634**	**684 308**
Current period depreciation	**12 462**	**85 440**	**2 152**	**100 054**
Disposal of subsidiaries	**–**	**(16 803)**	**(474)**	**(17 277)**
Impairment reversal	**–**	**(3)**	**–**	**(3)**
Disposals	**–**	**(40 734)**	**(1 955)**	**(42 689)**
Carrying value at 31 March 2023	**868 072**	**181 205**	**8 246**	**1 057 523**
Rate of (straight-line) depreciation per year	**0 – 3.5%**	**10 – 20%**	**20%**	
Residual values	**30%**	**0%**	**0%**	
2022				
Cost at 31 March 2022	941 331	773 207	36 531	1 751 069
Opening balance	921 226	1 171 161	32 328	2 124 715
Additions	18 070	59 740	4 203	82 013
Borrowing costs capitalised	2 035	–	–	2 035
Transfers*	–	2 484	–	2 484
Written off (not in use)	–	(456 557)	–	(456 557)
Disposals	–	(3 621)	–	(3 621)
Accumulated depreciation and impairment at 31 March 2022	101 482	552 192	30 634	684 308
Opening balance	89 463	924 742	28 312	1 042 517
Current period depreciation	12 019	87 515	1 973	101 507
Written off (not in use)	–	(456 496)	–	(456 496)
Impairment reversal	–	2	349	351
Disposals	–	(3 571)	–	(3 571)
Carrying value at 31 March 2022	839 849	221 015	5 897	1 066 761

** R2.5 million worth of intangibles were transferred to property, plant and equipment.*

Security

A Standard Bank mortgage bond of R244.7 million (2022: R273.5 million) has been registered over owner-occupied properties with a carrying value of R788.3 million (2022: R760.1 million). See note 18 for details on bank borrowings secured.

Depreciation charge

Depreciation expense of R100 million (2022: R101.5 million) has been charged to the 'depreciation and amortisation' category and R0.6 million (2022: R5 million) has been charged to the 'discontinued operations' category (refer to note 26).

During the prior year, the group wrote off various assets with a cost of R456.6 million and accumulated deprecation of R456.5 million that was fully depreciated and no longer in use.

A register of land and buildings is available for inspection at the registered office of the company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4. Right-of-use assets

Nature of leasing activities

The group leases a number of properties in the jurisdictions from which it operates. The lease contracts provide for fixed lease payments over the lease term.

The table below reflects the current proportion of fixed lease payments:

	Number of lease contracts	Fixed lease payments R
2023		
Leases of land and buildings	**3**	**9 618**
	3	**9 618**
2022		
Leases of land and buildings	7	9 652
	7	9 652

	Land and buildings 2023 R'000	Land and buildings 2022 R'000
Reconciliation of carrying value: Right-of-use assets		
Carrying value as at 1 April	**15 956**	23 980
Depreciation	**(6 893)**	(8 024)
Additions	**466**	–
Carrying value as at 31 March	**9 529**	15 956

Refer to note 19 for information on the lease liabilities related to these right-of-use assets.

5. Intangible assets

GROUP	Marketing-related intangible assets R'000	Customer-related intangible assets R'000	Contract-based intangible assets R'000	Distribution rights R'000	Programming under development R'000
2023					
Cost at 31 March 2023	**1 938 758**	**440 085**	**128 197**	**380 296**	**60 450**
Opening balance	**1 938 758**	**436 510**	**128 197**	**332 799**	**–**
Assets acquired separately	**–**	**3 575**	**–**	**18 564**	**63 661**
Transfers	**–**	**–**	**–**	**28 933**	**(3 211)**
Accumulated depreciation and impairment at 31 March 2023	**–**	**420 903**	**–**	**193 204**	**–**
Opening balance	**–**	**390 896**	**–**	**190 275**	**–**
Current period amortisation	**–**	**30 007**	**–**	**2 929**	**–**
Carrying value at 31 March 2023	**1 938 758**	**19 182**	**128 197**	**187 092**	**60 450**
2022					
Cost at 31 March 2022	1 938 758	436 510	128 197	332 799	–
Opening balance	1 938 758	436 510	128 197	338 996	–
Written off (not in use)	–	–	–	(6 197)	
Accumulated depreciation and impairment at 31 March 2022	–	390 896	–	190 275	–
Opening balance	–	360 889	–	185 270	–
Current period amortisation	–	30 007	–	5 005	–
Carrying value at 31 March 2022	1 938 758	45 614	128 197	142 524	–
Nature of useful lives	Indefinite	Finite	Indefinite	Finite	n/a*
Remaining useful life	Indefinite	20 years	Indefinite	2 to 10 years	n/a*
Amortisation method	n/a	Straight-line	n/a	Straight-line	n/a
Rate of amortisation per year	n/a	10% – 37%	n/a	10%	n/a
Residual value	n/a	0%	n/a	0%	n/a

* *A finite useful life is only assigned once the programming is completed and transferred to distribution rights.*

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. Intangible assets continued

GROUP

	Programming completed R'000	Computer software R'000	Trademarks R'000	Total R'000
2023				
Cost at 31 March 2023	**126 593**	**1 559**	**556**	**3 076 494**
Opening balance	**75 152**	**1 559**	**556**	**2 913 531**
Assets acquired separately	**77 163**	**–**	**–**	**162 963**
Transfers	**(25 722)**	**–**	**–**	**–**
Accumulated depreciation and impairment at 31 March 2023	**39 379**	**–**	**556**	**654 042**
Opening balance	**31 732**	**–**	**556**	**613 459**
Current period amortisation	**7 647**	**–**	**–**	**40 583**
Carrying value at 31 March 2023	**87 214**	**1 559**	**–**	**2 422 452**
2022				
Cost at 31 March 2022	75 152	1 559	556	2 913 531
Opening balance	77 636	1 559	556	2 922 212
Transfers*	(2 484)	–	–	(2 484)
Impairment loss	–	–	–	(6 197)
Accumulated depreciation and impairment at 31 March 2022	31 732	–	556	613 459
Opening balance	25 530	–	556	572 245
Current period amortisation	6 202	–	–	41 214
Carrying value at 31 March 2022	43 420	1 559	–	2 300 072

Nature of useful lives	Finite	Indefinite	Finite	
Remaining useful life	12 to 30 years	Indefinite	20 years	
Amortisation method	Revenue-based	n/a	Straight line	
Rate of amortisation	Period of economic life	n/a	10%	
Residual values	0%	n/a	0%	

* *R2.5 million worth of intangibles were transferred to property, plant and equipment.*

Impairment

Marketing, customer and contract-related intangible assets which all form part of the eMedia Investments Proprietary Limited cash-generating unit are tested for impairment annually and whenever there is an indicator of impairment. The intangible asset arose due to the acquisition of eMedia Investments Proprietary Limited and as such the impairment is tested with goodwill.

eMedia Investments Proprietary Limited and its subsidiaries

GROUP

	2023	2022
Discount rates:	**17.10%**	15.55%
Number of years:	**5 years**	5 years
Cost growth rate:	**5.00%**	5.00%
Long-term growth rate:	**4.50%**	4.50%

The following assumptions were applied when reviewing intangible assets 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 growths and gross margins were based on historical performance and known future prospects
- Costs were assumed to grow in line with expansion and expected inflation
- Cash flows were extended into perpetuity as management has no reason to believe that the group will not continue past the budget period

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 reviews the distribution rights on an annual basis and impairs any distribution rights that are not relevant anymore. There have been no impairments for the 2023 year (2022: R6.1 million).

Marketing-related and customer-related intangible assets with indefinite useful lives are assessed together with the CGU identified in goodwill (refer to note 6).

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

GROUP

	2023 R'000	2022 R'000
Continuing operations		
Cost of sales	**10 576**	11 207
Administrative and other expenses	**30 007**	30 007
	40 583	41 214
Amortisation charge for the year	**40 583**	41 214

Sensitivity analysis

A change of 0.25% in the discount rate would not result in an impairment.

A change of 1% in the growth or long-term growth rates would not result in an impairment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. Goodwill

	GROUP 2023 R'000	GROUP 2022 R'000
Arising on acquisition of shares in subsidiaries	**139 076**	182 143
Reconciliation of goodwill		
Opening balance	**182 143**	182 143
– Cost	**3 872 107**	3 872 107
– Accumulated impairment	**(3 689 964)**	(3 689 964)
Disposals	**(43 067)**	–
– Cost	**(43 067)**	–
– Accumulated impairment	**–**	–
Carrying value at year-end	**139 076**	182 143
– Cost	**3 829 040**	3 872 107
– Accumulated impairment	**(3 689 964)**	(3 689 964)

Goodwill disposals relate to the sale of Moonlighting Films Proprietary Limited and its own subsidiary Reel Pay Proprietary Limited on 1 October 2022.

Impairment tests for goodwill

The eMedia Holdings group has one cash-generating unit (CGU) being eMedia Investments Proprietary Limited and its subsidiaries which in turn have two cash-generating units, Yired Proprietary Limited and Silverline Three Sixty Proprietary Limited group (Media Film Service Proprietary Limited). Impairment tests were conducted for all CGUs using varying discount rates (see ranges below) with eMedia Investments Proprietary Limited and its subsidiaries being tested specifically for goodwill impairment. The value of cash-generating units (CGUs) 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 CGUs:

eMedia Investments Proprietary Limited and its subsidiaries

	GROUP 2023	GROUP 2022
Discount rates:	**17.10% to 22.15%**	15.55% to 24.11%
Number of years:	**5 years**	5 years
Cost growth rate:	**5.00%**	5.00%
Long-term growth rate:	**4.50%**	4.50%

Goodwill was not impaired in the current year.

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 growths and gross margins were based on historical performance and known future prospects
- Costs were assumed to grow in line with expansion and expected inflation
- Cash flows were extended into perpetuity as management has no reason to believe that the group will not continue past the budget period

Sensitivity analysis

At year-end, the group's accumulated goodwill impairment amounted to R3.7 billion (2022: R3.7 billion). A change of 0.25% in the discount rate would not result in an impairment.

