ANNUAL REPORT 2015








AFRICAN MEDIA
ENTERTAINMENT

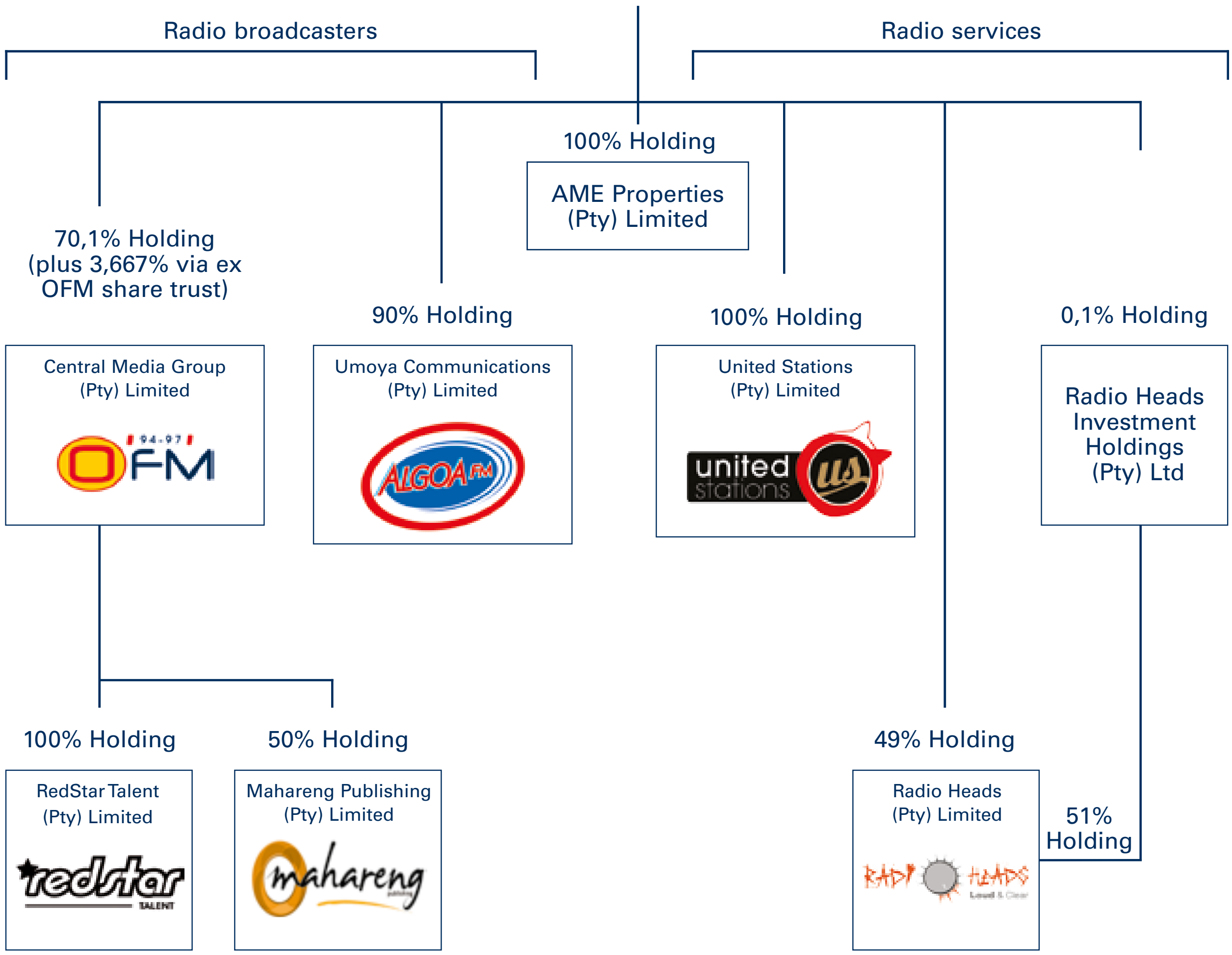
CONTENTS

GROUP STRUCTURE

African Media Entertainment Limited ("AME") is a broadcast company listed in the "Media & Entertainment" sector of the Johannesburg Stock Exchange ("JSE")

AFRICAN MEDIA ENTERTAINMENT

(Incorporated in the Republic of South Africa)
(Registration number 1926/008797/06)
(Share code: AME)
(ISIN: ZAE000055802)



DIRECTORATE AND EXECUTIVE

Board of Directors

ACG ("Connie") Molusi (53)
Independent non-executive Chairman
BJournalism, MA
Appointed 18 March 2004

Connie has been involved with the media industry for many years and holds a number of directorships.

Marthinus J Prinsloo (60)
Independent non-executive Director
BCom (Law), CA (SA)
Appointed 13 November 2003

Inus has spent many years in the merchant banking industry and now practices as a corporate finance advisor.

Navin Sooka (62)
Independent non-executive Director
BCom, BCompt (Hons), CA (SA)
Appointed 26 September 2008

Navin has extensive experience in financial positions in the manufacturing industry and within the corporate environment.

KL ("Lawrence") Tlhabane (53)
Independent non-executive Director
Certificate of Management Advanced Programme (MAP) at Wits Business school
Appointed 1 August 2011

Lawrence is a business man and has spent the last 28 years in the broadcasting and media industries in various positions, including as CEO of the Music Union of South Africa (MUSA) and as director of Real Productions, a company that produces features for TV shows. During his career he has interviewed the likes of Bishop Tutu and Walter Sisulu. In 1997 he was a founding member of KAYA FM.

Wilfred Tshuma (46)
Independent non-executive Director
BCom (Hons)
Appointed 7 July 2004
Resigned 11 June 2015

Wilfred has held internal audit and financial positions with a number of banks. He is an entrepreneur with interests in property, aviation and asset management.

Angela Jane Isbister (née Davies) (35)
Executive Director
PGDA (UCT), CA (SA)
Appointed 1 September 2010

Angela joined the group in April 2010. She completed her articles at Deloitte & Touche and worked for them in Johannesburg and San Francisco before moving to the UK where she worked in transactional services and as a financial analyst for a number of large organisations including the National Health Services.

Michelle Mynhardt (42)
Executive Financial Director
BCompt (Hons), CA (SA)
Appointed 1 June 2010

Michelle joined the group in April 2009. She completed her articles at PriceWaterhouseCoopers and later joined KPMG's International Advisory Services department. She has experience in financial positions in security, market research and investment industries.

Executive management

The group is managed by the senior executives of its major subsidiaries:

Rivak Bunce (53)
United Stations

Rivak has a strong background in training, having managed his own training franchise for several years. He joined Radio 702 in 1987, rising to the position of Sales Manager. He subsequently worked for Primedia group as group sales director until co-founding United Stations in March 2000. He joined the AME group when that company was acquired in November 2002.

David Tiltmann (51)
Umoya Communications – Algoa FM
BCom (Industrial Phycology, Business Economics)

David obtained his BCom from UPE in 1986. He began working for Algoa FM as a freelance announcer in 1989 and has held positions as Music Manager, Programme Manager and Operations Manager since then. He was appointed Managing Director of the station in February 2000. David worked as Broadcast Liaison Officer for the Host Broadcast Services at the 2010 World Cup.

Gary Stroebel (41)
Central Media Group – OFM
BA (Communication), MBA (UFS)

Gary joined OFM in 1996 as a presenter, and has worked as Programme Manager as well as Sales and Marketing Director. In March 2008 he was appointed CEO of the station. Gary obtained his MBA in April 2010.

Company secretary

Chrisna Roberts (40)
BCompt (Hons), CA (SA), RA, MTP
Appointed 1 April 2015

Chrisna did her articles at Lloyd Viljoen Registered Auditors where she subsequently became an audit partner. She is also a partner in Walrich business services where she is responsible for the Company Secretarial and Tax division.

CORPORATE GOVERNANCE

King III

AME supports the principles set out in the King III Report on Corporate Governance and, where appropriate to the company and the group, is committed to the implementation of these principles. The company is listed on the Johannesburg Stock Exchange ("JSE") and complies with its Listings Requirements.

Mr Wilfred Tshuma resigned on 11 June 2015. He was an independent non-executive director and member of the audit and remuneration committees. Due to his resignation these committees are incomplete and the process of finding a replacement has commenced.

Set out below is an explanation of the measures introduced by the company pursuant to the King Code and the Listings Requirements.

A full analysis of the King III application can be viewed on our website under the "Financial Information" heading at www.ame.co.za

Each year no less than one-third of the non-executive directors of the board retires, by rotation, as required by the Memorandum of Incorporation of the company.

Mr MJ Prinsloo and Mr KL Tlhabane will retire by rotation at the next annual general meeting and, being eligible are available for re-election.

Board appointments

Appointments to the board are done in a formal and transparent manner and are a matter of deliberation by the board. In general, the appointment of a nomination committee is therefore not deemed appropriate.

Board of directors

The board presently comprises three independent non-executive directors, two executive directors and an independent non-executive chairman. With the JSE's approval, AME does not have a CEO as the group is managed by the senior executives of its major subsidiaries as set out on page 3.

Mr ACG Molusi and Mr MJ Prinsloo have served on the board as independent non-executive chairman and member of the board and committees, respectively for longer than 10 years. These individuals are directors of several other companies, are not involved in the company at any level, are there to give guidance only and have no dealings either directly or indirectly with the company or any of its subsidiaries. The board has assessed their service and independence and their judgement was not considered to be affected or impaired by the length of service.

The independence of all non-executive directors is reviewed each year regardless of their length of service. Independence is maintained by ensuring that there are no material transactions between the directors and the company, no loan accounts or share transactions, nor any operational involvement in the company.

There is a clear division of responsibilities at board level, with the various sub-committees tasked with executing their objectives independently from the board. Decision-making at board level is on an equal voting basis and no one individual director has unfettered powers of decision making.

The board is scheduled to meet a minimum of four times in the year.

Board meeting attendance

	June 2014	Aug 2014	Nov 2014	Mar 2015
ACG Molusi *	A	✓	A	✓
MJ Prinsloo *	✓	✓	✓	✓
N Sooka *	✓	✓	✓	✓
KL Tlahabane *	✓	A	✓	✓
W Tshuma *	✓	✓	✓	✓
AJ Isbister **	✓	A	✓	T
M Mynhardt **	✓	✓	✓	✓

** Independent non-executive director*
*** Executive director*
A: Apology
T: Teleconference

Financial

The directors acknowledge responsibility for the preparation of the annual financial statements which, in their opinion, fairly present the state of affairs of the company and the group at 31 March 2015 and their operations and cash flows for the year then ended. The external auditor is responsible for reporting on the fair presentation of these financial statements.

The financial statements set out in this report have been prepared by the directors in accordance with International Financial Reporting Standards and are consistent with those for the previous annual financial statements.

They are based on appropriate accounting policies, which have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

The directors also prepare the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements. The financial statements have been audited by independent auditor Grant Thornton which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board.

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

Risk management

The purpose of management is to identify risk and assess its impact on the group. This is a continuing process, commencing at board level and filtered down to all levels of management by reporting and checking mechanisms. Risk is addressed at board level and no risk committee has therefore been appointed.

Audit committee

The committee presently comprises:

- N Sooka (Chairman) *
- MJ Prinsloo (Member) *
- W Tshuma (Member) * (resigned 11 June 2015)

** Independent non-executive director*

The audit committee has adopted a written charter based on the Companies Act 71 of 2008 ("the Companies Act") and the approved Memorandum of Incorporation. The audit committee members have considered and are of the opinion that they are adequately independent from the company and group and management thereof, within the full spirit of the Code of Corporate Practices and Conduct.

The independent auditor has unrestricted access to the committee.

The committee meetings focus on financial reporting requirements, both internal and external, and review fees charged by the independent auditor (for audit and consulting assignments) and directors for their professional services beyond their roles as directors, and the appointment of the independent auditors.

Due to the size of the company and its subsidiaries an internal audit department is not deemed functional or effective. The size of the company allows the senior management to oversee and control daily functions and manage risk on a hands-on basis.

The scope and objectivity of the external auditor were reviewed and the appointment of the external auditor complies with the Companies Act and with the requirements of the JSE. The use of the independent auditor for non-audit services is reviewed based on materiality of work done to ensure that the independence of the auditor is maintained.

At the date of this report, no queries have been received relating to accounting practices of the group, or to the content of auditing of the group's financial statements, or to any related matter.

The audit committee is responsible for evaluating the expertise and experience of the financial director and M Mynhardt will continue as the Executive Financial Director. It has also considered and found appropriate the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the finance function.

The audit committee has satisfied its responsibilities for the year in compliance with its charter.