A change of 1% in the growth or long-term growth rates would not result in an impairment.

7. Interest in subsidiary companies

	COMPANY 2023 R'000	COMPANY 2022 R'000
Shares at cost	**5 333 900**	5 333 900
Impairment	**(2 972 298)**	(2 972 298)
Carrying value – eMedia Investments Proprietary Limited	**2 361 602**	2 361 602

The value of cash-generating unit (CGU) to which the investment has been allocated has been determined based on value-in-use calculation using management-generated cash flow projections. The following were the principal assumptions, based on past experience, that were used to calculate the net present value of this CGU:

	COMPANY 2023	COMPANY 2022
Discount rates:	**17.10%**	15.55%
Number of years:	**5 years**	5 years
Cost growth rate:	**5.00%**	5.00%

The following assumptions were applied when reviewing the investment for 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 growths and gross margins were based on historical performance and known future prospects
- Costs were assumed to grow in line with expansion and expected inflation
- Cash flows were extended into perpetuity as management has no reason to believe that the group will not continue past the budget period

Sensitivity analysis

At year-end, the group's accumulated investment impairment amounted to R3 billion (2022: R3 billion). A change of 0.25% in the discount rate would not result in an impairment.

A change of 1% in the growth or long-term growth rates would not result in an impairment.

Refer to note 17 for details of subsidiary companies that have non-controlling interests (NCI) that are material to the group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. Equity-accounted investees

	GROUP 2023 R'000	2022 R'000
Reconciliation of investments in joint ventures		
Interest in joint ventures	191 942	189 147
Opening balance	189 147	184 313
(Decrease) in loans to joint ventures	(8 491)	(152)
Profit for the year	11 286	4 986
Closing balance	191 942	189 147

List of investments in joint ventures

Name of joint ventures	Place of business/ country of incorporation	Listed/ unlisted	GROUP 2023 % holding*	2023 Carrying amount R'000	2022 % holding*	2022 Carrying amount R'000
Cape Town Film Studios Proprietary Limited	South Africa	Unlisted	50	143 877	44.7	141 235
Dreamworld Management Company Proprietary Limited	South Africa	Unlisted	50	48 065	50.0	47 912
				191 942		189 147

* *The investee has an equal number of Directors in control from both shareholders which results in joint control. Under the requirements of IFRS 11, the investment is classified as a joint venture with the equity method being applied.*

The group recognised an increase in shareholding in Cape Town Film Studios as a result of a concentration of share interests. On 30 June 2022, Cape Town Film Studios (Pty) Ltd exercised a put option which allowed them to buy-back shares from an external shareholder, resulting in a concentration of share interests which then increased eMedia Investments' holding from 44.7% to 50%.

It was established that other shareholders of Cape Town Film Studios and Dreamworld Management Company together with eMedia Investments group have joint control and rights to the net assets of the company. The investments were therefore reclassified from an investment in associate to an investment in a joint venture upon concentration of share interests.

Included in the balance of Cape Town Film Studios Proprietary Limited is a loan amount of R8.1 million (2022: R17.2 million) which is unsecured and bears interest at the prime rate and has no fixed terms of repayment. The balance of R97.7 million (2022: R97.1 million) is unsecured, interest-free and has no fixed terms of repayment.

Included in the balance of Dreamworld Management Company Proprietary Limited is an unsecured, interest-free loan of R14 million (2022: R13.6 million) that has no fixed terms of repayment.

The group considers properties held by the joint ventures as a form of security for the loans. In the event of default, the group will be able to recover the loans receivable from proceeds from the sale of the properties. At year-end, the valuations performed exceed the investment and loan. Due to this, no expected credit loss is required for the loans receivable in the current year as there is no risk of credit loss being incurred considering the value of properties behind the loans. A significant increase in credit risk will arise when there is an indication that there will be a default on repayment of the loan.

Main business and operations of the joint ventures

Cape Town Film Studios is the first world-class, custom-built, Hollywood-style film studio complex in Africa, and has been rated as the best film studio complex of its kind in the developing world by international production executives. It is the dedicated hub for media, new media, entertainment, film and related industries in sub-Saharan Africa – with state-of-the-art facilities and supporting services.

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

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

Set out below are the joint ventures which, in the opinion of the Directors, are material to the group. 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. Decision-making functions rest with management.

	Cape Town Film Studios Proprietary Limited R'000	Dreamworld Management Company Proprietary Limited R'000
2023		
Summarised statement of financial position as at 31 March 2023		
Non-current assets	287 854	9 176
Current assets	21 100	167
Non-current liabilities	(8 053)	
Current liabilities	(243 018)	(28 169)
Net assets as at 31 March 2023	57 883	(18 826)
Current liabilities (excl trade payables and provisions)	(222 241)	(28 151)
Non-current liabilities (excl trade payables and provisions)	(8 053)	–
Cash and cash equivalents	19 960	82
Reconciliation to carrying amounts		
Closing net assets at 31 March 2022	57 883	(18 826)
Reporting entities' share (in %)	50.0%	50.0%
Reporting entities' share (in R'000)	28 942	(9 411)
Loans to joint ventures	105 280	14 075
Reporting entities' adjustment for fair value*	(1 801)	38 329
Goodwill	11 456	5 073
Carrying amount as at 31 March 2023	143 877	48 065

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. Equity-accounted investees continued

	Cape Town Film Studios Proprietary Limited R'000	Dreamworld Management Company Proprietary Limited R'000
Summarised statements of profit and loss and other comprehensive income for the year ended 31 March 2023		
Revenue	**87 657**	**290**
Depreciation	**(7 114)**	**–**
Interest income	**1 829**	**–**
Interest expense	**(23 030)**	**–**
Taxation	**(8 267)**	**–**
Profit/(loss) from continued operations	**23 639**	**(716)**
Total comprehensive income/(loss)	**23 639**	**(716)**
Share of joint ventures' profit/(loss)	**11 643**	**(358)**
Group's share of joint ventures' profits/(losses)	**11 643**	**(358)**
2022		
Summarised statement of financial position as at 31 March 2022		
Non-current assets	293 022	8 976
Current assets	35 997	114
Non-current liabilities	–	–
Current liabilities	(264 775)	(27 199)
Net assets as at 31 March 2022	64 244	(18 109)
Current liabilities (excl trade payables and provisions)	(239 852)	(27 146)
Non-current liabilities (excl trade payables and provisions)	–	–
Cash and cash equivalents	31 002	64
Reconciliation to carrying amounts		
Closing net assets/(liabilities) at 31 March 2021	64 244	(18 109)
Reporting entities' share (in %)	44.7%	50.0%
Reporting entities' share (in R'000)	28 755	(9 055)
Dividends paid	–	–
Loans to joint ventures	114 281	13 565
Reporting entities' adjustment for fair value*	(1 801)	38 329
Goodwill	–	5 073
Carrying amount as at 31 March 2022	141 235	47 912
Summarised statements of profit and loss and other comprehensive income for the year ended 31 March 2022		
Revenue	75 266	120
Depreciation	(7 065)	–
Interest income	1 008	–
Interest expense	(17 381)	–
Taxation	(6 057)	–
Profit/(loss) from continued operations	9 387	(874)
Total comprehensive income/(loss)	9 387	(874)
Share of joint ventures' profit/(loss)	5 423	(437)
Group's share of joint ventures' profits/(losses)	5 423	(437)

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

	Group's share of joint ventures' profits/ (losses) for the year R'000
2023	
Cape Town Film Studios Proprietary Limited	**11 643**
Dreamworld Management Company Proprietary Limited	**(358)**
	11 285
2022	
Cape Town Film Studios Proprietary Limited	5 423
Dreamworld Management Company Proprietary Limited	(437)
	4 986

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

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

The period for which the summarised financial information of joint ventures was disclosed is as at 31 March 2023.

9. Long-term receivables

	GROUP	
	2023 R'000	2022 R'000
Loans to group employees	**1 788**	1 788
Operating lease asset (refer to note 31)	**5 898**	6 831
	7 686	8 619
Loans to group employees		
Opening balance	**1 788**	2 929
Treasury shares forfeited	**–**	(940)
Repayment	**–**	(201)
	1 788	1 788

Fair value of long-term receivables

Loans to group employees bear interest at 0% (2022: 0%) per annum and have no set terms for repayment.

There were no impairment provisions on non-current receivable financial assets during the current or prior years. No expected credit loss is expected as the loans are secured by the shares and any future dividends until settled in full (full recourse loans). No increase in credit risks as the group performed well and the share price is stable.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9. Long-term receivables continued

Loans receivable from subsidiary companies	COMPANY 2023 R'000	2022 R'000
eMedia Investment Proprietary Limited	–	11 818
HCI Invest 3 Holdco Proprietary Limited	**8 602**	8 602
	8 602	20 420

The loan owed by eMedia Investment Proprietary Limited and HCI Invest 3 Holdco Proprietary Limited is interest-free and is payable on written demand from both parties.

Management has reviewed their 12-month cash forecast which shows that the subsidiaries have sufficient resources to meet debt commitments. The subsidiaries have also shown a steady increase in revenue and market share.

Management has also stress-tested their five-year forecast for a worst-case scenario and this indicates that they have sufficient assets to recover the loan.

Based on these factors, management is not expecting the subsidiaries to experience significant financial difficulty or a significant increase in credit risk.

No expected credit loss has been raised.