Audit committee meeting attendance

	Jun 2014	Nov 2014	Mar 2015
N Sooka *	✓	✓	✓
MJ Prinsloo *	✓	✓	✓
W Tshuma *	✓	✓	✓

* *Independent non-executive director*

Social and ethics committee

The committee presently comprises:

- KL Tlhabane (Chairman) *
- AJ Isbister (Member) **
- M Mynhardt (Member) **
- R Bunce (Member)
- G Stroebel (Member)
- D Tiltmann (Member)

* *Independent non-executive director*
** *Executive director*

The committee comprises one independent non-executive chairman, two executive directors and three representatives from the group's subsidiary companies.

The committee is set up in accordance with section 72 of the Companies Act and its main function is to monitor the company's activities with regard to any relevant legislation, other legal requirements or prevailing Codes of Best Practice.

The social and ethics committee has satisfied its responsibilities for the year in terms of the Companies Act.

Social and ethics committee meeting attendance

	Jun 2014	Mar 2015
KL Tlhabane *	✓	✓
AJ Isbister **	✓	✓
M Mynhardt **	✓	✓
R Bunce #	✓	A
G Stroebel #	✓	✓
D Tiltmann #	✓	✓

* *Independent non-executive director*
** *Executive director*
\# *Key management*
A: Apology

Remuneration committee

The committee presently comprises

- MJ Prinsloo (Chairman) *
- N Sooka (Member) *
- W Tshuma (Member) * (resigned 11 June 2015)
- RR Bunce (Member) #
- K Reed (Member) #
- G Stroebel (Member) #
- D Tiltmann (Member) #
- M Vermeulen (Member) #

* *Independent non-executive director*
\# *Representative of subsidiary companies*

The committee comprises one independent non-executive chairman, two independent non-executive directors and representatives of the subsidiary companies.

The committee is responsible for setting the remuneration policy within the group as well as the non-executive directors' fees structures.

Remuneration committee meeting attendance

	June 2014	March 2015
MJ Prinsloo *	✓	✓
N Sooka *	✓	✓
W Tshuma *	✓	✓
RR Bunce #	✓	A
K Reed #	✓	✓
G Stroebel #	✓	✓
D Tiltmann #	✓	✓
M Vermeulen #	✓	✓

* *Independent non-executive director*
\# *Representatives of subsidiary companies*
A *Apology*

All board sub-committees are scheduled to meet at least twice a year, however, they will meet additionally if considered necessary to perform the functions for which they were established.

Internal controls
The system of internal controls established by management is considered sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the group's assets, for the benefit of all stakeholders.

Employment equity and skills development
Throughout the group, equitable employment policies are in place to ensure individuals from all demographic groupings are given the opportunity to be employed and trained by the group. The group places an increased emphasis on maintaining and training those members of staff who can provide excellent service in a small team environment. To this end, the staff incentive scheme will provide financial rewards appropriate to the personal performance of individual staff members.

HIV/AIDS
The board has given consideration to the HIV/AIDS pandemic and its possible impact on the group's human resources, and does not consider it a major risk.

Going concern
The going concern basis has been adopted in preparing the financial statements. The current strong financial position and the continued tight control on expenditures and cash flows, give the directors reason to believe that the business of the group will continue to function as a going concern for the foreseeable future.

Company secretarial and professional advice
The company has a dedicated company secretary to ensure compliance with the Companies Act and JSE Listings Requirements. Valerie Slabbert resigned after the year-end and Chrisna Roberts was appointed. The company secretary is not a director of the company and has no direct or indirect dealings with the company or any of its subsidiaries. Her remuneration is paid on an arm's length basis.

All directors have unlimited access to the advice and services of the company secretary. All directors are entitled to seek independent professional advice, at the group's expense, concerning the affairs of the group, after obtaining the approval of the chairman. The company secretary is responsible to the board to ensure that the board procedures are followed.

The annual certificate by the company secretary is reflected on page 10.

As required by the JSE, the board has considered the skills, qualifications and performance of the company secretary, Chrisna Roberts. The board is satisfied with her continuing suitability for the position. Her biographic details can be found on page 3.

Sustainability
Licence
The group's continued existence is dependent on broadcasting licences being granted to OFM and Algoa FM. Both stations were granted a 10-year licence in 2008.

Needletime
On 14 March 2014 The Supreme Court of Appeal in Bloemfontein ("SCA") delivered its judgment on the National Association of Broadcasters ("NAB") appeal against the judgment of the Copyright Tribunal on the appropriate Needletime royalty (subsequently amended on 19 March 2014). The application by The South African Music Performers Rights Association ("SAMPRA") to appeal this judgment was rejected by the SCA. Further negotiations will be entered into to determine if and from which date royalties are payable prior to the judgment date.

The directors consider that adequate provision has been made for this liability, under accruals note 13.

Transformation
Transformation is an important core value. During 2013 an external consultant undertook research about transformation in the group and various recommendations were implemented. This process focuses on growing the talent pool, identifying talent and suitable mentoring initiatives to groom these individuals into their future roles within the group. The group is also taking part in the South African Revenue Services Employment Tax Incentive Programme, whereby internships will be created for individuals between the ages of 18 and 29, receiving valuable on-the-job training and expanding the talent pool for the group.

New licences issued by ICASA
New commercial radio licences in the Eastern Cape and Bloemfontein have been granted. The licensed broadcast area for the new secondary market station in the Eastern Cape falls outside of the Algoa FM footprint in the Eastern Cape and the proposed music format does not conflict with that of Algoa FM. While the new licences in the Central South African region will invariably bring some degree of competition, these new entrants' music format is unlikely to conflict with that of OFM.

CHAIRMAN'S REVIEW

Review of the year

This financial year was difficult but our businesses maintained the growth achieved in the previous financial years with a 5% increase in revenue to R254,6 million (2014: R242,5 million). Comprehensive income increased by 16% to R56,6 million (2014: R48,6 million).

The comprehensive income attributable to equity holders of the parent amounted to R49,6 million (2014: R42,9 million) with earnings per share of 608,2 cents (2014: 524,9 cents). Headline earnings per share was 612,5 cents (2014: 524,3 cents).

After paying tax of R23,9 million (2014: R19,3 million), the group generated R55,3 million (2014: R62,5 million) in cash from its operating activities during the year. The group invested R19,6 million (2014: R1,2 million) on the development of the site in Bloemfontein earmarked to be the new home of the Central Media Group and spent R9,4 million (2014: R3,2 million) on capital expenditure. The group ended the period with cash resources of R105,5 million (2014: R106,3 million).

Operations

Our subsidiaries continue to contribute positively to our bottom line through innovative sales initiatives and tight cost control.

Algoa FM performed well with year-on-year revenue and listenership growth. Cost containement remains a focus area and contributes to profitability. Algoa FM scooped four MTN Radio Awards at the annual banquet. Daron Mann won Best Breakfast Show presenter, and the Algoa FM Heritage Day Virtual Flag won in the categories best promotion/stunt, best programme innovation and best multi channel stunt.

Central Media Group delivered a solid set of results, mostly due to growth in non-advertising revenue. Significant web development contracts were secured and completed in this period by Digital Platforms. Mahareng publishing continued to gain market share in local publishing, with Bloemfontein Courant increasing profitability with 21%. Redstar suffered revenue setbacks with the unexpected cancellation of two major events, but launched new products which helped create new revenue lines. OFM once again delivered stable results and benefited from good cost-control. Advertising revenue is still constrained by the relatively weak national economy. Overall, the group focused on reducing costs and looking for high margin alternative revenue streams, utilising the various synergies between the media brands to good effect.

In a tough economic climate characterised by clients cutting back on budgets throughout the year, RadioHeads has generated an after-tax profit. This turnaround has resulted from a re-focus on its core business with a strong drive toward the retention of key clients. Special attention has been paid to generating maximum revenue yield from Campaigns.

United Stations added two new station contracts to their portfolio, allowing them to increase their footprint into all major markets across the country and increase their weekly audience to seven million listeners. This came into effect during the second quarter of the year and along with a strong performance from KAYA FM, contributed to an increase in revenue. The challenging sales climate that has persisted throughout the fiscal, along with the need to reposition the two new stations in the market, necessitated additional investment in staff as well as significant research and trade marketing. These investments have placed United Stations in a good position to compete in the demanding marketplace that is expected to persist over the coming year.

Prospects

The board is cautiously optimistic that the revenue for the 2016 year will compare favourably with that of this year.

ACG MOLUSI
Independent non-executive Chairman

19 June 2015

ADMINISTRATION

African Media Entertainment Limited
Incorporated in the Republic of South Africa
Registration number 1926/008797/06
Share code: AME
ISIN: ZAE000055802

Auditor
Grant Thornton
Chartered Accountants (SA)
Registered Auditor
52 Corlett Drive
Wanderers Office Park
Illovo, 2196

Bankers
ABSA Capital CIBW
15 Alice Lane
Sandton, 2196

Legal Advisors
Martini-Patlansky Attorneys
32 St John Road
Houghton
Johannesburg, 2198

Fluxmans Attorneys
30 Jellicoe Avenue
Rosebank
Johannesburg, 2196

Secretary and Registered Office
C Roberts
Block A, Oxford Office Park
No. 5, 8th Street
Houghton Estate
Johannesburg, 2198

PO Box 3014, Houghton, 2041

Sponsor
Arbor Capital Sponsors (Pty) Limited
Registration number 2006/033725/07
Ground Floor, One Health Building
Woodmead North Office Park
54 Maxwell Drive
Woodmead, 2191

PO Box 62397, Marshalltown, 2107

Transfer Secretaries
Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07
Ground Floor, 70 Marshall Street
Johannesburg, 2001

PO Box 61051, Johannesburg, 2107

Telephone: +27 11 370 5000
Telefax: +27 11 688 5238

STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE BOARD OF DIRECTORS

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards, the Companies Act and the Listings Requirements of the Johannesburg Stock Exchange.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the company's and group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the company and group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within pre-determined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework. The financial statements have been examined by the group's external auditor and its report is presented on page 16.

The annual financial statements set out on pages 17 to 50, which have been prepared on the going concern basis, were approved by the board of directors and are signed on its behalf by:

ACG Molusi
Independent non-executive Chairman

M Mynhardt
Executive Financial Director

19 June 2015

DIRECTORS' APPROVAL

The annual financial statements set out on pages 17 to 50 have been prepared by the financial director, M Mynhardt CA(SA) in accordance with International Financial Reporting Standards, the requirements of the Companies Act and the JSE Listings Requirements and include amounts based on judgements and estimates made by management.

The annual financial statements were approved by the board of directors on 4 June 2015 and are signed on its behalf by:

ACG Molusi
Independent Non-executive Chairman

M Mynhardt
Executive Financial Director

COMPANY SECRETARY'S CERTIFICATE

In terms of sections 88 and 89 of the South African Companies Act, 71 of 2008, as amended ("the Act"), I, in my capacity as company secretary, hereby certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that all such returns are true and up to date.

C Roberts
Company secretary

19 June 2015

DIRECTORS' REPORT

Nature of business
The group's main activities are set out on page 2 of this report.

Financial results
The financial results of the group and of the company are set out on pages 17 to 50 of this report. A review of the group's results and performance of the business units is given in the Chairman's report on page 7.

Dividends
An interim dividend of 100 cents (gross) was declared and paid during the year (2014: 100 cents (gross)). A final dividend of 250 cents (gross) was declared after year-end for the period to 31 March 2015 (2014: 200 cents (gross))

Share capital
Authorised and issued share capital
In accordance with a general authority to repurchase shares granted to the directors of the company at the annual general meeting of the company held on 29 August 2014 (2014: 30 August 2013), AME repurchased and subsequently cancelled 1 000 (2014: 10 943) ordinary shares.

The net result of the transaction reduced share capital by R1 000 (2014: R10 943) and share premium by R0,08 million (2014: R0,8 million)

Share repurchases and mandatory offer
The company has over the years proposed at its Annual General Meeting ("AGM") a special resolution granting the board a general authority to repurchase shares in the company when deemed appropriate and the board has done so when opportune.

On 19 June 2015 the company repurchased 9 200 ordinary shares (0,1% of the issued share capital), which shares were automatically cancelled upon repurchase and an application for de-listing of the shares will in due course be lodged with the Johannesburg Stock Exchange.

At the Annual General Meeting of the company held on 29 August 2014, an ordinary resolution was approved by independent shareholders waiving the obligation on Moolman & Coburn Partnership ("the Partnership") and parties acting in concert with the Partnership, which at that time held 2 854 333 ordinary shares (34,98% of the issued share capital excluding treasury shares), to make a mandatory offer to the other shareholders in the event that a repurchase of shares by the company resulted in the shareholding of the Partnership and parties acting in concert with the Partnership breaching the 35% level at which a mandatory offer would in the normal course have been required. No offer was therefore made to other shareholders.