10. Deferred taxation

	GROUP 2023 R'000	2022 R'000
Movements in deferred taxation		
Opening balance	**(462 086)**	(477 877)
Current movements recognised in profit or loss	**(21 299)**	16 879
– Capital allowances	**(7 241)**	(8 364)
– Capital allowances on intangible assets	**6 721**	6 721
– Tax losses	**(16 338)**	5 767
– Accruals	**(7 897)**	11 518
– Net lease liabilities and right-of-use assets	**3 656**	1 237
– Business combinations and disposal of subsidiaries – accruals	**(200)**	–
Change in corporate tax rate	**–**	(1 088)
Closing balance at the end of the year	**(483 385)**	(462 086)
Analysis of deferred taxation		
Capital allowances	**(44 727)**	(37 486)
Capital allowances on intangible assets	**(469 578)**	(476 299)
Revaluation of land	**(14 197)**	(14 197)
Tax losses	**14 286**	30 624
Net lease liabilities and right-of-use assets	**3 828**	172
Accruals	**27 003**	35 100
	(483 385)	(462 086)
Composition of deferred taxation		
Deferred tax assets	**41 468**	60 721
Deferred tax liabilities	**(524 853)**	(522 807)
	(483 385)	(462 086)

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

11. Inventories

	GROUP 2023 R'000	2022 R'000
Raw materials	**44 555**	86 436
Finished goods	**107 026**	6 518
Total	**151 581**	92 954

Inventories are stated at the lower of cost or net realisable value.

12. Programming rights

	GROUP 2023 R'000	2022 R'000
Television programmes		
– International	**415 781**	610 863
– Local	**529 606**	367 788
	945 387	978 651
Reconciliation of carrying amount		
International television programmes		
Opening balance	**610 863**	799 508
Additions	**184 876**	323 726
Amortisations through cost of sales	**(379 107)**	(492 511)
Write-off of programming rights expensed in cost of sales	**(851)**	(19 860)
Closing balance	**415 781**	610 863
Local television programmes		
Opening balance	**367 788**	275 123
Additions	**655 792**	431 786
Amortisations through cost of sales	**(493 974)**	(339 121)
Closing balance	**529 606**	367 788

International programming with a carrying value of R0.8 million (2022: 19.9 million) was written off in the current year. These programmes were deemed no longer suitable for the channels due to it expiring, being aged or considered inappropriate for the strategic outlook of the channels.

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. The genre of features acquired generates advertising revenue over more than two runs and the amortisation method for these features is 40% on the first run, 40% on the second run and 20% on the remaining run, with the exception of programming rights acquired specifically for the MultiChannel platform which are amortised 20% over each run.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. Trade and other receivables

	GROUP 2023 R'000	GROUP 2022 R'000
Reconciliation of carrying value		
Trade receivables	**412 286**	449 185
Allowance for expected credit losses on trade and other receivables	**(1 787)**	(981)
Prepayments	**50 971**	25 498
Other receivables	**53 751**	39 308
	515 221	513 010

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

Management has performed an assessment on the expected credit loss taking into account forward-looking information by assessing the general economic condition of the media and advertising industry to derive a default rate for the 2022 and 2023 years of assessment.

Most of the group's debtors currently are multi-national agencies. The group tracks these agencies in terms of their business sustainability by monitoring the international media, any reputational loss, employee disputes, and loss of key suppliers. This will result in the group re-evaluating their credit terms, changing to COD and/or increasing the bank guarantees we currently have in place.

Local customers are monitored on the same basis; any retrenchment announcements, loss of key customers and labour disputes would result in the same measures, if not stricter as these customers don't have international support.

The group principally sells to large reputable customers with whom it has long-standing relationships. Recurring transactions over the long term provide the group with valuable payment history and customer behaviour knowledge, which is used in making credit assessments. The group evaluates the macroeconomic information within the advertising and media industry as well as the health of the industry which includes the monthly advertising spend as monitored by the broadcast and research council. This gives the group an overview of how much spend there is in the market currently. Before accepting any new customer, the group performs credit checks utilising external credit bureau and banks. If there is any doubt about a new customer's creditworthiness, the customer is initially placed as a COD customer and their payment history is assessed before being given credit. Credit is continuously monitored to ensure payments are made on time and for the correct amount. The standard credit period on sales is 45 days from the date of statement. In determining the loss allowance 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 as security against non-payment of any of the above-mentioned trade receivables. Historical data indicates that there have been no defaults by customers in the group.

The group does not credit grade their customers as part of the trade debtor balance. The amounts provided are debtor-specific. The amount provided is 100% of the amount owed and therefore the amount outstanding from these equal to the bad debt provision raised. This is also not representative of the total book as these were unique circumstances.

Trade receivables

GROUP	Trade receivables days past due				
	Current R'000	> 30 days R'000	> 60 days R'000	> 90 days R'000	Total R'000
2023					
Carrying value of debtors with no expected credit losses	**241 682**	**157 698**	**1 335**	**9 620**	**410 335**
Carrying value of debtors with specific credit losses recognised				**164**	**164**
Gross amount	**–**	**–**	**–**	**789**	**789**
Specific credit losses	**–**	**–**	**–**	**(625)**	**(625)**
Carrying value of debtors with expected credit losses	**–**	**–**	**–**	**–**	**–**
Gross amount	**958**	**93**	**–**	**111**	**1 162**
Lifetime expected credit loss	**(958)**	**(93)**	**–**	**(111)**	**(1 162)**
					410 499
Gross amount of trade receivables					**412 286**
Allowance for expected credit losses					**(1 787)**
Net carrying value of trade receivables					**410 499**
2022					
Carrying value of debtors with no expected credit losses	273 432	172 511	983	1 278	448 204
Carrying value of debtors with specific credit losses recognised					–
Gross amount	–	–	–	981	981
Specific credit losses	–	–	–	(981)	(981)
Carrying value of debtors with expected credit losses	–	–	–	–	–
Gross amount	–	–	–	–	–
Lifetime expected credit loss	–	–	–	–	–
					448 204
Gross amount of trade receivables					449 185
Allowance for expected credit losses					(981)
Net carrying value of trade receivables					448 204

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. Trade and other receivables continued

Other receivables

	GROUP			
	Other receivables			
	Stage 1 Performing R'000	Stage 2 Under-performing R'000	Stage 3 Non-performing R'000	Total R'000
2023				
Financial instruments				
Carrying value of other receivables with no expected credit losses	**50 766**	**–**	**–**	**50 766**
Carrying value of other receivables with specific credit losses recognised	**–**	**–**	**–**	**–**
Carrying value of other receivables with expected credit losses	**–**	**–**	**–**	**–**
Non-financial instruments included in other receivables				
				50 766
Gross amount of other receivables				**50 766**
Allowance for expected credit losses				**–**
Net carrying value of other receivables				**50 766**
2022				
Financial instruments				
Carrying value of other receivables with no expected credit losses	36 348	–	–	36 348
Carrying value of other receivables with specific credit losses recognised	–	–	–	–
Carrying value of other receivables with expected credit losses	–	–	–	–
Non-financial instruments included in other receivables				
				36 348
Gross amount of other receivables				36 348
Allowance for expected credit losses				–
Net carrying value of other receivables				36 348

Trade receivables pledged as security

The group has at 31 March 2023 pledged trade debt with a carrying value of R410 million (2022: R350 million) to Standard Bank of South Africa in respect of a borrowing facility. The carrying value of the borrowing facility at 31 March 2023 amounted to R290 million (2022: R120 million).

Trade receivables past due

Trade receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 45 days from the invoice date and failure to engage with the group on alternative payment arrangement among others are considered indicators of no reasonable expectation of recovery.

Allowance for expected credit losses on trade and other receivables

At 31 March 2023, trade receivables of R1.8 million (2022: R0.9 million) were charged to the loss allowance account. The loss allowance for trade and other receivables relate to debtors that have been handed over to attorneys for collection and debtors that have been outstanding for more than one year.

Movements in the allowance for expected credit losses on trade and other receivables are as follows:

	GROUP	
	2023 R'000	2022 R'000
Loss allowance as at 1 April	**981**	13 781
Allowance for receivables impaired	**1 787**	981
Amounts written off as uncollectable	**–**	(13 154)
Amounts utilised during the year	**(981)**	(627)
Closing balance	**1 787**	981

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

	GROUP	
	2023 R'000	2022 R'000
South African rand	**475 508**	509 878
US dollar	**39 698**	3 134
Euro	**15**	(2)
	515 221	513 010

Negative foreign receivables relate to upfront payments received for campaigns not yet started.

	GROUP	
	2023 R'000	2022 R'000
Other receivables		
Included under other receivables are:		
Financial instruments		
Deposits	**1 906**	2 003
Other sundry receivables	**5 324**	19 326
Working capital facility	**–**	15 019
Accrued income	**43 536**	–
Non-financial instruments		
Value added taxation	**2 985**	2 960
	53 751	39 308

Accrued income relates to the sale of programme titles to a third party as per a signed contract. Revenue has been recorded in content sales. The funds relating to this will be received in the next financial year.

None of these debtors are showing any risk of default in the near future and therefore no expected credit loss has been raised.

The working capital loan in the prior year is a loan the group has with a manufacturing partner, CZ Electronics Manufacturing for the manufacture of the Openview satellite boxes currently available in South Africa. The loan is measured at amortised cost and bears no interest and is repayable in six months. This transaction is part of an ongoing relationship. The eMedia Holdings group continually assesses the manufacturer's ability to pay back the loan by inspecting their financial statements and taking note of any defaults (of which there has been none). The loan is also being received steadily and therefore no expected credit loss has been raised as the risk of default is not considered to be significant.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14. Disposal group assets/liabilities held for sale

	GROUP 2023 R'000	2022 R'000
Disposal group assets classified as held for sale	**4 896**	4 896
Liabilities associated with the disposal group assets held for sale	**(1 765)**	(1 765)
	3 131	3 131

GROUP

	Silverline Studios Proprietary Limited R'000	Niveus 13 Proprietary Limited R'000	Crystal Brook Distribution Proprietary Limited R'000	Total R'000
31 March 2023				
Disposal group assets classified as held for sale				
Property, plant and equipment	**431**	**–**	**4**	**435**
Intangible assets	**–**	**–**	**975**	**975**
Deferred tax asset	**–**	**–**	**1 058**	**1 058**
Trade and other receivables	**1 272**	**25**	**833**	**2 130**
Taxation receivable	**–**	**9**	**–**	**9**
Cash and cash equivalents	**185**	**10**	**94**	**289**
	1 888	**44**	**2 964**	**4 896**
Liabilities associated with the disposal group assets held for sale				
Trade and other payables	**(1 021)**	**(25)**	**(719)**	**(1 765)**
	867	**19**	**2 245**	**3 131**
31 March 2022				
Disposal group assets classified as held for sale				
Property, plant and equipment	431	–	4	435
Intangible assets	–	–	975	975
Deferred tax asset	–	–	1 058	1 058
Trade and other receivables	1 272	25	833	2 130
Taxation receivable	–	9	–	9
Cash and cash equivalents	185	10	94	289
	1 888	44	2 964	4 896
Liabilities associated with the disposal group assets held for sale				
Trade and other payables	(1 021)	(25)	(719)	(1 765)
	867	19	2 245	3 131

Refer to note 26 for information relating to entities sold during the year.

15. Stated capital

GROUP AND COMPANY

	Number of shares 2023	Number of shares 2022	Rand value 2023 R'000	Rand value 2022 R'000
Authorised				
Ordinary shares of R0 each (2022: 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 (2022: 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 and end of the year	**63 810 244**	63 810 244	**333 591**	333 591
N ordinary shares	**379 058 796**	379 058 796	**6 429 206**	6 429 206
Balance at the beginning of the year	**379 058 796**	379 303 820	**6 429 206**	6 429 206
Share buy-back during the year	**–**	(245 024)	**–**	–
	442 869 040	442 869 040	**6 762 797**	6 762 797

16. Treasury shares

GROUP AND COMPANY

	Number of shares 2023	Number of shares 2022	Rand value 2023 R'000	Rand value 2022 R'000
N Ordinary shares				
Balance at the beginning of the year	**2 868 563**	2 623 539	**20 801**	19 861
Treasury shares forfeited	**–**	245 024	**–**	940
	2 868 563	2 868 563	**20 801**	20 801

Issue and repurchase of shares

During the prior year, N ordinary shares were forfeited at a total value of R0.9 million. The forfeited N ordinary shares were from certain employees of the group that resigned. These shares were not in issue and therefore do not affect the number of shares shown above.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. Non-controlling interest

Significant restrictions

There are no significant statutory, contractual or regulatory restrictions on the group's ability to access or use its assets and settle its liabilities.

There are no contractual arrangements in place for the provision of financial support of the principal subsidiary, nor has there been any financial or other support provided to these entities during the reporting period.

The group includes the following subsidiary with non-controlling interests (NCIs):

	Effective interest held by NCI		Profit allocated to NCI for the year	
	2023	2022	2023 R'000	2022 R'000
eMedia Investments Proprietary Limited	**32.31%**	32.31%	**122 699**	136 998
Other subsidiaries			**470**	511
			123 169	137 509

	Other comprehensive loss allocated to NCI for the year		Accumulated NCI	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
eMedia Investments Proprietary Limited	**–**	(2 101)	**1 362 429**	1 239 730
Other subsidiaries	**–**	–	**4 663**	4 193
	–	(2 101)	**1 367 092**	1 243 923

Set out below is the summarised financial information for eMedia Investments Proprietary Limited. The amounts disclosed are before intercompany eliminations.

	2023 R'000	2022 R'000
Summarised statement of financial position		
Non-current assets	**1 671 478**	1 595 213
Current assets	**1 788 417**	1 785 493
Assets of disposal groups	**4 896**	4 896
Non-current liabilities	**(485 901)**	(372 927)
Current liabilities	**(562 686)**	(753 971)
Liabilities of disposal groups	**(1 765)**	(1 765)

	2023 R'000	2022* R'000
Summarised statement of comprehensive income		
Revenue	**3 125 051**	3 125 051
Profit for the year	**404 705**	447 262
Other comprehensive loss for the year	**–**	(6 247)
Total comprehensive income	**404 705**	441 015
Summarised cash flows		
Cash flows from operating activities	**44 308**	531 046
Cash flows from investing activities	**(202 987)**	(87 230)
Cash flows from financing activities	**102 885**	(302 666)

* *Restated for discontinued operations, see note 26.*

18. Borrowings

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Bank borrowings	**534 965**	393 844	**–**	–
Other borrowings	**8 602**	26 967	**38 755**	8 602
Carrying value of borrowings	**543 567**	420 811	**38 755**	8 602
Current portion of borrowings	**(102 769)**	(91 647)	**(38 755)**	(8 602)
Non-current portion of borrowings	**440 798**	329 164	**–**	–
Secured borrowings				
Bank borrowings	**534 965**	393 844	**–**	–
	534 965	393 844	**–**	–
Unsecured borrowings				
Other borrowings	**8 602**	26 967	**38 755**	8 602
	8 602	26 967	**38 755**	8 602
Carrying value of borrowings	**543 567**	420 811	**38 755**	8 602

Secured borrowings

Secured bank borrowings bear interest at a weighted average effective interest rate of 9.94% (2022: 6.61%) and is repayable in monthly and in quarterly instalments. The secured bank borrowings mature in May 2024. A mortgage bond has been registered for R244.7 million (2022: R273.5 million).

Secured borrowings loan covenant

The secured borrowings with Standard Bank 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:

- The group's combined debt: EBITDA ratio in respect of each measurement period shall be less than 2.0 (two point zero) times (0.67)
- The group's combined debt service cover ratio (DSCR) in respect of each measurement period shall be greater than 1.4 (one point four) times (1.86)

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.

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.

Both the debt: EBITDA ratio covenant and DSCR covenant at both measurement dates during the period have been satisfied.

Unsecured borrowings

Unsecured other borrowings include loans from non-controlling interest entities, in particular, Venfin Media Investments Proprietary Limited Rnil (2022: R18.4 million). The loan bears interest at 0% and is repayable on written demand.

Also included under unsecured borrowings is a loan of R8.6 million (2022: R8.6 million) from HCI Treasury Proprietary Limited. The loan bears interest at 0% and is repayable on written demand.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18. Borrowings continued

Movements in the carrying value of borrowings are as follows:

	GROUP					
	Long-term borrowings		Short-term borrowings		Total	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Carrying value at the beginning of the year	**329 164**	383 594	**91 647**	176 295	**420 811**	559 889
Cash flows						
Raising of new debt	**273 822**	200 000	**61 178**	–	**335 000**	200 000
Debt repayments	**(130 000)**	(188 562)	**(82 241)**	(136 796)	**(212 241)**	(325 358)
Interest paid	**–**	–	**(44 005)**	(27 021)	**(44 005)**	(27 021)
Non-cash	**–**	–	**–**	–	**–**	–
Interest capitalised	**–**	–	**44 002**	27 801	**44 002**	27 801
Changes in fair value	**–**	–	**–**	(940)	**–**	(940)
Reclassification	**(32 188)**	(65 868)	**32 188**	65 868	**–**	–
Settlement of contingent consideration	**–**	–	**–**	(13 560)	**–**	(13 560)
Carrying value at the end of the year	**440 798**	329 164	**102 769**	91 647	**543 567**	420 811

	COMPANY					
	Long-term borrowings		Short-term borrowings		Total	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Carrying value at the beginning of the year	**–**	–	**8 602**	8 602	**8 602**	8 602
Cash						
Receipts from eMedia Investments	**–**	–	**30 153**	–	**30 153**	–
Carrying value at the end of the year	**–**	–	**38 755**	8 602	**38 755**	8 602

Borrowing facility

	GROUP	
	2023 R'000	2022 R'000
Available facility	**400 000**	502 802
Net utilised	**(129 500)**	(427 802)
Unutilised balance	**270 500**	75 000

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

	GROUP	
	2023 R'000	2022 R'000
Property, plant and equipment	**1 057 523**	1 066 761
Trade receivables	**410 419**	350 213
	1 407 736	1 416 974

	GROUP	
	2023 R'000	2022 R'000
Maturity of borrowings is as follows:		
Due within 1 year	**102 769**	91 647
Due within 2 to 5 years	**440 798**	329 164
	543 567	420 811
Analysis by currency:		
South African rand	**543 567**	420 811

	COMPANY	
	2023 R'000	2022 R'000
Current portion of borrowings		
Loan from eMedia Investments Proprietary Limited	**30 153**	–
Loan from HCI Treasury Proprietary Limited	**8 602**	8 602
	38 755	8 602

These loans bear interest at 0% and are repayable on written demand.

As at 31 March 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. Lease liabilities

	Land and buildings 2023 R'000	Land and buildings 2022 R'000
Reconciliation of carrying value: Lease liabilities		
Carrying value as at 1 April	**20 177**	27 648
Finance costs	**1 562**	2 181
Lease payments	**(9 618)**	(9 652)
Additions	**466**	–
Carrying value as at 31 March	**12 587**	20 177
Less: Current portion (included in trade and other payables: note 20)	**(8 276)**	(8 439)
Non-current portion	**4 311**	11 738
Lease of low-value assets included in operating expenses	**473**	391

The table below analyses the group's lease liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows.

No relief was sought by lessors during the year.

	Less than 1 year R'000	Between 1 and 5 years R'000	Over 5 years R'000	Total R'000
31 March 2023				
Lease liabilities	**8 800**	**5 210**	**–**	**14 010**
31 March 2022				
Lease liabilities	9 867	12 300	–	22 167

Refer to note 4 for information on the right-of-use assets related to these lease liabilities.

20. Trade and other payables

	GROUP 2023 R'000	GROUP 2022 R'000
Trade payables	**274 831**	340 272
Lease liabilities	**8 276**	8 439
Foreign exchange contracts	**358**	9 697
Accruals and other current liabilities	**181 096**	301 570
	464 561	659 978

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

Included in trade payables is an amount of R1.86 million (2022: R1.70 million) owing to HCI Managerial Services Proprietary Limited. The standard credit repayment terms of 30 days apply for the settlement of all invoices and are interest-free.