The Partnership and parties acting in concert with the Partnership now holds 35,02% of the issued share capital (excluding treasury shares) of the company.

Directorate and secretary
Details of the directorate are given on page 3 of this report. Non-executive Directors only receive remuneration for services as directors, executive directors have service contracts with the company and are salaried directors. Details of their remuneration are set out below:

	Salary 2015 R'000	Salary 2014 R'000	Fees 2015 R'000	Fees 2014 R'000
ACG Molusi *	–	–	78	79
MJ Prinsloo *	–	–	239	236
N Sooka *	–	–	112	99
KL Tlhabane *	–	–	74	47
W Tshuma *	–	–	116	97
AJ Isbister **	729	814	–	–
M Mynhardt **	2 760	2 284	–	–
Total remuneration	3 489	3 098	619	558
Paid by the company	3 489	3 098	619	558
Total remuneration	3 489	3 098	619	558

* *Independent non-executive director*

** *Executive director*

Breakdown of executive directors' salary	Share options exercised	Salary	Bonus	Total
2015				
AJ Isbister	–	629	100	729
M Mynhardt	1 500	910	350	2 760
Total remuneration	1 500	1 539	450	3 489
2014				
AJ Isbister	–	714	100	814
M Mynhardt	1 127	857	300	2 284
Total remuneration	1 127	1 571	400	3 098

Share options	2015 Options	2014 Options
AJ Isbister	50 000	50 000
M Mynhardt	–	25 000

Unit allocation	2015 Units	2014 Units
AJ Isbister	25 000	25 000
M Mynhardt	25 000	25 000

In terms of the Memorandum of Incorporation of the company, not less than a third of the non-executive directors retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

None of the independent non-executive directors of the company have a director's service contract with the company.

As at 31 March 2015, the aggregate direct and indirect beneficial interests of the directors in the fully paid issued share capital of the company, were nil (2014: nil). There has been no material change in the directors' interests in the issued share capital between 31 March 2015 and the date of this report.

Property, plant and equipment

The group acquired property, plant and equipment at a cost of R28,3 million (2014: R4,4 million) during the financial year under review, R20 million of which relates to the building of Central Media Group's new home in Bloemfontein. There have been no major changes in the nature of or the policy relating to the use of property, plant and equipment in the group.

Events subsequent to the reporting period

The Board declared a final dividend of 250 cents (gross) per ordinary share on 4 June 2015 for the year ended 31 March 2015.

Mr Wilfred Tshuma resigned on 11 June 2015. He was an independent non-executive director and member of the audit and remuneration committees. Due to his resignation these committees are incomplete and the process of finding a replacement has commenced.

There have been no other matters between the group's year-end and the date of this report that are required to be brought to the attention of the shareholders

Investment in subsidiary companies

The financial information in respect of the company's interest in its major subsidiary companies is set out in note 5 on page 33 of the financial statements.

The aggregate profits and losses after taxation of the subsidiaries attributable to the company amounted to R54 million (2014: R47,8 million); subsidiaries making profits amounted to R54,2 million (2014: R48,9 million) and subsidiaries making losses amounted to R0,2 million (2014: R1,2 million).

Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes 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.

Employee share incentive schemes

Details of options and units granted to employees, including any executive directors, are detailed in note 25. The share scheme presently holds 89 275 (2014: 89 275) ordinary shares, none of which have been allocated.

Other than these shares, no further shares have been set aside for the scheme. In terms of the Trust Deed, up to 10% of the company's share capital, being 827 637 (2014: 827 737) ordinary shares, can be utilised for purposes of the scheme. At 31 March 2015, 738 362 (2014: 738 462) ordinary shares can still be issued to the share scheme.

AUDIT COMMITTEE'S REPORT

The audit committee ("the committee") is pleased to present this report on its activities during the financial year ended 31 March 2015.

Background

The committee was established in line with the requirements of the Companies Act, 2008 ("the Act"); it is an independent statutory committee appointed by the board of directors and approved by the shareholders.

Terms of reference

The audit committee has adopted a written charter based on the Act and the Memorandum of Incorporation that has been approved by the board of directors.

The audit committee has conducted its affairs and discharged all its responsibilities during the financial year under review, in compliance therewith.

The charter is available on request from the company secretary.

Objective and scope

The purpose of the audit committee is to assist the board in carrying out its duties relating to accounting policies, internal controls, financial reporting practises, identification of exposure to significant risks and setting principles for recommending the use of external auditors for non-audit services.

Membership

The committee comprises Messrs. N Sooka (Chairman), MJ Prinsloo and W Tshuma (resigned 11 June 2015). All the members are independent non-executive directors.

Mr Wilfred Tshuma resigned on 11 June 2015. He was an independent non-executive director and member of the audit committee. Due to his resignation this committee is incomplete and the process of finding a replacement has commenced.

The Audit committee members have considered and are of the opinion that they are adequately independent from the company and group and management thereof, within the full spirit if the Code of Corporate Practices and Conducts.

The external auditors have unrestricted access to the audit committee, and attend all meetings dealing with the external audit and annual financial statements by standing invitation.

The financial director attends all meetings by standing invitation.

External audit

The committee has evaluated the independence of the external auditor and is satisfied that the external auditor has remained independent as defined by the Act.

Both audit and no-audit services performed by the external auditor were reviewed and approved. There is a formal procedure that governs the process whereby the auditor is considered for non-audit services, and each letter for such work is reviewed by the committee.

The committee, in consultation with executive management, agreed to an audit fee for the 2015 financial year. The fee is considered appropriate for the work that was done. Audit fees are disclosed in note 18 to the financial statements.

Meetings were held with the external auditor and no matters of material concern were raised.

The committee reviewed the performance of the external auditor and nominated and recommend for approval at the annual general meeting, Grant Thornton as the external auditor for the 2016 financial year and Ms M Da Costa as the designated lead auditor. This will be her fifth year as auditor of the company and group.

Financial director

As required in terms of the JSE listings requirements, the committee has satisfied itself that the company's financial director, Mrs M Mynhardt, has the appropriate expertise and experience to meet the responsibilities of her position and confirmed her suitability for the appointment as financial director in terms of the JSE Listings Requirements.

Committee activities

During the financial year 31 March 2015 the committee performed its duties in terms of its charter and a summary of the main activities is set out below:

- Nominated the appointment and retention of the external auditors, Grant Thornton with the designated partner Ms M Da Costa after satisfying itself, through enquiry, that Grant Thornton is independent.
- Managed the external audit function, including:
  - nature and scope of the audit engagement;
  - determined the fees for the audit; and
  - determined the nature and extent of any other non-audit services, ensuring they are not material and do not have any impact on their independence
- Reviewed the going concern assumptions as prepared by management for the company and the group
- Reviewed the accounting practices and internal controls of the company and group
- Reviewed the annual report and annual financial statements taken as a whole to ensure they fairly present a balanced and understandable assessment of the company's financial position, performance and prospects
- Reviewed the external auditors' management letters and management's response to these letters
- Received and dealt appropriately with any concerns or queries
- Considered and satisfied itself on the appropriateness of the experience and expertise of the financial director as well as the adequacy of the finance functions and its resources

Recommendation of annual financial statements

The committee evaluated the annual financial statements for the year ended 31 March 2015 and considered that they comply in all material aspects with the requirements of the Act and International Financial Reporting Standards. The committee has therefore recommended the approval of the annual financial statements by the board. The board has subsequently approved the annual financial statements which will be open for discussion at the forthcoming annual general meeting.

Grant Thornton, the external auditor, has provided the shareholders with an unqualified independent audit opinion on whether the annual financial statements for the year ended 31 March 2015 fairly present, in all material respects, the financial results for the year and the position of the company and the group as at 31 March 2015.

N Sooka
Chairman

Audit committee
19 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AFRICAN MEDIA ENTERTAINMENT LIMITED

TO THE SHAREHOLDERS OF AFRICAN MEDIA ENTERTAINMENT LIMITED

We have audited the consolidated and separate financial statements of African Media Entertainment Limited set out on pages 17 to 50, which comprise the statements of financial position as at 31 March 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The company's directors are responsible for the preparation and fair presentation of these 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 controls as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluation of the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of African Media Entertainment Limited as at 31 March 2015 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.

Other reports required by the company

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

Grant Thornton

Grant Thornton
Registered Auditors
Chartered Accountants (SA)
Registration No. 1994/001166/21

Director: **MA Da Costa**

52 Corlett Drive
Wanderers Office Park
Illovo
2196

19 June 2015

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2015

	Notes	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Assets					
Non-current assets		**125 441**	99 570	**120 934**	96 100
Property, plant and equipment	3	**60 152**	35 758	**13 019**	12 566
Goodwill	4	**39 426**	39 780	**–**	–
Investment in subsidiaries	5	**–**	–	**91 761**	66 983
Investment in associated companies	6	**4 276**	3 046	**–**	–
Other financial instruments	7	**9 200**	9 226	**15 011**	15 264
Deferred taxation	8	**12 387**	11 760	**1 143**	1 287
Current assets		**185 713**	163 840	**84 403**	82 648
Trade receivables	9	**71 634**	49 394	**–**	–
Other receivables	10	**8 242**	8 125	**5 077**	4 251
Dividends receivable		**–**	–	**10 000**	–
Tax paid in advance		**324**	42	**–**	42
Cash and cash equivalents		**105 513**	106 279	**69 326**	78 355
Total assets		**311 154**	263 410	**205 337**	178 748
Equity and liabilities					
Total equity		**201 504**	175 842	**197 280**	171 297
Share capital	11	**8 159**	8 160	**8 276**	8 277
Share premium		**12 839**	12 921	**14 489**	14 571
Non-distributable reserve	12	**–**	–	**20 244**	20 244
Retained earnings		**179 760**	152 749	**154 271**	128 205
Equity attributable to equity holders of the company		**200 758**	173 830	**197 280**	171 297
Non-controlling interest holders		**746**	2 012	**–**	–
Current liabilities		**109 650**	87 568	**8 057**	7 451
Trade payables		**37 945**	24 962	**32**	80
Other payables	13	**68 587**	58 326	**6 538**	6 351
Dividend payable		**1 245**	1 020	**1 245**	1 020
Operating lease accrual		**–**	105	**–**	–
Taxation		**1 873**	3 155	**242**	–
Total equity and liabilities		**311 154**	263 410	**205 337**	178 748

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2015

	Notes	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Revenue	17	**254 631**	242 524	**4 560**	4 890
Cost of sales		**(61 047)**	(62 275)	**–**	–
Gross profit		**193 584**	180 249	**4 560**	4 890
Operating expenses	18	**(123 428)**	(119 684)	**(6 456)**	(8 456)
Operating profit/(loss)		**70 156**	60 565	**(1 896)**	(3 566)
Investment income	19	**1 750**	1 750	**49 558**	49 408
Finance income	19	**5 879**	4 508	**3 966**	2 834
Finance costs	19	**(6)**	(53)	**–**	–
Profits attributable to associates		**507**	343	**–**	–
Net profit before taxation		**78 286**	67 113	**51 628**	48 676
Taxation	20	**(21 715)**	(18 490)	**(731)**	82
Total comprehensive income for the year		**56 571**	48 623	**50 897**	48 758
Attributable to:					
Non-controlling interest holders		**6 942**	5 766	**–**	–
Equity holders of the parent		**49 629**	42 857	**50 897**	48 758
Earnings/diluted earnings per share (cents)	21	**608,2**	524,9	**–**	–

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2015

	Group		Company	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
Issued capital	**8 159**	8 160	**8 276**	8 277
Balance at beginning of year	**8 160**	8 171	**8 277**	8 288
Shares repurchased and cancelled	**(1)**	(11)	**(1)**	(11)
Share premium	**12 839**	12 921	**14 489**	14 571
Balance at beginning of year	**12 921**	13 742	**14 571**	15 392
Shares repurchased and cancelled	**(82)**	(821)	**(82)**	(821)
Non-distributable reserve	**–**	–	**20 244**	20 244
Balance at beginning of year	**–**	–	**20 244**	20 244
Retained earnings	**179 760**	152 749	**154 271**	128 205
Balance at beginning of year	**152 749**	134 663	**128 205**	104 301
Change in shareholding	**1 903**	–	**–**	–
Comprehensive income for the year	**49 629**	42 857	**50 897**	48 758
Dividend declared	**(24 521)**	(24 771)	**(24 831)**	(24 854)
Non-controlling interest holders	**746**	2 012	**–**	–
Balance at beginning of year	**2 012**	4 431	**–**	–
Change in shareholding	**(1 912)**	–		
Comprehensive income for the year	**6 942**	5 766	**–**	–
Share of dividend	**(6 296)**	(8 185)	**–**	–
Total equity	**201 504**	175 842	**197 280**	171 297