	GROUP 2023 R'000	GROUP 2022 R'000
Accruals and other current liabilities		
Included under accruals and other current liabilities are:		
Non-financial instruments		
Amounts received in advance	**31 607**	32 214
Value added taxation	**20 224**	23 792
Leave pay accrual	**22 947**	25 304
Bonus accrual	**44 535**	57 198
Payroll-related payables	**12 726**	3 076
Trade accruals	**38 883**	133 005
Provision for sales for commission	**10 174**	26 981
	181 096	301 570

	GROUP 2023 R'000	GROUP 2022 R'000
The carrying amounts of the group's trade and other payables are denominated in the following currencies:		
South African rand	**312 130**	351 825
US dollar	**136 687**	304 874
Euro	**15 744**	3 086
British pound	**–**	193
	464 561	659 978

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21. Revenue

	GROUP 2023 R'000	2022* R'000
Revenue disaggregation		
Advertising revenue	**2 278 025**	2 262 585
Content sales	**54 914**	20 399
Decoder sales	**180 147**	240 638
Facility income	**261 965**	175 961
Licence fees	**350 000**	445 400
	3 125 051	3 144 983

The primary geographical market for the group's revenue is South Africa.

Revenue disaggregated by pattern of revenue recognition

GROUP	Revenue recognised over time R'000	Revenue recognised at a point in time R'000	Total R'000
31 March 2023			
Advertising revenue	**2 278 025**	**–**	**2 278 025**
Content sales	**–**	**54 914**	**54 914**
Decoder sales	**–**	**180 147**	**180 147**
Facility income	**261 965**	**–**	**261 965**
Licence fees	**350 000**	**–**	**350 000**
	2 889 990	**235 061**	**3 125 051**

GROUP	Revenue recognised over time* R'000	Revenue recognised at a point in time R'000	Total R'000
31 March 2022			
Advertising revenue	2 262 585	–	2 262 585
Content sales	–	20 399	20 399
Decoder sales	–	240 638	240 638
Facility income	175 961	–	175 961
Licence fees	445 400	–	445 400
	2 883 946	261 037	3 144 983

* *Prior year restated for discontinued operations.*

22. Operating profit and loss

Operating profit/(loss) for the year is stated after accounting for the following:

	GROUP 2023 R'000	2022* R'000
Amortisation of intangible assets	**40 583**	41 214
Amortisation of programming rights	**873 081**	831 632
Depreciation	**136 100**	108 298
Foreign exchange loss	**8 867**	(14 680)
Gain on disposal of property and equipment	**(963)**	(27)
Impairment of intangible assets	**–**	6 197
Impairment reversal of property and equipment	**(3)**	–
Repairs and maintenance	**26 744**	23 330
Employee costs, administrative and other expenses	**641 702**	599 011
Write-off of programming rights	**851**	19 860

	COMPANY 2023 R'000	2022 R'000
Employee costs, administrative and other expenses	**3 493**	3 147

23. Finance income

	GROUP 2023 R'000	2022* R'000
Recognised in profit or loss		
Finance income		
Interest received from financial institutions	**21 323**	12 442
	21 323	12 442

24. Finance expenses

	GROUP 2023 R'000	2022* R'000
Finance expense		
Interest paid to financial institutions	**44 052**	26 281
Interest paid on lease liabilities	**1 562**	2 176
	45 614	28 457

* *Prior year restated for discontinued operations.*

R0.1 million has been capitalised on property, plant and equipment during the year (2022: R2 million). Refer to note 3.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25. Taxation

	GROUP 2023 R'000	GROUP 2022* R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
South African taxes				
Current tax	**119 498**	116 088	**–**	–
Deferred taxation	**17 568**	(15 924)	**–**	–
Deferred taxation – change in corporate tax rate		(1 081)		
	137 066	99 083	**–**	–

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:

	GROUP 2023 R'000	GROUP 2022* R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Losses for future set-off	**126 221**	92 205	**–**	–
Tax relief at current rates:				
Normal tax	**34 080**	24 895	**–**	–

	GROUP 2023 %	GROUP 2022* %	COMPANY 2023 %	COMPANY 2022 %
Reconciliation of tax rate				
Normal tax rate	**27.0**	28.0	**27.0**	28.0
Share of profits of joint arrangements	**(0.0)**	–	**–**	–
Utilisation of unutilised tax losses	**(0.0)**	(8.7)	**(27.0)**	(28.0)
Deferred tax asset not recognised on assessed losses	**(0.7)**	–	**–**	–
Other non-deductible items	**0.3**	–	**–**	–
Change in corporate tax rate	**–**	(0.2)	**–**	–
Effective rate	**26.5**	19.1	**–**	–

** Prior year restated for discontinued operations.*

26. Discontinued operations

	GROUP 2023 R'000	GROUP 2022 R'000
(Loss)/profit from discontinued operations, net of taxation	**(3 356)**	2 148

Searle Street Post Production Proprietary Limited

On 7 November 2022, subsidiary Searle Street Post Production Proprietary Limited was sold to a third party. The results were reclassified to discontinued operations in the statement of comprehensive income.

Profit from discontinuing operations relating to Searle Street Post Production Proprietary Limited are as follows:

	GROUP 2023 R'000	GROUP 2022 R'000
Revenue	**12 371**	25 247
Operating and other costs	**(11 080)**	(21 961)
Loss on disposal of subsidiaries	**(742)**	
Profit before taxation	**549**	3 286
Taxation	**(4 869)**	(44)
Loss for the year from discontinued operations	**(4 320)**	3 242
Attributable to equity holders of the company	**(4 320)**	3 242
Attributable to non-controlling interest	**–**	–
Loss for the year from discontinued operations	**(4 320)**	3 242
Aggregated cash inflow/(outflow) for disposal groups and discontinued operations		
Cash flows (used in)/from operating activities	**(2 149)**	1 195
Cash flows from investing activities	**–**	(1 088)
Cash flows from financing activities	**–**	1 994
	(2 149)	2 101

Moonlighting Films Proprietary Limited

On 1 October 2022, subsidiary Moonlighting Films Proprietary Limited was sold to a third party. The results were reclassified to discontinued operations in the statement of comprehensive income.

Loss from discontinuing operations relating to Moonlighting Films Proprietary Limited is as follows:

	GROUP 2023 R'000	GROUP 2022 R'000
Revenue	**8 704**	13 875
Operating and other costs	**(5 327)**	(10 094)
Loss on disposal of subsidiaries	**(3 154)**	
Profit before taxation	**223**	3 781
Taxation	**(1 000)**	(1 180)
Loss for the year from discontinued operations	**(777)**	2 601
Attributable to equity holders of the company	**(777)**	2 601
Attributable to non-controlling interest	**–**	–
Loss for the year from discontinued operations	**(777)**	2 601
Aggregated cash inflow/(outflow) for disposal groups and discontinued operations		
Cash flows (used in)/from operating activities	**(2 381)**	6 634
Cash flows from investing activities	**–**	(9)
Cash flows from financing activities	**–**	–
	(2 381)	6 625

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

26. Discontinued operations continued

Reel Pay Proprietary Limited

On 1 October 2022, subsidiary Reel Pay Proprietary Limited was sold to a third party. The results were reclassified to discontinued operations in the statement of comprehensive income.

Loss from discontinuing operations relating to Reel Pay Proprietary Limited are as follows:

	GROUP 2023 R'000	GROUP 2022 R'000
Revenue	**3 272**	4 484
Operating and other costs	**(878)**	(1 850)
Profit before taxation	**2 394**	2 634
Taxation	**(653)**	(739)
Profit for the year from discontinued operations	**1 741**	1 895
Attributable to equity holders of the company	**1 741**	1 384
Attributable to non-controlling interest	**–**	511
Profit for the year from discontinued operations	**1 741**	1 895
Aggregated cash inflow/(outflow) for disposal groups and discontinued operations		
Cash flows (used in)/from operating activities	**1 741**	4 871
Cash flows from investing activities		–
Cash flows from financing activities	**7 182**	–
	8 923	4 871

Silverline Studios Proprietary Limited

During the year ended 31 March 2021, a decision was made to discontinue Silverline Studios Proprietary Limited. The results of the operations were reclassified to discontinued operations in the statement of comprehensive income and in assets and liabilities of disposal groups held for sale in the statement of financial position.

Loss from discontinuing operations relating to Silverline Studios Proprietary Limited are as follows:

	GROUP 2023 R'000	GROUP 2022 R'000
Revenue	**–**	5 120
Operating and other costs	**–**	(10 710)
Loss before taxation	**–**	(5 590)
Taxation	**–**	–
(Loss) for the year from discontinued operations	**–**	(5 590)
Attributable to equity holders of the company	**–**	(5 590)
Attributable to non-controlling interest	**–**	–
(Loss) for the year from discontinued operations	**–**	(5 590)
Aggregated cash inflow/(outflow) for disposal groups and discontinued operations		
Cash flows (used in)/from operating activities	**–**	(270)
Cash flows from investing activities	**–**	–
Cash flows from financing activities	**–**	(5 276)
	–	(5 546)

Longkloof Limited group entities

During the year ended 31 March 2018, a decision was made to dispose of the Longkloof Limited group, the results of the operations was reclassified to discontinued operations in the statement of comprehensive income and in assets and liabilities to disposal groups held for sale in the statement of financial position. Due to the complexity of the structure, the process of selling this entity will be completed at a later stage.

There were no revenue, profits or losses or cash flows relating to the Longkloof Limited Group during the current and prior years.

27. Earnings, diluted and headline earnings per share

GROUP	Gross R'000	NCI R'000	Tax R'000	Net R'000
For the year ended 31 March 2023				
Profit attributable to equity owners of the parent				**254 519**
Profit on disposal of plant and equipment	**(963)**	**(311)**	**(176)**	**(476)**
Remeasurements included in equity-accounted earnings	**(3 556)**	**(1 149)**	**–**	**(2 407)**
Losses from disposal of subsidiaries	**3 896**	**1 259**	**–**	**2 637**
Headline earnings				**254 273**
For the year ended 31 March 2022*				
Profit attributable to equity owners of the parent				283 321
Profit on disposal of plant and equipment	(27)	(9)	(5)	(13)
Impairment of plant and equipment	412	133	78	201
Remeasurements included in equity-accounted earnings	(1 287)	(660)	–	(627)
Impairment of intangible assets	6 197	2 002	1 175	3 020
Headline earnings				285 902

GROUP	Note	2023 R'000	2022* R'000
Basic earnings (R'000)			
Earnings/(loss)		**254 519**	283 321
Continuing operations		**256 790**	281 867
Discontinued operations		**(2 271)**	1 454
Headline earnings		**254 273**	285 902
Continuing operations		**253 908**	284 448
Discontinued operations		**365**	1 454
Basic earnings per share (cents)			
Earnings/(loss)		**57.47**	63.96
Continuing operations		**57.98**	63.63
Discontinued operations		**(0.51)**	0.33
Headline earnings per share (cents)			
Earnings		**57.41**	64.54
Continuing operations		**57.33**	64.21
Discontinued operations		**0.08**	0.33
Weighted average number of shares in issue – 31 March ('000)		**442 869**	442 994
Issued shares as at 1 April ('000)		**442 869**	443 114
Effect of own shares held ('000)		**–**	(120)
Net number of shares in issue – 31 March ('000)	16	**442 869**	442 869
Number of shares in issue – 31 March ('000)		**445 738**	445 738
Number of treasury shares in issue – 31 March ('000)		**(2 869)**	(2 869)

* *Prior year restated for discontinued operations.*

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

27. Earnings, diluted and headline earnings per share continued

Earnings/(loss) per share

Earnings/(loss) per share is based on profit attributable to equity holders for the year divided by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share are presented when the inclusion of potential ordinary shares has a dilutive effect on the earnings per share, more specifically related to share options in issue.

Headline earnings/(loss) per share

Headline earnings/(loss) per share is based on the same calculation as above, except that the attributable profit specifically excludes items as set out in Circular 01/2021: 'Headline Earnings' issued by the South African Institute of Chartered Accountants.

Diluted headline earnings per share

The group has no dilution effect on headline earnings per share in the current and prior years.

During the prior year, certain employees resigned from the group and forfeited their 245 024 N ordinary shares to the company. The share transaction is accounted for as treasury shares in the statement of changes in equity.

28. Notes to the cash flow statement

		GROUP		COMPANY	
		2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
28.1	**Cash generated by operations**				
	Profit/(loss) for the year	**377 688**	420 830	**163 057**	(3 147)
	Taxation	**143 588**	101 046	**–**	–
	Depreciation	**136 746**	114 566	**–**	–
	Amortisation of intangible assets	**40 583**	41 214	**–**	–
	Amortisation of programming rights through cost of sales	**872 230**	829 714	**–**	–
	(Profit)/loss on disposal of plant and equipment	**(963)**	(27)	**–**	–
	(Reversals)/impairment on property, plant and equipment	**(3)**	412	**–**	–
	Profit from joint ventures	**(11 285)**	(4 986)	**–**	–
	Fair value adjustment gain	**8 867**	(14 680)	**–**	–
	Investment income	**(21 567)**	(12 650)	**–**	–
	Finance costs	**45 614**	28 652	**–**	–
	Write-off of programming rights through cost of sales	**851**	19 860	**–**	–
	Loss on disposal of subsidiaries	**3 896**	–	**–**	–
	Operating lease equalisation asset	**933**	1 966	**–**	–
	Expected credit loss allowance	**(806)**	354	**–**	–
	Fair value adjustment of forward exchange contracts	**(12 786)**	17 527	**–**	–
	Other non-cash items	**11 427**	7 631	**–**	(950)
	Changes in working capital			**–**	–
	Inventory	**(58 627)**	(87 540)	**–**	–
	Programming rights	**(880 400)**	(753 594)	**–**	–
	Trade and other receivables	**(20 259)**	(83 909)	**–**	–
	Trade and other payables	**(183 673)**	47 790	**15**	–
		452 054	674 176	**163 072**	(4 097)

		GROUP		COMPANY	
		2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
28.2	**Taxation paid**				
	Balance at the beginning of the year	**1 722**	1 475	**–**	–
	Charged to the statement of profit or loss	**(119 498)**	(117 248)	**–**	–
	Business combinations/disposal of subsidiaries	**39**	–	**–**	–
	Balance at the end of the year	**1 194**	(1 722)	**–**	–
		(116 543)	(117 495)	**–**	–
28.3	**Dividends paid**				
	Dividends paid during the year	**(284 522)**	(160 465)	**(205 039)**	(160 465)
		(284 522)	(160 465)	**(205 039)**	(160 465)

29. Directors' emoluments

	Salary R'000	Bonus R'000	Retirement and medical contributions R'000	Share options R'000	Directors' fees R'000	Other benefits* R'000	Total R'000
For the year ended 31 March 2023							
Executive Directors**							
MKI Sherrif	**6 412**	**13 431**	**418**		**–**	**144**	**20 405**
AS Lee	**5 120**	**7 575**	**340**		**–**	**115**	**13 150**
Non-executive Directors							
JA Copelyn (Chairman)	**8 623**	**6 467**	**–**	**7 045**	**–**	**–**	**22 135**
TG Govender	**2 244**	**1 459**	**–**	**3 193**	**–**	**–**	**6 896**
Y Shaik	**4 455**	**2 896**	**–**	**3 019**	**–**	**–**	**10 370**
L Govender					**418**		**418**
VE Mphande	**–**	**–**	**–**	**–**	**1 415**	**–**	**1 415**
RD Watson	**–**	**–**	**–**	**–**	**1 494**	**–**	**1 494**
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the eMedia Holdings Group	**(15 322)**	**(10 822)**	**–**	**(13 257)**	**(2 585)**	**–**	**(41 023)**
	11 532	**21 006**	**758**	**–**	**742**	**259**	**34 297**
For the year ended 31 March 2022*							
Executive Directors**							
MKI Sherrif	5 964	4 346	389	–	–	190	10 889
AS Lee	4 763	2 358	317	–	–	139	7 577
Non-executive Directors							
JA Copelyn (Chairman)	8 158	4 589	–	7 075	–	–	19 822
TG Govender	2 123	1 035	–	3 257	–	–	6 415
Y Shaik	4 215	2 055	–	3 027	–	–	9 297
L Govender					397		397
VE Mphande	–	–	–	–	824	–	824
RD Watson	–	–	–	–	1 222	–	1 222
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the eMedia Holdings Group	(14 496)	(7 679)	–	(13 359)	(1 737)	–	(37 271)
	10 727	6 704	706	–	706	329	19 172

* *Consist of statutory contributions and other company contributions.*

** *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.*

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30. Business combinations/disposals of assets and liabilities

30.1 Proceeds on disposal, net cash flow on disposal and analysis of assets and liabilities disposed

	GROUP 2023 R'000	2022 R'000
Property, plant and equipment	**(2 424)**	–
Goodwill	**(43 067)**	–
Deferred tax asset	**(200)**	–
Trade and other receivables	**(13 241)**	–
Current income tax assets	**(195)**	–
Cash and cash equivalents	**(26 615)**	–
Trade and other payables	**21 561**	–
Current income tax liabilities	**234**	–
Other current liabilities	**–**	–
Total net assets sold	**(63 947)**	–
Non-controlling interests	**1 173**	–
(Gain)/loss on disposal of subsidiary	**3 896**	–
Cash and cash equivalents disposed of	**26 615**	–
Net cash (inflow)/deficit on disposal	**(32 263)**	–

Refer to note 26 for information on subsidiaries disposed of during the financial year.

31. Leases

	GROUP 2023 R'000	2022 R'000
Operating leases – as lessor (income)		
Non-cancellable operating lease rentals are receivable as follows:		
Less than 1 year	**13 246**	14 600
Between 1 and 2 years	**6 054**	13 246
Between 2 and 3 years	**6 123**	6 054
Between 3 and 4 years	**1 560**	6 123
Between 4 and 5 years	**–**	1 560
More than 5 years	**–**	–
	26 983	41 583

Certain of the group's commercial property is held to generate rental income from external parties (these are still classified as owner-occupied properties as the portion leased to external parties is insignificant). A lease agreement was entered into with the Consulate General of 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. A lease agreement was entered into with Amazon Centres (SA) Proprietary Limited effective from 1 April 2018, ending 31 December 2023.

32. Commitments

	GROUP 2023 R'000	2022 R'000
Commitments authorised by the Board of Directors but not yet contracted:		
Plant and equipment	**326 809**	342 281
Programming rights	**1 033 703**	775 898
	1 360 512	1 118 179

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 2023 amounting to R37 million within one year (2022: R36 million), R169 million after one to five years (2022: R166 million) and Rnil after five years (2022: R40 million) with the contract ending on 31 July 2028. The contracted commitments will be funded from the group's available bank facilities and retained profits.

33. Foreign currency commitments

	Currency	Uncovered R'000	Covered R'000	Total R'000
2023				
Foreign currency monetary items are as follows:				
Foreign receivables	**GBP**	**–**	**–**	**–**
	EUR	**15**	**–**	**15**
	USD	**39 698**	**–**	**39 698**
Foreign payables	**GBP**	**–**	**–**	**–**
	EUR	**15 744**	**–**	**15 744**
	USD	**67 022**	**69 665**	**136 687**
2022				
Foreign currency monetary items are as follows:				
Foreign receivables	GBP	–	–	–
	EUR	(2)	–	(2)
	USD	3 134	–	3 134
Foreign payables	GBP	193	–	193
	EUR	3 086	–	3 086
	USD	304 874	385 459	690 333

	Average rate 2023	Average rate 2022	Reporting date 2023	Reporting date 2022
The following significant exchange rates applied during the year:				
British pound	**20.47**	20.28	**22.01**	18.99
Euro	**17.70**	17.25	**19.37**	16.11
US dollar	**17.02**	14.85	**17.81**	14.47

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34. 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 to 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 (FECs). Forward exchange contracts are not used for speculative purposes. FECs act as natural hedges and formal hedge accounting is not performed.