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2015

	Notes	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Cash flows from operating activities		**55 322**	62 546	**1 140**	(1 535)
Profit before taxation		**78 286**	67 113	**51 628**	48 676
Adjustments		**(4 278)**	(3 065)	**(53 689)**	(51 735)
– investment income		**(1 750)**	(1 750)	**(49 558)**	(49 408)
– finance income		**(5 879)**	(4 508)	**(3 966)**	(2 834)
– finance cost		**6**	53	**–**	–
– depreciation		**3 595**	3 500	**95**	62
– profit on disposal of property, plant and equipment		**—**	(61)	**–**	–
– loss on disposal of investment		**354**			
– rental smoothing		**(105)**	44	**–**	–
– non cash expenditure/(income)		**8**	–	**(293)**	445
– allowance for impairment in subsidiaries		**–**	–	**33**	–
– income attributable to associates		**(507)**	(343)	**–**	–
Operating profit before working capital changes		**74 008**	64 048	**(2 061)**	(3 059)
		(636)	13 295	**(462)**	(930)
– (increase)/decrease in trade and other receivables		**(23 880)**	9 165	**(826)**	(2 377)
– increase in trade and other payables		**23 244**	4 130	**364**	1 447
Cash generated by operations		**73 372**	77 343	**(2 523)**	(3 989)
Net interest received		**5 873**	4 455	**3 966**	2 834
Taxation paid	22	**(23 923)**	(19 252)	**(303)**	(380)
Cash flows from investing activities		**(25 497)**	(2 200)	**14 662**	47 193
(Decrease)/increase in investments and loans	23	**826**	248	**(24 265)**	(10 372)
Purchase of property, plant and equipment		**(28 975)**	(4 443)	**(814)**	(11)
Proceeds on disposal of property, plant and equipment		**985**	127	**266**	–
Dividends received		**1 750**	2 700	**39 558**	58 408
Repurchase of shares		**(83)**	(832)	**(83)**	(832)
Cash flows from financing activities		**(30 591)**	(32 851)	**(24 831)**	(24 854)
Dividend paid to equity holders		**(24 295)**	(24 666)	**(24 831)**	(24 854)
Dividend paid to non-controlling interest holder		**(6 296)**	(8 185)	**–**	–
Net (decrease)/increase in cash and cash equivalents		**(766)**	27 495	**(9 029)**	20 804
Cash and cash equivalents at beginning of year		**106 279**	78 784	**78 355**	57 551
Cash and cash equivalents at end of year		**105 513**	106 279	**69 326**	78 355

1. Accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting guide as issued by the Accounting Practices Committee, the Companies Act of 2008, as amended, and the JSE Listings Requirements on a basis consistent with the policies and methods of computation as used in the annual financial statements for the year ended 31 March 2014.

The financial statements are prepared under the historical cost convention, except for financial instruments which are accounted for in terms of IAS 39.

The policies set out below have been consistently applied to all the periods presented, except for new standards and interpretations disclosed in note 2 of the financial statements.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company, entities controlled by the company ("its subsidiaries") and entities over which the company exerts significant influence ("its associates"). Control is achieved where the company is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income, from the effective date of acquisition or up to the effective date of disposal, as appropriate. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. Identifiable assets, liabilities and contingent liabilities acquired or assumed are initially measured at their respective fair values at acquisition date.

All intra-group transactions, balances, income and expenses and unrealised gains and losses, are eliminated in full on consolidation.

Non-controlling interest holders' interest in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interest holders' interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest holders' share of changes in equity since the date of the combination.

Investments in associates are accounted for by way of the equity method and initially recognised at cost.

The group's investment includes goodwill identified on acquisition, net of any accumulated impairment loss and is adjusted for the group's share of the associates post acquisition reserve movements.

When the group's share of losses equals to or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains and losses are eliminated to the extent of the group's shareholding. Unrealised losses are only eliminated provided they do not indicate a potential impairment.

Costs associated with the acquisition are expensed.

1.3 Significant judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Judgements made by management in applying the accounting policies are:

Asset lives and residual values

Property, plant and equipment is depreciated over its useful life, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed at each reporting date and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

for the year ended 31 March 2015

1. Accounting policies (continued)

1.3 Significant judgements (continued)

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, inflation, taxation rates and competitive forces.

Impairment of assets

Property, plant and equipment, as well as financial and non-financial assets, are assessed at each reporting date for indications that impairment might exist. These assets are tested for impairment if there is reason to believe that an impairment may be necessary. The future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value.

Options granted

Management used the Black-Scholes Merton Option Valuation Model to determine the fair value of the cash settled options and units at issue date. Additional details regarding the estimates are included in note 24 – Share based payments.

1.4 Goodwill

Goodwill is initially measured as the excess of cost of the business combination over the group's interest of the fair value of the net identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill is carried at cost less any accumulated impairment. Goodwill is tested at least annually for impairment.

The excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in the statement of comprehensive income.

1.5 Property, plant and equipment

Property, plant and equipment is initially recorded at cost. Impairment losses and reversal of impairment losses are recognised in the statement of comprehensive income. Costs include costs incurred initially to acquire an item of property, plant and equipment and costs incurred subsequently to add to, or replace part of it.

Costs are only capitalised to the extent that the cost can be measured reliably and it is probable that the cost will result in the inflow of future economic benefits to the group.

Depreciation is calculated on the straight-line method, to write off the cost of each asset to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

• Land	not depreciated
• Buildings	1,25%
• Electronic equipment	20% – 33%
• Motor vehicles	20% – 25%
• Office equipment	10% – 20%
• Leasehold improvements	shorter of useful life or the remaining period of the lease

The carrying values of property, plant and equipment are reviewed at each financial reporting date for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. Impairment losses are recognised in the statement of comprehensive income immediately.

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

Leasehold improvements are depreciated over the shorter of the remaining lease term and the useful life of the asset. The useful lives and residual values of property, plant and equipment are assessed annually and subsequently carried at cost less accumulated depreciation and impairment. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.6 Investments in subsidiaries

In the company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment. The cost of an investment in a subsidiary is measured at the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company.

1.7 Investments in associates

Associates are entities over which the group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting right. Investments in associates are accounted for at cost less accumulated impairment losses in the company's separate financial statements. At group level these investments are initially measured at cost and subsequently using the equity method. The group's investments in associates include goodwill identified on acquisition (net of any accumulated impairment loss).

The group's share of the associates post acquisition profits or losses is recognised in profit and loss and its share of post-acquisition movements in other comprehensive income is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

1.8 Impairment of assets

The group assesses at each reporting date whether there is any indication that objective evidence exists that might indicate that an asset or group of assets is impaired. Irrespective of whether there is any indication of impairment, the group also tests goodwill for impairment annually. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value, less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the statement of comprehensive income. Goodwill acquired in a business combination is allocated from the acquisition date to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 31 March 2015

1. Accounting policies (continued)

1.8 Impairment of assets (continued)

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units.

The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

– first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and then

– to the other assets of the unit, *pro rata* on the basis of the carrying amount of each asset in the unit.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets, other than goodwill, may no longer exist or may have decreased.

If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset, other than goodwill, attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation, other than goodwill, is recognised immediately in the statement of comprehensive income.

In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value of the instrument below its cost is considered as an indicator of impairment. If such an indicator exists, the cumulative loss (measured as the difference between the acquisition cost and the current fair value less any impairment loss on that instrument previously recognised in the statement of comprehensive income) is removed from equity and recognised in profit and loss.

1.9 Leased assets

Leases of property, plant and equipment where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are recognised at the lower of the fair value of the asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges are included in other long-term payables. The interest element of the finance charge is charged to the statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter of the assets useful life and the period of the lease.

Leases of property, plant and equipment where the lessor retains substantially all the risks and rewards of ownership, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease with the difference between this amount and the contracted amount being recognised as a liability.

1.10 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

1. Accounting policies (continued)

1.10 Taxation (continued)

Deferred tax assets and liabilities

Deferred taxation is provided using a statement of financial position liability method on all temporary differences between the carrying amounts, for financial reporting purposes, and the amounts used for taxation purposes, except for differences relating to goodwill which are not deductible for taxation purposes and the initial recognition of assets or liabilities in a transaction, other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the taxation arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income or,
- a business combination.

Current taxation and deferred taxes are charged or credited to other comprehensive income if the taxation relates to items that are credited or charged, in the same or a different period, to other comprehensive income. Current taxation and deferred taxes are charged or credited directly to equity if the taxation relates to items that are credited or charged, in the same or a different period, directly in equity.

1.11 Financial instruments

Initial recognition and measurement

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument. Financial assets are initially measured at fair value plus transaction cost.

Transaction costs in respect of financial assets classified as, at fair value through profit or loss, are expensed.

Transaction costs in respect of financial liabilities classified as at fair value through profit or loss are expensed.

Financial assets

A financial asset is an asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Trade and other receivables are classified as loans and receivables and are measured at amortised cost, using the effective interest method, less allowance for impairment of receivables. Write downs of these assets are allocated against the allowance for impairment of receivables. The movement in the allowance for impairment of receivables is recognised in profit and loss and any subsequent recoveries of amounts previously written off are credited to profit and loss.

Other investments are classified as available-for-sale financial assets. These investments are carried at fair value with any gains or losses being recognised in other comprehensive income, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income. Fair value, for this purpose, is market value of investments if listed or a value arrived at by using the present value of future cash flow valuation model, if unlisted.

Cash and cash equivalents comprise cash on hand and demand deposits and are measured at fair value.

1. Accounting policies (continued)

1.11 Financial instruments (continued)

Financial liabilities
A financial liability is a liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the other entity.

Non-derivative financial liabilities that are not designated on initial recognition as financial liabilities at fair value through profit or loss (including interest-bearing borrowings and bank overdrafts) are measured at amortised cost using the effective interest method.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the terms of the borrowings in accordance with the accounting policy for borrowing costs, using the effective interest method.

Derecognition
Financial assets (or a portion thereof) are derecognised when the group realises the rights to the benefits specified in the contract, the rights expire or when the group surrenders or otherwise loses control of the contractual rights that comprise the financial asset. In derecognition, the difference between the carrying amount of the financial asset and proceeds receivable, and any prior adjustment to reflect fair value that has been reported as other comprehensive income, are included in the statement of comprehensive income.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and amounts paid for it are included in the statement of comprehensive income.

Fair value methods and assumptions
The fair value of financial instruments not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risks existing at reporting date, including independent appraisals and discounted cash flow methods. The fair value determined is adjusted for any transaction costs necessary to realise the assets or settle the liabilities.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values, as the effects of the time value of money are considered to be immaterial.

Set-off
Where a legally enforceable right to set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the assets simultaneously, or to settle on a net basis, all related financial effects are set-off in the financial statements.

1.12 Employee benefits

Short-term employee benefit costs
The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid annual leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when absence occurs.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans
Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1. Accounting policies (continued)

1.13 Share based payments

The cost of goods or services received in a share-based payment transaction are recognised as the goods or services are received.

A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services received and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in the statement of comprehensive income for the period.

If the share based payments granted do not vest until the counterparty completes a specified period of service, the company accounts for those services as they are rendered by the counterparty during the vesting period, or on a straight line basis over the vesting period.

1.14 Revenue recognition

Revenue comprises the invoiced value for the sale of services, net of Value-Added Tax and discounts and after eliminating sales within the group. Revenue from the sale of airtime is recognised upon broadcasting of the advertising material. Revenue from management fees and rental is recognised evenly throughout the year or as the services are delivered.

Other income

Finance income is recognised in the statement of comprehensive income using the effective interest rate method.

Investment income is recognised in the statement of comprehensive income when the company's right to receive payment has been established.

1.15 Borrowing cost

Borrowing costs are recognised as an expense in the period in which they are incurred. To the extent that they are incurred in respect of a qualifying asset, they are capitalised.

1.16 Segmental reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision-maker, who has been identified as the executive management, to make decisions about resources to be allocated to the segments, and assesses its performance; and
- for which discrete financial information is available.

Operating segments are identified with reference to their contribution to the group. Due to the nature of the financial information inter segmental transactions are eliminated.

for the year ended 31 March 2015

2. Statements and interpretations not yet effective

The following standards and interpretations have been applied by the company and group from 1 April 2014:

		Details of amendment	Effective from
IFRS 9:	Financial Instruments	IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement.	1 January 2014
IFRS 10:	Consolidated Financial Statements	IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement.	1 January 2014
IFRS 12:	Disclosure of Interests in Other Entities	New disclosures required for investment Entities (as defined in IFRS 10).	1 January 2014
IAS 27:	Consolidated and separate financial statements	Requirement to account for interest in 'Investment Entities' at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments; Recognition and Measurement, in the separate financial statements of a parent.	1 January 2014
IAS 36:	Impairment Assets	The amendment to IAS 36 clarifies the required disclosures of information about the recoverability amount of impaired assets if that amount is based on fair value less costs of disposal.	1 January 2014

There was no material impact at the adoption of these financial statements.