A 10% strengthening of the functional currency against the following currencies at 31 March would have increased profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2022 and 2023.

	2023 R'000	2022 R'000
Effect on profit and loss		
Local currency:		
British pound	**–**	19
Euro	**1 573**	309
US dollar	**48 245**	30 174

Refer to note 33 for detail on significant exchange rates applied during the year as well as notes 13 and 20 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 excess funds invested 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 R534.9 million (2022: R393.8 million). 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 R5.3 million before tax.

Refer to note 18 for detail on borrowings.

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 is regularly monitored. Refer 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.

The table below shows the group's maximum exposure to credit risk by class of asset:

	Note	2023 R'000	2022 R'000
Receivables	13	**515 221**	513 010
Cash and cash equivalents		**143 351**	199 142
Loans to joint ventures	8	**125 001**	127 846
Loans to group employees	9	**1 788**	1 788
		785 361	841 786

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.

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

There were no breaches or defaults on the repayment of any loans payable during the current or prior year (refer to note 18).

The table below analyses 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 in the table are the contractual undiscounted cash flows.

	Note	Less than 1 year R'000	1 – 5 years R'000	Over 5 years R'000	Total R'000
2023					
Bank and other borrowings	18	**150 894**	**481 986**	**–**	**632 880**
Lease liabilities	19	**8 800**	**5 210**	**–**	**14 010**
Trade and other payables	20	**275 189**	**–**	**–**	**275 189**
		434 883	**487 196**	**–**	**922 079**
2022					
Bank and other borrowings	18	114 997	353 279	–	468 276
Trade and other payables	20	627 747	–	–	627 747
		742 744	353 279	–	1 096 023

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.

Refer to note 18 for information on loan covenants and how the Group is meeting them.

Fair value of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34. Financial risk management continued

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 quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

		Fair value			
	Note	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2023					
Financial liabilities measured at fair value					
Forward exchange contracts	20	–	358	–	358
		–	358	–	358
2022					
Financial liabilities measured at fair value				–	–
Forward exchange contracts	20	–	9 697	–	9 697
		–	9 697	–	9 697

The group's foreign currency forward contracts are not traded in active markets. These contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

35. Financial instruments

Financial instruments by category

	GROUP	
	2023 R'000	2022 R'000
Financial assets		
The carrying amount of financial assets, which also represents the maximum credit exposure and reasonably approximate their fair values, are as follows:		
Amortised cost	**728 178**	815 747
Non-financial assets	**4 904 712**	4 798 165
	5 632 890	5 613 912

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

	Amortised cost R'000	Fair value through profit or loss R'000	Non-financial assets R'000	Total R'000
2023				
Non-current assets	**121 143**	**–**	**3 748 533**	**3 869 676**
Property, plant and equipment	**–**	**–**	**1 057 523**	**1 057 523**
Right-of-use assets	**–**	**–**	**9 529**	**9 529**
Goodwill	**–**	**–**	**139 076**	**139 076**
Intangible assets	**–**	**–**	**2 422 452**	**2 422 452**
Equity-accounted investees	**119 355**	**–**	**72 587**	**191 942**
Deferred taxation	**–**	**–**	**41 468**	**41 468**
Operating lease asset	**–**	**–**	**5 898**	**5 898**
Long-term receivables	**1 788**	**–**	**–**	**1 788**
Current assets	**563 499**	**–**	**1 156 179**	**1 763 214**
Inventories	**–**	**–**	**151 581**	**151 581**
Programme rights	**–**	**–**	**945 387**	**945 387**
Trade and other receivables	**461 265**	**–**	**53 956**	**515 221**
Current tax assets	**–**	**–**	**2 778**	**2 778**
Cash and cash equivalents	**143 351**	**–**	**–**	**143 351**
Assets of disposal groups	**2 419**	**–**	**2 477**	**4 896**
	728 178	**–**	**4 904 712**	**5 632 890**
2022				
Non-current assets	129 634	–	3 693 785	3 823 419
Property, plant and equipment	–	–	1 066 761	1 066 761
Right-of-use assets	–	–	15 956	15 956
Goodwill	–	–	182 143	182 143
Intangible assets	–	–	2 300 072	2 300 072
Equity-accounted investees	127 846	–	61 301	189 147
Deferred taxation	–	–	60 721	60 721
Operating lease asset	–	–	6 831	6 831
Long-term receivables	1 788	–	–	1 788
Current assets	686 113	–	1 104 380	1 790 493
Inventories	–	–	92 954	92 954
Programme rights	–	–	978 651	978 651
Trade and other receivables	484 552	–	28 458	513 010
Forward exchange contracts	–	–	–	–
Current tax assets	–	–	1840	1 840
Cash and cash equivalents	199 142	–	–	199 142
Assets of disposal groups	2 419	–	2 477	4 896
	815 747	–	4 798 165	5 613 912

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

35. Financial instruments continued

	GROUP 2023 R'000	2022 R'000
Financial liabilities		
The carrying amount of financial liabilities, which also reasonably approximates their fair values, are as follows:		
Amortised cost	**981 035**	1 040 626
Fair value through profit or loss	**358**	9 697
Non-financial liabilities	**561 636**	566 894
	1 543 029	1 617 217

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

	Amortised cost R'000	Fair value through profit or loss R'000	Non-financial liabilities R'000	Total R'000
2023				
Non-current liabilities	**440 798**	**–**	**529 164**	**969 962**
Deferred tax liabilities	**–**	**–**	**524 853**	**524 853**
Borrowings – non-current	**440 798**	**–**	**–**	**440 798**
Lease liabilities	**–**	**–**	**4 311**	**4 311**
Current liabilities	**379 365**	**358**	**193 344**	**573 067**
Current tax liabilities	**–**	**–**	**3 972**	**3 972**
Current portion of borrowings	**102 769**	**–**	**–**	**102 769**
Trade and other payables	**274 831**	**–**	**189 372**	**464 203**
Forward exchange contracts	**–**	**358**	**–**	**358**
Liabilities of disposal groups	**1 765**	**–**	**–**	**1 765**
	820 163	**358**	**722 508**	**1 543 029**
2022				
Non-current liabilities	329 164	–	534 545	863 709
Deferred tax liabilities	–	–	522 807	522 807
Borrowings – non-current	329 164	–	–	329 164
Lease liabilities	–	–	11 738	11 738
Current liabilities	711 462	9 697	32 349	753 508
Current tax liabilities	–	–	118	118
Current portion of borrowings	91 647	–	–	91 647
Trade and other payables	618 050	–	32 231	650 281
Forward exchange contracts	–	9 697.00	–	9 697
Liabilities of disposal groups	1 765	–	–	1 765
	1 040 626	9 697	566 894	1 617 217

36. Related parties

During the year, in the ordinary course of business, certain companies within the group entered into transactions with one another. These intragroup 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:

	2023 R'000	2022 R'000
Expense transaction values with related parties		
HCI – management fees paid	**(19 399)**	(18 504)
Venfin – management fees paid	**(3 117)**	(3 018)
GRIPP Advisory – internal audit service fee	**(2 104)**	(2 102)
Balances owing (to)/by related parties		
HCI – working capital loan – Borrowing – Refer to note 18	**(8 602)**	(8 602)
HCI Managerial Services Proprietary Limited – Trade payable – Refer to note 20	**(1 860)**	(1 776)
Venfin – loan relating to the acquisition of Longkloof Limited – Borrowing – Refer to note 18	**–**	(18 363)
Cape Town Film Studios – Loan to joint venture – Refer to note 8	**110 926**	119 926
Dreamworld Management Company – Loan to joint venture – Refer to note 8	**14 075**	13 565
Employees of the group – Loans relating to company shares held by employees – Long-term receivable – Refer to note 9	**1 788**	1 788

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:

	2023 R'000	2022 R'000
Salaries and other short-term employee benefits	**34 297**	19 172

The percentage of shares held by Directors of the company and their related entities at the reporting date is disclosed in the analysis of shareholders report in the integrated annual report, page 77.

Company

The ultimate holding company is Hosken Consolidated Investment Limited.

	2023 R'000	2022 R'000
Balances owing (to)/by related parties		
eMedia Investment Proprietary Limited	**(30 152)**	11 818
HCI Invest 3 Holdco Proprietary Limited – Long-term receivables – Refer to note 9	**8 602**	8 602

Related parties: All subsidiaries qualify as related parties. All subsidiaries are listed in note 37.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

37. Segment report

The group only has one operating segment, ie the media segment. In accordance with the applicable accounting standards (IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations)* the 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 separate disclosure for operating segments is required.

	2023 R'000	2022 R'000
Group income is attributable to the following geographical areas:		
South Africa	**3 142 175**	3 206 002
	3 142 175	3 206 002
Non-current assets* of the group are held in the following geographical areas:		
South Africa	**3 818 679**	3 617 108
	3 818 679	3 617 108

* *Excludes right-of-use assets, financial instruments and deferred tax assets.*

38. 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	
Direct holdings	2023 R	2022 R	2023 %	2022 %	2023 R	2022 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

The below indirect holdings are all held by eMedia Investments Proprietary Limited:

	Issued capital		% effective interest		Shares at book value	
Indirect holdings	2023 R	2022 R	2023 %	2022 %	2023 R	2022 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 Three-Sixty 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

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.

39. Contingencies

There are no material contingencies at the date of signing this report.

40. Post-year-end events

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 of the group or company for the year ended 31 March 2023 or the financial position at that date. There has been no change in Directors' interest between reporting date and date of this report.