At the date of the authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

		Details of amendment	Effective from
IFRS 2:	Share-based Payments	Annual Improvements 2010 – 2012 Cycle: Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions.	1 July 2014
IFRS 3:	Business Combinations	Annual Improvements 2010 – 2012 Cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9. Annual Improvements 2011 – 2013 Cycle: Amendments to the scope paragraph for the formation of a joint arrangement.	1 July 2014 1 July 2014
IFRS 5:	Non-current Assets Held for Sale and Discontinued Operations	Annual Improvements 2010 – 2012 Cycle: Amends IFRS 5 to clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27 – 29 of IFRS 5 does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27 – 29.	1 July 2016
IFRS 7:	Financial Instruments	Annual Improvements 2010 – 2012 Cycle: These amendments clarify that the additional disclosure required by the recent amendments to IFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with IAS 34 Interim Financial Reporting when its inclusion would be necessary in order to meet the general principles of IAS 34.	1 July 2016
IFRS 8:	Operating Segments	Annual Improvements 2010 – 2012 Cycle: Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations.	1 July 2014

2. Statements and interpretations not yet effective (continued)

		Details of amendment	Effective from
IFRS 9:	Financial Instruments	IFRS 9 'Financial Instruments (2014)' replaces IAS 39 'Financial Instruments: Recognition and Measurement'.	1 January 2018
		Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 'Consolidated Financial Statements' and those in IAS 28 (2011) 'Investments in Associates' in dealing with the sale or contribution of a subsidiary.	1 January 2016
		Annual Improvements 2010 – 2012 Cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9.	1 July 2014
IFRS 10:	Consolidated Financial Statements	Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 'Consolidated Financial Statements' and these in IAS 28 (2011) 'Investments in Associates' in dealing with the sale or contribution of a subsidiary.	1 January 2016
		Amendments confirming that the IFRS 10.4(a) consolidation exemption is also available to parent entities which are subsidiaries of investment entities where the investment entity measures its investments at fair value in terms of IFRS 10.31.	
		Amendments modifying IFRS 10.32 to state that the consolidation requirements only applies to subsidiaries who are not themselves investment entities and whose main purpose is to provide services which relate to the investment entity' investment activities.	
		Amendments provision relief to non-investment entity investors in associates or joint ventures that are investment entities by allowing the non-investment entity investor to retain, when applying the equity method, the fair value measurement applied by the investment entity associates of joint ventures to their interests in subsidiaries.	
IFRS 11:	Joint arrangements	Amendments to provide guidance on the accounting for the acquisition of an interest in a joint operation which the activity of the joint operation constitutes a business.	1 January 2016
IFRS 12:	Disclosure of Interests in Other Entities	Investment Entities: Applying the Consolidation Exception: Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the cost of applying the Standards.	1 January 2016
IFRS 13:	Fair Value Measurement	Annual Improvements 2010 – 2012 Cycle: Amendments to clarify the measurement requirements for those short-term receivables and payables.	1 July 2014
		Annual Improvements 2011 – 2013 Cycle: Amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with IAS 39 or IFRS 9.	1 July 2014
IFRS 15:	Revenue from Contracts with Customers	New guidance on recognition of revenue that requires recognition of revenue in a manner that depicts the transfer of goods or service to customers at an amount that reflects the consideration the entity expects to be entitled to in exchange for these goods or services.	1 January 2017
IAS 1:	Presentation of financial statements	Amendments clarifying the materiality requirements of IAS 1 including the emphasis of the potentially detrimental effect of obscuring useful information with immaterial information.	1 January 2016
		Amendments clarifying IAS1's specified line items on the statement(s) of profit and loss and other comprehensive income and the statement of financial position can be disaggregated.	
		Additional requirements of how entities should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position.	
		Clarification entities have flexibility as to the order in which they present there notes to the financial statements, but also emphasising the need to consider fundamental principles of comparability and understandability in determining the order. Removal of potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.	

for the year ended 31 March 2015

2. Statements and interpretations not yet effective (continued)

		Details of amendment	Effective from
IAS 16:	Property, Plant and Equipment	Annual Improvements 2010-2012 Cycle: Amendments to the Revaluation method- proportionate restatement of accumulated depreciation.	1 July 2014
		Amendments to prohibit the use of a revenue-based depreciation method for property, plant and equipment as well as guidance in the application of the diminishing balance method for property, plant and equipment.	1 January 2016
IAS 19:	Employee Benefits	Amendments to defined Benefit Plans: Employee Contributions whereby the requirements in IAS 19 for contributions from employees or third parties that are linked to service have been amended.	1 July 2014
IAS 24:	Related Party Disclosure	Annual Improvements 2010 – 2012 Cycle: Amendments to the definitions and disclosure requirements for key management personnel.	1 July 2014
IAS 27:	Consolidated and Separate Financial Statements	Amendments to introducing a third option which allows entities to account for investments in subsidiaries, joint ventures and associates under the equity method in their separate financial statements.	1 January 2016
IAS 28:	Investments in Associates	Amendments to address an acknowledge inconsistency between the requirements in IFRS 10"Consolidated Financial Statements' and those in IAS28 (2011) 'Investment in Associates' in dealing with the sale or contribution of a subsidiary. In addition IAS 28 (2011) has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of these assets is part of multiple arrangements that should be accounted for as a single transaction.	1 January 2016
IAS 34:	Interim Financial Reporting	Annual Improvements 2012 – 2014 Cycle: The amendments clarify the meaning of disclosure of information elsewhere in the interim financial report and require the inclusion of a cross-reference from the interim financial statements to the location of this information. The amendments specify that this information must be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time, or the interim financial statements will be incomplete.	1 July 2016
IAS 38:	Intangible Assets	Annual Improvements 2010 – 2012 Cycle: Amendments to the revaluation method – proportionate restatement of accumulated depreciation.	1 July 2014
		Amendments present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate except in two limited circumstances, as well as provide guidance in the application of the diminishing balance method for intangible assets.	1 January 2016
IAS 40:	Investment Property	Annual Improvements 2011 – 2013 Cycle: Amendments to clarify the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.	1 July 2014

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact.

	Electronic equipment R'000	Office equipment R'000	Motor vehicles R'000	Leasehold improvements R'000	Freehold land and building R'000	Total R'000
3. PROPERTY, PLANT AND EQUIPMENT						
GROUP						
Year ended 31 March 2015						
Opening net book value	**5 305**	**1 575**	**995**	**1 857**	**26 026**	**35 758**
Additions	**4 008**	**1 560**	**983**	**1 356**	**21 068**	**28 975**
Depreciation	**(2 703)**	**(709)**	**33**	**(216)**	**–**	**(3 595)**
Disposals/transfers	**(279)**	**3**	**–**	**(710)**	**–**	**(986)**
Closing net book value	**6 331**	**2 429**	**2 011**	**2 287**	**47 094**	**60 152**
At 31 March 2015						
Cost	**20 935**	**5 348**	**2 705**	**4 171**	**47 094**	**80 253**
Accumulated depreciation	**(14 604)**	**(2 919)**	**(694)**	**(1 884)**	**–**	**(20 101)**
Net book value	**6 331**	**2 429**	**2 011**	**2 287**	**47 094**	**60 152**
Year ended 31 March 2014						
Opening net book value	5 521	1 430	535	2 564	24 831	34 881
Additions	2 022	706	517	3	1 195	4 443
Depreciation	(2 224)	(509)	(57)	(710)	–	(3 500)
Disposals/transfers	(14)	(52)	–	–	–	(66)
Closing net book value	5 305	1 575	995	1 857	26 026	35 758
At 31 March 2014						
Cost	17 660	3 907	2 249	5 852	26 026	55 694
Accumulated depreciation	(12 355)	(2 332)	(1 254)	(3 995)	–	(19 936)
Net book value	5 305	1 575	995	1 857	26 026	35 758
COMPANY						
Year ended 31 March 2015						
Opening net book value	–	**337**	–	**963**	**11 266**	**12 566**
Additions	–	**814**	–	–	–	**814**
Depreciation	–	**(95)**	–	–	–	**(95)**
Disposals/transfers	–	**(266)**	–	–	–	**(266)**
Closing net book value	–	**790**	–	**963**	**11 266**	**13 019**
At 31 March 2015						
Cost	–	**926**	–	**963**	**11 266**	**13 155**
Accumulated depreciation	–	**(136)**	–	–	–	**(136)**
Net book value	–	**790**	–	**963**	**11 266**	**13 019**
Year ended 31 March 2014						
Opening net book value	–	388	–	963	11 266	12 617
Additions	–	11	–	–	–	11
Depreciation	–	(62)	–	–	–	(62)
Disposals/transfers	–	–	–	–	–	–
Closing net book value	–	337	–	963	11 266	12 566
At 31 March 2014						
Cost	–	515	–	963	11 266	12 744
Accumulated depreciation	–	(178)	–	–	–	(178)
Net book value	–	337	–	963	11 266	12 566

Freehold buildings have not been depreciated as their residual value at the reporting date exceeds their original purchase price.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 31 March 2015

		Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
3.	**Property, plant and equipment (continued)**				
	Johannesburg				
	Freehold land and buildings consist of:				
	Remaining extent of Erf 1946 Houghton Estate	**7 300**	7 260	**7 260**	7 260
	Portion 2 of Erf 1946 Houghton Estate	**4 006**	4 006	**4 006**	4 006
	Erf 1947 Houghton Estate	**5 959**	4 934	**–**	–
	Bloemfontein				
	Erf 2692 Sunny Ridge Part 1	**1 650**	1 650	**–**	–
	Erf 30374 Ext 213 Wild Olive Estate	**28 179**	8 176	**–**	–
		47 094	26 026	**11 266**	11 266
4.	**Goodwill**				
	Cost less accumulated impairment			**–**	–
	Umoya Communications (Pty) Limited	**20 309**	20 309	**–**	–
	Central Media Group (Pty) Limited	**16 605**	16 605	**–**	–
	AME Broadcasting (Pty) Limited	**2 512**	2 512	**–**	–
	Redstar Talent (Pty) Limited – less than R1 000	**–**	–	**–**	–
	Freesport (Pty) Limited (t/a Sport Elizabeth)	**–**	354	**–**	–
	Carrying value at end of year	**39 426**	39 780	**–**	–
	Movement for the period				
	Carrying value at beginning of year	**39 780**	39 780	**–**	–
	Freesport (Pty) Ltd investment abandoned	**(354)**	–		
	Carrying value at end of year	**39 426**	39 780	**–**	–

In accordance with the group's accounting policy, an impairment test was performed on goodwill at year-end. Budgeted operating cash flows for the related business units were projected based on revenue growth of 2% per annum and discounted at the group's weighted average pre-tax cost of capital. The impairment calculations performed indicated that the goodwill was not impaired.

The investment in Freesport (Pty) Ltd was disposed of as the company was making losses with no prospects of profitability and no purchaser could be secured.

	Company 2015 R'000	Company 2014 R'000
5. Investment in subsidiaries		
AME Broadcasting (Pty) Limited		
– 100 shares representing a 100% holding *	–	–
United Stations (Pty) Limited		
– Loan	4 620	4 620
AME Properties (Pty) Limited		
– 10 shares representing a 100% holding *	–	–
– Loan	34 490	9 685
Central Media Group (Pty) Limited (t/a OFM)		
– 77 525 shares representing a 70,1% holding	28 968	28 968
Umoya Communications (Pty) Limited (t/a Algoa FM)		
– 1 000 shares representing a 90% holding	23 683	23 683
Radio Heads Investment Holdings (Pty) Limited		
– 1 share representing a 0,1% holding *	–	–
– Loan	33	27
Radio Heads (Pty) Limited		
– 490 shares representing a 49% holding * (effective 49,05% (2014: 75,1%))	–	–
– Loan	9 000	9 293
	100 794	76 276
Allowance for impairment in subsidiaries	(9 033)	(9 293)
	91 761	66 983

** Less than R1 000*

All subsidiaries share the year end of the company and are incorporated in South Africa.

During the year the company sold the majority of its investment in Radio Heads Investment Holdings (Pty) Limited to a BBBEE partner. The company and group is still consolidated as the company controls the board and administration functions until such a time as the loan has been repaid in full. R6,7 million (2014: R6,7 million) of the loan to Radio Heads (Pty) Limited is subordinated and the company issued an unlimited surety in favour of the Media Credit Co-Ordinator.

The loans to subsidiaries are unsecured and interest free. The subsidiary companies have an unconditional right to defer settlement of the loan for 12 months.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 31 March 2015

		Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
6.	**Investment in associated companies**				
	Mahareng Publishing (Pty) Limited				
	– 500 shares representing a 50% holding	1	1	–	–
	– loan	4 000	4 800	–	–
	Oxford's Office Terrace (Pty) Limited				
	– 50 shares representing a 50% holding	1 523	–	–	–
	Share of post acquisition loss	(1 248)	(1 755)	–	–
		4 276	3 046	–	–

** Less than R1 000*

	Group 2015 R'000	Group 2014 R'000
Mahareng Publishing has a March financial year-end		
Summary of the financial information:		
Total assets	6 537	6 996
Total liabilities	9 097	10 569
Accumulated loss	2 560	3 575

The loan is unsecured and interest-free with no fixed terms of repayment. The associate has an unconditional right to defer settlement of the loan for 12 months.

Oxford's Office Terrace has an August financial year end. March 2015 management account information has been used.

	Group 2015 R'000	Group 2014 R'000
Summary of the financial information:		
Total assets	4 772	–
Total liabilities	1 651	–
Accumulated profit	3 121	–

		Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
7.	**Other financial instruments**				
	Available for sale financial assets				
	Loan to Share Incentive Trust	–	–	5 811	6 038
	Chestnut Hill Investments 265 (Pty) Limited				
	– 1 247 cumulative redeemable preference shares	1 247	1 247	1 247	1 247
	– Allowance for impairment in value	(1 247)	(1 247)	(1 247)	(1 247)
	Before The Wind Investments 160 (Pty) Limited				
	– 1 300 cumulative redeemable preference shares	1 300	1 300	1 300	1 300
	– Allowance for impairment in value	(1 300)	(1 300)	(1 300)	(1 300)
	Mokgosi Holdings (Pty) Limited				
	– 10 "B" ordinary shares at cost	9 200	9 200	9 200	9 200
	– Loan	–	26	–	26
	Moneyweb Limited				
	– 1 000 000 ordinary shares at cost	680	680	680	680
	– Allowance for impairment in value	(680)	(680)	(680)	(680)
	M-Power radio (Pty) Limited (t/a Rise FM)				
	– 498 shares representing a 7,05% (2014: 7,05%) holding *	–	–	–	–
		9 200	9 226	15 011	15 264

** Less than R1 000*

7. Other financial instruments (continued)

Level 1: Quoted prices available in active markets for identical assets or liabilities

The loan to the share incentive trust is denominated in Rands and the shares it relates to are publicly traded in South Africa on the Johannesburg Stock Exchange

Fair value of these securities have been estimated by reference to quoted prices in active markets at the reporting date and is categorised within level 1 of the fair value hierarchy

Level 2: Inputs used, other than quoted prices, included within level 1 that are observable for the asset or liability, either directly or indirectly

The investment held in Moneyweb (Pty) Limited is denominated in Rands

The fair value is estimated using market prices of the underlying securities. There is an active market for these securities at reporting date and is categorised within level 2 of the fair value hierchy

Level 3: Fair value determined by valuation that uses inputs that are not based on observable market data

The unlisted securities in Chestnut Hill Investments 265 (Pty) Limited, Before The Wind Investments 160 (Pty) Limited, Mokgosi Holdings (Pty) Limited and Oxford's Office Terrace (Pty) Limited are denominated in Rands

The investments held are valued independently based on either market price, where applicable, or on valuation multiples of similar companies at the reporting date and is categorised within level 3 of the fair value hierarchy.

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Level 1	–	–	**5 811**	6 038
Level 2	–	–	–	–
Level 3	**9 200**	9 226	**9 200**	9 226
	9 200	9 226	**15 011**	15 264

The loan to the Share Incentive Trust is interest free and there are no fixed terms of repayment. The company does not have the intention to demand payment on these loans within the next 12 months. At the date of this report, none of the 89 275 shares held in the Share Incentive Trust have been allotted and no options in respect of these shares have been granted. Dividends payable to the trust has been utilised to reduce the loan amount.

Basis of valuation:

The carrying values of the investments were evaluated and there have been no indications of further impairment.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 31 March 2015

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
8. Deferred taxation				
Balance at beginning of year	**11 760**	8 475	**1 287**	1 035
Movements during the year attributable to:				
– Temporary differences	**675**	2 793	**(144)**	252
– Computed tax losses	**(31)**	492	**–**	–
– Change in ownership – Freesport (Pty) Limited	**(17)**	–	**–**	–
Balance at end of year	**12 387**	11 760	**1 143**	1 287
The balance comprises:				
Provision for leave pay	**557**	309	**35**	34
Income received in advance	**138**	159	**–**	–
Pre-paid expenditure	**(44)**	(31)	**–**	–
Accelerated capital allowances	**(293)**	(343)	**–**	–
Provisions other	**8 607**	8 203	**1 108**	1 253
Allowance for impairment of receivables	**752**	745	**–**	–
Computed tax losses	**2 670**	2 718	**–**	–
	12 387	11 760	**1 143**	1 287

The group expects that with the profits expected to be generated in future years, the computed tax losses will be utilised.

Deferred tax assets have been recognised for all unused tax losses.

	Average debtors terms (days)	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
9. Trade receivables					
Trade accounts receivable		**75 216**	53 319	**–**	–
Allowance for impairment of receivables		**(3 582)**	(3 925)	**–**	–
		71 634	49 394	**–**	–
The maximum exposure to credit risk for gross trade receivables at the reporting date by type of customer was:					
Parastatals/government	30	**1 543**	618	**–**	–
Corporates	30/60	**55 642**	36 906	**–**	–
SMMEs	30	**17 869**	15 591	**–**	–
Individuals	30	**162**	204	**–**	–
		75 216	53 319	**–**	–

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
9. Trade receivables (continued)				
Within terms				
Current	**41 846**	29 231	**–**	–
Due 30 days and less	**27 897**	16 748	**–**	–
Past due				
Due 30 to 60 days	**411**	1 499	**–**	–
Due 60 to 90 days	**1 093**	3 396	**–**	–
Due 90 days +	**3 969**	2 445	**–**	–
	75 216	53 319	**–**	–

Credit risk is minimised through an initial new client acceptance procedure whereby potential customers are individually assessed before an appropriate credit limit is allocated. The subsidiaries use a vetting agency who maintains current credit data on most companies in South Africa. R5,5 million (2014: R2,5 million) of the group's trade and other receivables have been ceded as security for Media Credit Co-ordination's accreditation.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Allowance for impairment of receivables				
Balance at beginning of period	**(3 925)**	(3 324)		
Impairment loss recognised	**222**	128		
Impairment loss reversed/(provided)	**121**	(729)		
	(3 582)	(3 925)	**–**	–
The reason for recognising the following impairment losses were				
Financial difficulties/bankruptcy	**1 185**	1 476		
Absconded	**1 620**	1 620		
Dispute	**777**	829		
	3 582	3 925	**–**	–

Listings of overdue customer balances are reviewed monthly and against their credit terms/limits. Customers exceeding their credit terms limits must settle their overdue balances before any further credit is extended.

Appropriate action is taken to recover long overdue debts.

Balance past due are not impaired except to the extent that financial difficulty of the customer has been identified, or a dispute has been received.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 31 March 2015

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
10. Other receivables				
Monies paid in advance	**1 522**	1 956	**216**	376
Deposits	**3 004**	4 443	**3 000**	3 000
Other	**1 480**	581	**1 861**	875
VAT receivable	**2 236**	1 145	**–**	–
	8 242	8 125	**5 077**	4 251
11. Share capital				
Authorised				
15 000 000 ordinary shares of R1 each	**15 000**	15 000	**15 000**	15 000
Issued				
8 276 366 (2014: 8 277 366) ordinary shares of R1 each	**8 276**	8 277	**8 276**	8 277
Held by the AME Share Incentive Trust	**(89)**	(89)	**–**	–
Held by AME Broadcasting (Pty) Limited	**(28)**	(28)	**–**	–
	8 159	8 160	**8 276**	8 277

Unissued shares

The 6 723 634 (2014: 6 722 634) unissued shares are under the control of the directors in terms of a resolution of members passed at the annual general meeting of shareholders on 29 August 2014.

The authority is valid until the next annual general meeting.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
12. Non-distributable reserve				
Restatement of investment in subsidiaries	**–**	–	**15 624**	15 624
Fair value adjustment on available for sale financial assets reserve	**–**	–	**4 620**	4 620
	–	–	**20 244**	20 244
13. Other payables				
Amounts received in advance	**467**	529	**–**	–
Share based bonuses	**5 841**	8 632	**3 107**	3 778
Receiver of revenue VAT	**2 222**	2 099	**23**	28
Accruals and provisions	**60 057**	47 066	**3 408**	2 545
	68 587	58 326	**6 538**	6 351

14. Bank facilities

The banking facilities for debit order transactions of the group are secured by limited suretyships by each individual subsidiary for its own facility.

	Loans and receivables R'000	Non-financial instruments R'000	Available-for-sale R'000	Total R'000
15. Financial assets by category				
Group				
2015				
Other financial instruments	–	–	9 200	9 200
Trade receivables	71 634	–	–	71 634
Other receivables	4 484	3 758	–	8 242
Tax paid in advance	–	324	–	324
Cash and cash equivalents	105 513	–	–	105 513
	181 631	4 082	9 200	194 913
2014				
Other financial instruments	26	–	9 200	9 226
Trade receivables	49 394	–	–	49 394
Other receivables	5 024	3 101	–	8 125
Tax paid in advance	–	42	–	42
Cash and cash equivalents	106 279	–	–	106 279
	160 723	3 143	9 200	173 066
Company				
2015				
Other financial instruments	–	–	15 011	15 011
Dividends receivable	10 000			10 000
Other receivables	4 861	216	–	5 077
Cash and cash equivalents	69 326	–	–	69 326
	84 187	216	15 011	99 414
2014				
Other financial instruments	6 064	–	9 200	15 264
Other receivables	3 875	376	–	4 251
Tax paid in advance	–	42	–	42
Cash and cash equivalents	78 355	–	–	78 355
	88 294	418	9 200	97 912

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 31 March 2015

	Non-financial instruments R'000	Amortised cost R'000	Total R'000
16. Financial liabilities by category			
Group			
2015			
Trade payables	**–**	**37 945**	**37 945**
Other payables	**2 689**	**65 898**	**68 587**
Dividend payable	**–**	**1 245**	**1 245**
	2 689	**105 088**	**107 777**
2014			
Trade payables	–	24 962	24 962
Other payables	2 628	55 803	58 431
Dividend payable	–	1 020	1 020
	2 628	81 785	84 413
Company			
2015			
Trade payables	**–**	**32**	**32**
Other payables	**23**	**6 515**	**6 538**
Dividend payable	**–**	**1 245**	**1 245**
	23	**7 792**	**7 815**
2014			
Trade payables	–	80	80
Other payables	28	6 323	6 351
Dividend payable	–	1 020	1 020
	28	7 423	7 451

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
17. Revenue				
Commercial advertising	**254 631**	242 524	**–**	–
Management fees received from subsidiaries	**–**	–	**4 560**	4 890

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
18. Operating expenses				
are stated after taking the following into account:				
Expenses				
Administration and management fees paid				
– other companies	300	372	–	–
Auditor's remuneration				
– audit fees	920	947	287	207
– prior year overprovision	(37)	–	–	–
– other services	29	16	–	–
Consulting fees	790	854	706	754
Depreciation	3 595	3 500	95	62
Legal fees	257	502	21	122
Profit on disposal of property, plant and equipment	–	(61)	–	–
Loss on disposal of subsidiary	354	–	–	–
Operating lease charges				
– premises	4 268	4 623	–	–
– office equipment	5 056	4 898	–	–
Secretarial fees	28	36	9	19
Staff costs	74 759	77 866	634	673
Defined contribution plans	3 610	3 364	–	18
Reversal of impairment of subsidiaries	–	–	(260)	–
Reversal of impairment of other financial instruments	–	–	–	(445)

	Salary 2015 R'000	Salary 2014 R'000	Fees 2015 R'000	Fees 2014 R'000
Directors' emoluments				
ACG Molusi *	–	–	78	79
MJ Prinsloo *	–	–	239	236
N Sooka *	–	–	112	99
KL Tlhabane *	–	–	74	47
W Tshuma *	–	–	116	97
AJ Isbister **	729	814	–	–
M Mynhardt **	2 760	2 284	–	–
Total remuneration	3 489	3 098	619	558
Paid by the company	3 489	3 098	619	558
Total remuneration	3 489	3 098	619	558