41. Going concern

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

Management is satisfied that the going concern basis has been correctly applied and the financial statements have been prepared on the basis of Accounting Policies applicable to a going concern.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

42. New standards, interpretations and amendments to existing standards issued that are not yet effective

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 2022 or later periods which the group has not early adopted:

Standard	Details of amendment	Annual periods beginning on or after
IAS 1 *Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)*	In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendments initially had an effective date of 1 January 2022, however, in July 2020 this was deferred until 1 January 2023 as a result of the COVID-19 pandemic. An exposure draft issued in November 2021 proposes to defer the effective date further (see the final paragraph of this section). These amendments are expected to have a significant impact on many entities, with more liabilities being classified as current, particularly those with covenants relating to borrowings. In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (the committee) issued a tentative agenda decision, which analysed the applicability of the amendments to three scenarios. However, due to the feedback received and various concerns raised about the outcome of applying the amendment, the committee did not finalise the tentative agenda decision and referred the matter to the IASB. The IASB, at its meeting held in June 2021, tentatively decided to amend the requirements in IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year to annual reporting periods beginning no earlier than on or after 1 January 2024. In November 2021, the IASB issued an exposure draft to modify the 2020 amendments – Non-current Liabilities with Covenants. This exposure draft aims to address the concerns raised by stakeholders. For more information, see 'Maintenance projects' section below for information on the exposure draft.	1 January 2024
IAS 1 *Presentation of Financial Statements (Amendment – Non-current liabilities with Covenants)*	The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within 12 months.	1 January 2024
IAS 1 *Presentation of Financial Statements (Amendment – Disclosure of Accounting Policies)*	The amendments require companies to disclose their material Accounting Policy information rather than their significant Accounting Policies, with additional guidance added to the standard to explain how an entity can identify material Accounting Policy information with examples of when Accounting Policy information is likely to be material.	1 January 2023
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Accounting Estimates)*	The amendments clarify how companies should distinguish changes in Accounting Policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The requirements for recognising the effect of change in accounting prospectively remain unchanged.	1 January 2023
IAS 12 *Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)*	The amendment clarifies whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (eg a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction gives rise to equal taxable and deductible temporary differences.	1 January 2023

The above new standards have no material impact on the group.

SHAREHOLDER SNAPSHOT

Ordinary shares

Breakdown of issued capital

Type of shares	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Certificated shares	380	8.37	16 298	0.03
Dematerialised shares	4 158	91.63	63 793 976	99.97
Issued capital	4 538	100.00	63 810 274	100.00

Beneficial shareholders holding 5% or more

Shareholder	Type of holding	Number of shares	% of issued capital
Fulela Trade and Invest 81 (Pty) Ltd	DEMAT	51 196 137	80.23
		51 196 137	80.23

Breakdown by range of units

Share range	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000	4 244	93.52	99 177	0.16
1 001 – 5 000	111	2.45	309 398	0.48
5 001 – 50 000	154	3.39	2 223 246	3.48
50 001 – 100 000	9	0.20	624 665	0.98
100 001 and over	20	0.44	60 553 758	94.90
	4 538	100.00	63 810 244	100.00

Breakdown by domicile

Domicile	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Non-resident shareholders	50	1.10	5 548 013	8.69
Resident shareholders	4 488	98.90	58 262 231	91.31
	4 538	100.00	63 810 244	100.00

Breakdown by distribution of shareholders

Distribution of shareholders	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Banks	10	0.22	3 650 559	5.72
Close corporation	8	0.18	90 777	0.14
Individual	4 434	97.71	4 416 358	6.92
Investment company	20	0.44	548 814	0.86
Pension fund	3	0.07	15 010	0.02
Private company	16	0.35	53 382 856	83.66
Public company	22	0.48	1 420 035	2.28
Trust	25	0.55	282 835	0.44
	4 538	100.00	63 810 244	100.00

Breakdown by public/non-public shareholders

Distribution of shareholders	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Non-public shareholders	5	0.11	53 072 124	83.17
Non-executive Directors	–	–	–	–
Shareholders' interest in shares				
Fulela Trade and Invest 81 (Pty) Ltd	1	0.02	51 196 137	80.23
Keynote Trading and Investment 53 (Pty) Ltd	1	0.02	100	–
FRB ITF 36One SNN QI Hedge Fund	1	0.02	1 597 550	2.50
FRB ITF 36One SNN Retail Hedge Fund	1	0.02	215 295	0.34
Ocean36One En Commandite	1	0.02	63 042	0.10
Public shareholders	4 533	99.89	10 738 120	16.83
	4 538	100.00	63 810 244	100.00

Directors' interest in shares

At year-end, the Directors (including their family interests) were directly or indirectly interested in the company's issued shares as follows:

Ordinary shares

	2023		2022	
	Number of shares	%	Number of shares	%
Direct	–	–	–	–
Indirect	3 930 916	6.2	4 012 750	6.3

N-ordinary shares

	2023		2022	
	Number of shares	%	Number of shares	%
Direct	5 765 175	1.5	5 765 175	1.5
Indirect	23 290 170	6.1	23 321 063	6.1

There have been no material changes at the date of this report.

Details of Directors' beneficial direct and indirect interest in the ordinary and N-ordinary shares are as follows:

Ordinary shares

	Direct		Indirect	
	2023	2022	2023	2022
TG Govender	–	–	10 314	10 314
Y Shaik	–	–	39 916	45 130
AS Lee	–	–	–	–
MKI Sherrif	–	–	–	–
JA Copelyn	–	–	3 880 686	3 880 686
VE Mphande	–	–	–	–
L Govender	–	–	–	–
RD Watson	–	–	–	–

SHAREHOLDER SNAPSHOT CONTINUED

N-ordinary shares

	Direct		Indirect	
	2023	2022	2023	2022
TG Govender	–	–	61 112	61 112
Y Shaik	–	–	236 495	267 387
AS Lee	47 644	47 644	–	–
MKI Sherrif	5 717 531	5 717 531	–	–
JA Copelyn	–	–	22 992 564	22 992 564
VE Mphande	–	–	–	–
L Govender	–	–	–	–
RD Watson	–	–	–	–

N-ordinary shares

Breakdown of issued capital

Type of shares	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Certificated shares	315	10.30	37 156	0.01
Dematerialised shares	2 744	89.70	381 890 203	99.99
Issued capital	3 059	100.00	381 927 359	100.00

Beneficial shareholders holding 5% or more

Shareholder	Type of holding	Number of shares	% of issued capital
Hosken Consolidated Investments Ltd	DEMAT	303 330 485	79.42
Rivetprops 47 (Pty) Ltd #2	DEMAT	21 227 528	5.56
		324 558 013	84.98

Breakdown by range of units

Share range	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000	2 726	89.11	102 539	0.03
1 001 – 5 000	120	3.92	366 233	0.10
5 001 – 50 000	160	5.23	2 612 405	0.68
50 001 – 100 000	17	0.56	1 115 311	0.29
100 001 and over	36	1.18	377 730 871	98.90
	3 059	100.00	381 927 359	100.00

Breakdown by domicile

Domicile	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Non-resident shareholders	39	1.27	6 078 056	1.59
Resident shareholders	3 020	98.73	375 849 303	98.41
	3 059	100.00	381 927 359	100.00

Breakdown by distribution of shareholders

Distribution of shareholders	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Banks	8	0.26	1 310.234	0.34
Close corporation	10	0.33	134 902	0.04
Individual	2 950	96.44	13 597 937	3.56
Investment company	12	0.39	3 219 387	0.84
Pension fund	2	0.07	63 000	0.02
Private company	17	0.56	26 605 384	6.97
Public company	30	0.98	333 352 864	87.28
Trust	30	0.98	3 643 651	0.95
	3 059	100.00	381 927 359	100.00

Breakdown by public/non-public shareholders

Distribution of shareholders	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Non-public shareholders	10	0.33	350 623 946	91.80
Non-executive Directors	–	–	–	–
Shareholders' interest in shares				
SA Clothing and Textile Workers Union	1	0.03	6 338 460	1.66
FRB ITF 36One SNN QI Hedge Fund	1	0.03	3 946 116	1.03
FRB ITF 36One SNN Retail Hedge Fund	1	0.03	715 697	0.19
Ocean36One En Commandite	1	0.03	128 915	0.03
Rivetprops 47 (Pty) Ltd #2	1	0.03	21 227 528	5.56
Ceejay Trust	1	0.03	2 660 850	0.70
Hosken Consolidated Investments Ltd	1	0.03	303 330 485	79.42
eMedia Holdings	1	0.03	8 004 932	2.10
eMedia Holdings	1	0.03	2 981 149	0.78
Fulela Trade and Invest 81 (Pty) Ltd	1	0.03	1 289 814	0.34
Public shareholders	3 049	99.67	31 303 413	8.20
	3 059	100.00	31 303 359	100.00

CORPORATE INFORMATION

eMedia Holdings Limited
The company's shares are listed under the Media sector of the JSE Limited

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

Registered office
4 Albury Road
Hyde Park
Dunkeld West
Johannesburg, 2196

Private Bag X9944
Sandton, 2146

Directors
JA Copelyn* (Chairperson)
MKI Sherrif (Chief Executive Officer)
AS Lee (Financial Director)
TG Govender*
Y Shaik*
VE Mphande*^
L Govender*^
RD Watson*^ (Lead Independent)

* Non-executive
^ Independent

Company secretary
HCI Managerial Services Proprietary Limited
Suite 801
76 Regent Road
Sea Point, 8005

PO Box 5251
Cape Town, 8000

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Private Bag X9000
Saxonwold, 2132

Auditors
BDO South Africa Incorporated
Practice number: 905526
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X10046
Sandton, 2146

Bankers
Standard Bank of South Africa

Sponsor
Investec Bank Limited
100 Grayston Drive
Sandton
Sandown, 2196

Website
www.emediaholdings.co.za