* *Independent non-executive director*

** *Executive director*

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 31 March 2015

		Share options exercised	Salary	Bonus	Total
18.	**Operating expenses (continued)**				
	Breakdown of executive directors' salary				
	2015				
	AJ Isister	**–**	**629**	**100**	**729**
	M Mynhardt	**1 500**	**910**	**350**	**2 760**
	Total remuneration	**1 500**	**1 539**	**450**	**3 489**
	2014				
	AJ Davies	–	714	100	814
	M Mynhardt	1 127	857	300	2 284
	Total remuneration	1 127	1 571	400	3 098

		Group		Company	
		2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
19.	**Investment income and finance cost**				
	Investment income				
	– dividends received from subsidiary companies	**–**	–	**47 808**	47 658
	– dividends received from other companies	**1 750**	1 750	**1 750**	1 750
		1 750	1 750	**49 558**	49 408
	Finance income				
	– interest received from bank	**5 825**	4 508	**3 913**	2 834
	– other	**54**	–	**53**	–
		5 879	4 508	**3 966**	2 834
	Finance cost				
	interest paid to				
	– other	**6**	53	**–**	–
		6	53	**–**	–

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
20. Taxation				
South Africa normal taxation				
– current	22 371	21 775	587	170
– prior year adjustment	(12)	–	–	–
Deferred taxation				
– deferred	(644)	(3 285)	144	(252)
	21 715	18 490	731	(82)
Tax rate reconciliation:	%	%	%	%
Statutory tax rate	28,0	28,0	28,0	28,0
Non-deductible expenditure	0,7	0,5	0,4	0,5
Exempt income	(1,0)	(0,9)	(27,0)	(28,7)
Effective tax rate	27,7	27,6	1,4	(0,2)

The company has an estimated tax loss of Rnil (2014: Rnil) and the group has an estimated tax loss of R9,5 million (2014: R9,7 million) available for set off against future taxable income. These amounts have not yet been assessed and their recoverability is dependent on the company and the group earning future taxable income. Deferred tax assets have been raised to the extent that it is reasonably certain that the estimated tax losses will be utilised against future taxable income.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
21. Earnings and headline earnings per share				
The earnings and headline earnings per share information is based on the following:				
Profit attributable to the equity holders of the company	49 629	42 857	–	–
Loss on disposal of subsidiary	354	–		
Profit on disposal of property, plant and equipment	–	(61)	–	–
Tax on disposal of property, plant and equipment	–	17	–	–
Headline earnings	49 983	42 813	–	–
Earnings per share (cents)	608,2	524,9		
Headline earnings per share (cents)	612,5	524,3		
Gross dividends per share for the year (cents)	300,0	300,0		
Weighted average number of shares in issue ('000)	8 160	8 165	–	–
22. Taxation paid				
Amount unpaid at beginning of year	(3 113)	(590)	42	(168)
Amount charged to statement of comprehensive income	(22 359)	(21 775)	(587)	(170)
Amount unpaid at end of year	1 549	3 113	242	(42)
	(23 923)	(19 252)	(303)	(380)

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
23. Decrease/Increase in investments and loans				
Increase in investment in subsidiaries	–	–	(24 778)	(9 691)
Decrease in investments in associates	800	250	–	–
Decrease/Increase in financial instruments	26	(2)	513	(681)
	826	248	(24 265)	(10 372)
24. Share-based payments				
Expense arising from share-based payment transactions	5 458	4 998	829	2 645
	Number of options		Number of options	
Balance at beginning of year	125 000	216 666	75 000	100 000
Number exercised (grant 1)	(50 000)	–	–	–
Number exercised (grant 2)	–	(66 666)	–	–
Number exercised (grant 3)	(25 000)	(25 000)	(25 000)	(25 000)
Balance at end of year	50 000	125 000	50 000	75 000
	Number of units		Number of units	
Balance at beginning of year	300 000	–	50 000	–
Units issued (grant 5)	–	300 000	–	50 000
Forfeited	(25 000)	–	–	–
Balance at end of year	275 000	300 000	50 000	50 000

Date of grant:		Grant 1 1 August 2006	Grant 2 7 May 2008	Grant 3 3 September 2009	Grant 4 1 October 2010	Grant 5 1 April 2013	Total
Number of options/units:							
Number at beginning of year		50 000	–	25 000	50 000	300 000	425 000
Number cash settled		(50 000)	–	(25 000)	–	–	(75 000)
Units forfeited		–	–	–	–	(25 000)	(25 000)
Number at end of year		–	–	–	50 000	275 000	325 000
Contractual life:		5 years	5 years	5 years	5 years	7 years	
Vesting conditions:	after 3 years	33,3%	33,3%	33,3%	33,3%	20%	
	after 4 years	33,3%	33,3%	33,3%	33,3%	20%	
	after 5 years	33,3%	33,3%	33,3%	33,3%	20%	
	after 6 years					20%	
	after 7 years					20%	

Executive directors of certain subsidiary companies received share options as part of the group's share bonus scheme. There were 50 000 (2014: 125 000) options outstanding at the end of the financial period. No additional options were granted during the year.

The incentive scheme is intended to function as a bonus scheme for executive management. On 1 April 2011 the terms of the agreement were amended to allow for cash settled instruments only. This is in line with the actual settlements to date and indications are that all future settlements will be settled for cash as well. The agreement was changed in consultation with management.

The weighted average share price at the date of cash settlement was R84,83 (2014: R64,44).

24. Share-based payments (continued)

On 1 April 2013 a new bonus scheme was implemented for executive directors of certain subsidiary companies. This scheme operates as a cash bonus scheme where the bonus is calculated with reference to the share price based on a unit allocation. The vesting period falls over seven years with 5 vesting tranches per year starting after three years. Each unit allocation has to be exercised at each vesting period as it will not be carried over into subsequent years. 275 000 (2014: 300 000) units were allocated and outstanding at the end of the financial period.

The values of the share options and units were determined using the Black-Scholes Merton Option Valuation Model, for cash settled instruments The model inputs were as follows:

2015	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Share price at reporting date	–	–	–	R86,50	R86,50
Exercise price	–	–	–	R33,00	R65,00
Expected volatility	–	–	–	18,8%	18,8%
Risk free interest rate	–	–	–	7,06%	7,06%
Dividend yield	–	–	–	2,3%	2,3%
Fair value	–	–	–	R53,55	R28,72
Mark to market value	–	–	–	R53,50	R21,50
Intrinsic value (R'000)	–	–	–	2 474	2 585
Directors' interest					
AJ Isbister	–	–	–	2 474	235
M Mynhardt	–	–	–	–	235

The volatility is based on statistical analysis of the daily share prices over the last five years, prior to the reporting date.

The group expects the future volatility of its share price to be in line with the historical volatility.

The values of the share options were determined using the Black-Scholes Merton Option Valuation Model. The model inputs were as follows:

2014	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Share price at grant date	R82,50	–	R82,50	R82,50	R82,50
Exercise price	R17,50	–	R24,50	R33,00	R65,00
Expected volatility	35,0%	–	35,0%	35,0%	35,0%
Risk free interest rate	6,7%	–	6,7%	6,7%	6,7%
Dividend yield	3,1%	–	3,1%	3,1%	3,1%
Fair value	R65,00	–	R57,62	R49,27	R30,19
Mark to market value	R65,00	–	R58,00	R49,50	R17,50
Intrinsic value (R'000)	3 250	–	1 329	2 124	1 148
Directors' interest					
AJ Isbister	–	–	–	2 124	96
M Mynhardt	–	–	1 329	–	96

The volatility is based on statistical analysis of the daily share prices over the last five years, prior to reporting date.

The group expects the future volatility of its share price to be in line with the historical volatility.

The value of the share options and units were determined usiing the Black-Scholes Merton Option Valuation Model, for cash settled instruments.

25. Borrowing powers

In terms of the company's Memorandum of Incorporation, the borrowing powers of the company are unlimited. At 31 March 2015 the company's borrowings totalled Rnil (2014: Rnil), and its subsidiaries' borrowings totalled Rnil (2014: Rnil).

26. Retirement benefits

Certain subsidiary companies presently contribute to defined contribution retirement benefit plans, being either provident funds or pension funds governed by the Pension Funds Act, 1956, which due to the nature of the funds do not require actuarial valuations.

It is compulsory for the employees of the operational subsidiary companies to be a member of a fund. The subsidiaries and members of the funds contribute to the funds in equal proportions.

The group has no obligations to fund post-retirement medical benefits.

27. Related parties

Identity of related parties

The subsidiaries of the group are identified in note 5 and the associates of the group are disclosed in note 6. Significant shareholders are detailed on page 51. The directors are listed in the directors' report. Details of key management are listed on page 3.

Related party transactions

Details of the directors' remuneration are listed in the directors' report. Trading transactions occur between subsidiaries and divisions within the group companies and are reversed on consolidation of the accounts.

Details of such transactions, including loans, other receivables, management fees, rental and dividends are detailed below:

	Company	
	2015	2014
	R'000	R'000
Loan Accounts owing by related parties		
AME Properties (Pty) Limited	**34 490**	9 685
Radio Heads (Pty) Limited	**9 000**	9 293
Radio Heads Investment Holdings (Pty) Limited	**33**	27
Share Incentive Trust	**5 811**	6 038
United Stations (Pty) Limited	**4 620**	4 620
Amounts included in other receivables regarding related parties		
AME Properties (Pty) Limited	**73**	5
Central Media Group (Pty) Limited	**169**	182
Radio Heads (Pty) Limited	**–**	8
Umoya Communications (Pty) Limited	**215**	207
Amounts included in other payables regarding related parties		
AME Properties (Pty) Limited	**–**	34
United Stations (Pty) Limited	**1**	19
Management fees received from related parties		
Central Media Group (Pty) Limited	**1 920**	1 920
Umoya Communications (Pty) Limited	**2 400**	2 400
United Stations (Pty) Limited	**240**	240
Rental received from related parties		
United Stations (Pty) Limited	**–**	330
Dividends received from related parties		
AME Broadcasting (Pty) Limited	**83**	83
Central Media Group (Pty) Limited	**17 704**	23 015
Umoya Communications (Pty) Limited	**20 021**	16 560
United Stations (Pty) Limited	**10 000**	8 000

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000

27. Related parties (continued)

Associates' loan

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Mahareng Publishing (Pty) Limited	4 000	4 800	–	–
Key management personnel (being the executive management and company secretary as per page 3) remuneration for the period amounted to:				
Basic			4 416	3 580
Medical aid			216	198
Pension			329	307
Bonus			3 063	1 341
Share based payments			–	2 400
			8 024	7 826

Details of guarantees between the holding company and its subsidiaries are contained in note 30 of these financial statements.

None of the directors or major shareholders of the group, nor their families, had any direct or indirect interests in any transaction concluded with the group in the current or prior financial years, other than is disclosed in this note.

28. Financial instruments

Credit risk

Financial assets which potentially subject the group to concentrations of credit risk consist principally of cash, short-term deposits and trade receivables. The group's cash equivalents and short-term deposits are placed with high credit quality financial institutions. Trade receivables are presented net of the allowance for impairment of receivables. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the group's customer base and their dispersion across different industries and geographical areas. Accordingly, the group has no significant concentration of credit risk.

In regard to the company, loans to subsidiaries are impaired when necessary, trade receivables are presented net of allowances for impairment. Credit risk with regard to loans to associates are not material to the group.

The carrying amounts of financial assets included in the consolidated balance sheet represent the group's exposure to credit risk in relation to these assets.

Fair values

At 31 March 2015 and 31 March 2014 the carrying amounts of cash and short-term deposits, receivables, payables and accrued expenses and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. The carrying value of available for sale assets also approximate their fair values.

28. Financial instruments (continued)

Liquidity risk

The group's and company's exposure to liquidity risk is as a result of the availability of funds to cover future commitments. The group manages its liquidity risk through an ongoing review of future commitments and by monitoring cash flow forecasts. The only financial instruments which expose the group to liquidity risk are interest bearing borrowings and trade payables, all of which will be paid within agreed credit terms.

The table below analyses the group's and company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying value as the impact of discounting is not significant.

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
Group				
At 31 March 2015				
Borrowings	–	–	–	–
Trade and other payables	**105 088**	–	–	–
At 31 March 2014				
Trade and other payables	81 785	–	–	–
Company				
At 31 March 2015				
Borrowings	–	–	–	–
Trade and other payables	**7 792**	–	–	–
At 31 March 2014				
Borrowings	–	–	–	–
Trade and other payables	7 423	–	–	–

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the returns to stakeholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from previous reporting period.

The capital structure of the group consists of debt, cash and cash equivalents and equity attributable to holders of the parent, comprising issued capital, reserves and retained earnings, respectively.

In order to maintain or adjust the capital structure, the group may adjust the dividend distribution to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
28. Financial instruments (continued)				
Interest rate risk				
The group's and company's exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date were:				
Floating interest rate instruments	**105 513**	106 279	**69 326**	78 355
Cash and cash equivalents	**105 513**	106 279	**69 326**	78 355
Weighted average effective interest rate (%)	**5,2**	4,5	**5,2**	4,5

Surplus cash flows exposed to interest rate risk are placed with institutions and facilities which yield the highest rate of return.

At 31 March 2015 and 31 March 2014, if interest rates had been 1% higher with all other variables held constant, post-tax profit of the group for the period would have increased by approximately R2,5 million (2014: R0,7 million) and for the company by approximately R2,2 million (2014: R0,4 million).

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
29. Commitments				
Future operating lease charges for premises				
Payable within one year	**2 018**	4 149	–	–
Payable within two to five years	**5 650**	7 668	–	–
	7 668	11 817	–	–
Capital commitments				
Payable within one year	**12 823**	25 500	–	600
– Capital expenditure	**423**	500	–	600
– Building development	**12 400**	25 000	–	–
Payable within two to five years				
– Building development	–	5 000	–	–
	12 823	30 500	–	600

Operating lease payments represent rentals payable by the group for certain of its premises.

Leases are negotiated for an average of one to five years. No contingent rent is payable.

The group has committed itself to capital expenditure of R0,4 million for equipment (2014: R0,5 million) and around R12,8 million (2014: R30 million) for the development of the new Central Media Group business premises in Bloemfontein. The group expects that the building project will be completed in June 2015.

30. Contingent liabilities

The company stands surety for the liabilities amounting to R6,6 million (2014: R5,3 million) of one of its subsidiary companies for the benefit of Media Credit Co-ordination. The suretyship will remain in force for an indefinite period.

On 14 March 2014 The Supreme Court of Appeal in Bloemfontein ("SCA") delivered its judgment on the National Association of Broadcasters ("NAB") appeal against the judgment of the Copyright Tribunal on the appropriate needletime royalty (subsequently amended on 19 March 2014). The application by The South African Music Performers Rights Association ("SAMPRA") to appeal this judgment was rejected by the SCA. Further negotiations will be entered into to determine if and from which date royalties are payable prior to the judgement date.

The directors consider that adequate provision has been made for this liability under accruals note 13.

31. Segmental reporting

	Radio broadcasters		Radio services		Corporate		Group total	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Revenue								
Total revenue	**210 278**	209 182	**60 852**	49 951	**5 744**	4 890	**276 874**	264 023
Internal revenue			**(16 710)**	(16 609)	**(5 533)**	(4 890)	**(22 243)**	(21 499)
External revenue	**210 278**	209 182	**44 142**	33 342	**211**	–	**254 631**	242 524
Profitability								
Segment profit from operations	**56 311**	53 250	**15 691**	11 327	**(1 846)**	(4 012)	**70 156**	60 565
Unallocated/ eliminated corporate net expense and intercompany consolidation	**507**	343					**507**	343
	56 818	53 593	**15 691**	11 327	**(1 846)**	(4 012)	**70 663**	60 908
Investment income							**1 750**	1 750
Finance income							**5 879**	4 508
Finance cost							**(6)**	(53)
Taxation							**(21 715)**	(18 490)
Profit for the year							**56 571**	48 623
Assets								
Segment assets	**63 256**	60 351	**68 141**	49 615	**69 968**	44 119	**201 365**	154 085
Investment in associates	**2 753**	3 046		–	**1 523**	–	**4 276**	3 046
	66 009	63 397	**68 141**	49 615	**71 491**	44 119	**205 641**	157 131
Cash and cash equivalents							**105 513**	106 279
							311 154	263 410
Liabilities								
Segment liabilities	**49 521**	34 542	**51 718**	45 575	**8 411**	7 451	**109 650**	87 568
Capital expenditure	**5 353**	3 530	**1 050**	902	**22 572**	11	**28 975**	4 443
Depreciation	**2 599**	2 421	**788**	1 017	**208**	62	**3 595**	3 500

The names of the segments were changed to be more descriptive. The allocation and numbers have stayed the same.

ANALYSIS OF SHAREHOLDING

for the year ended 31 March 2015

	Number of shares held '000	Shares held %	Number of shareholders	Shareholder %
Size of shareholding				
1 – 1 000	99	1,2	386	72,0
1 001 – 10 000	416	5,0	99	18,5
10 001 – 100 000	1 393	16,8	39	7,3
100 001 +	6 368	77,0	12	2,2
Total	8 276	100,0	536	100,0
Category				
Private individuals	3 341	40,5	459	85,6
Nominee companies or trusts	3 089	37,3	9	1,7
Investment companies	1 609	19,4	57	10,6
Limited companies	10	0,1	1	0,2
Other corporate bodies	227	2,7	10	1,9
Total	8 276	100,0	536	100,0
Shareholder spread				
Non-public shareholders				
AME Broadcasting (Pty) Limited	28	0,3	1	0,2
AME Share Incentive Trust	89	1,1	1	0,2
Shareholders holding more than 5% of the issued ordinary shares				
– Moolman and Coburn Partnership	2 053	24,8	1	0,2
– Golden Hind Partnership	817	9,9	1	0,2
– Frances Elizabeth Coburn	800	9,7	1	0,2
– Barclays Private Bank and Trust Limited	523	6,3	1	0,2
– Client account London	505	6,1	1	0,2
– MGM Family Trust	497	6,0	1	0,2
	5 312	64,2	8	1,6
Public shareholders	2 964	35,8	528	98,4
Total	8 276	100,0	536	100,0

Directors' interests

There are no directors holding, directly or indirectly, in excess of 1% of the issued share capital of the company on 31 March 2015.

NOTICE OF ANNUAL GENERAL MEETING

AFRICAN MEDIA ENTERTAINMENT

(Incorporated in the Republic of South Africa)
(Registration number 1926/008797/06)
(JSE share code: AME) (ISIN: ZAE000055802)

Notice is hereby given that the seventeenth annual general meeting ("meeting") of shareholders of African Media Entertainment Limited ("AME" or "the company") will be held in the boardroom, Block B, Oxford Office Park, No 5, 8th Street, Houghton Estate, Johannesburg at 10:00 on Friday, 21 August 2015.

Record date, attendance and voting

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 19 June 2015 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 14 August 2015. The last day to trade in order to be eligible to vote at the meeting is accordingly Friday, 7 August 2015.

Electronic attendance at the meeting

The company intends to make provision for the shareholders of the company or their proxies to participate in the meeting by way of electronic communication. Should you wish to participate in the meeting in this manner, you will need to contact the company at 010 590 4554 by 10:00 on Wednesday, 19 August 2015, alternatively, contact the transfer secretaries at 011 370 5122/7873 by 10:00 on Wednesday, 19 August 2015, so that the company can make the necessary arrangements for electronic communication. Should you be participating in the meeting by electronic communication, kindly ensure that the voting proxies are sent to the transfer secretaries by 10:00 on Wednesday 19 August 2015.

Purpose of meeting

The purpose of this meeting is to present the directors' report and the audited financial statements of the company and the group for the year ended 31 March 2015, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below.

Ordinary resolutions

To consider, and, if deemed fit, approve the following ordinary resolutions with or without modification.

Voting requirements: In order to be adopted, all ordinary resolutions require the support of a majority of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

1. **Ordinary resolution number 1: adoption of the annual financial statements**
   "Resolved that:
   the annual financial statements of the company and the group for the year ended 31 March 2015 be and are hereby adopted."

   Explanation: The reason for and effect of ordinary resolution number 1 is to receive and adopt the annual financial statements for the company and the group for the year ended 31 March 2015.

2. **Ordinary resolution number 2: to place the unissued shares of the company under the control of the directors**
   "Resolved that:
   all the unissued shares in the capital of the company be placed under the control of the directors in terms of article 6 of the Memorandum of Incorporation of AME, as a general authority in terms of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"), who are hereby authorised to allot and issue shares in the capital of the company to those persons, upon such terms and conditions, as the directors in their sole discretion deem fit, until the next annual general meeting, subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("JSE")."

   Explanation: In terms of article 6 of the Memorandum of Incorporation of AME and in terms of the general authority of the Companies Act, 2008 the authority given at the annual general meeting needs to be renewed.

3. **Ordinary resolution number 3: re-election of non-executive Directors**
   "Resolved that:
   3.1 Mr MJ Prinsloo, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company.

3.2 Mr KL Tlhabane, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

Explanation: To re-elect Messrs MJ Prinsloo and Mr KL Tlhabane, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting in terms of article 31 of the Memorandum of Incorporation of the company. Brief biographies of these directors appear on page 3.

The ordinary resolutions number 3.1 and 3.2 will be considered separately.

4. **Ordinary resolution number 4: re-appointment of independent auditor**

"Resolved that:
Grant Thornton be and is hereby re-appointed as independent auditor of the company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company."

Explanation: The reason for this ordinary resolution is that the company, being a listed public company, must appoint an independent auditor and have its annual financial statements audited.

5. **Ordinary resolution number 5: re-election of the audit and risk committee members and chairman**

"Resolved that:

5.1 Mr N Sooka be and is hereby re-elected as a member and chairman of the audit and risk committee until conclusion of the next annual general meeting.

5.2 Mr MJ Prinsloo be and is hereby re-elected as a member of the audit and risk committee until conclusion of the next annual general meeting.

Explanation: To re-elect Messrs N Sooka and MJ Prinsloo, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting. The reason for this ordinary resolution is that at each annual general meeting, a public company must elect an audit and risk committee.

Brief biographies of these directors appear on page 3.

The ordinary resolutions number 5.1 and 5.2 will be considered separately.

6. **Ordinary resolution number 6: authority to sign documentation:**

"Resolved that:
any director of the company or the company secretary be and is hereby authorised to take all actions necessary and sign all documentation required to give effect to the ordinary and special resolutions which have been passed at the annual general meeting."

Explanation: To give authority to any director or the company secretary to sign all documentation required to give effect to the ordinary and special resolutions which have been passed.

Special resolutions

To consider and, if deemed fit, approve the following special resolutions with or without modification.

Voting requirements: In order to be adopted, all special resolutions require the support of 75% or more of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

1. **Special resolution number 1: general authority for company and/or subsidiary to acquire the company's own shares.**

"Resolved that:

the company and/or a subsidiary of the company be and is hereby authorised to re-purchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

- the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- at any point in time the company may only appoint one agent to effect any repurchases on the company's behalf;
- the company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in the Listings Requirements of the JSE;
- this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution;
- a paid press announcement will be published as soon as the company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this special resolution, and any 3% (three percent) increments thereafter, which announcements shall contain full details of such acquisitions;
- acquisitions of ordinary shares by the company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the company's issued shared capital at any one time; and
- in determining the price at which ordinary shares issued by the company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (10 percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected.

The general authority to repurchase the company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least 12 (twelve) months after the date of this notice of meeting:

- AME and the group will be able in the ordinary course of business to pay its debts;
- the assets of AME and the group, fairly valued in accordance with accounting policies used in the latest audited report, will be in excess of the liabilities of the company and the group;
- the ordinary capital and reserves of AME and the group will be adequate for the purposes of the company's and the group's businesses, respectively; and
- the working capital of AME and the group will be adequate for their requirements."

The reason for this special resolution is to grant a general approval in terms of the Act and the Listings Requirements of the JSE for the acquisition by the company, and/or a subsidiary of shares issued by the company, subject to statutory and regulatory limitations and controls.

The effect of this special resolution is to enable the company and/or a subsidiary, by way of a general approval, to repurchase up to a maximum of 20% (twenty percent) of its share capital in any one financial year.

Explanation
The reason for and effect of special resolution number 1 is to give a mandate to the directors' to re-purchase or purchase ordinary shares issued by the company.

2. **Special resolution number 2: approval of non-executive directors' fees.**
"Resolved that:
The remuneration of the non-executive directors be and is hereby increased with effect from 1 April 2015 as set out below:

Directors' fees are payable per meeting attended:

Board	R
Chairman	19 000
Other	13 500
Audit and risk committee	
Chairman	13 000
Other	9 000
Remuneration, human resources and transformation committee	
Chairman	13 000
Other	9 000
Social and ethics committee	
Chairman	13 000

Explanation:
The reason for and effect of special resolution number 2 is to grant the company the authority to pay fees to non-executive directors for their services as directors.

3. **Special resolution number 3: financial assistance to related or inter-related entities to the company**
"Resolved that:
The board of directors is authorised, in terms of and subject to the provisions of section 45 of the Act, to cause the company to provide financial assistance to any company or corporation that is related or inter-related to the company."

Explanation:
The reason for and effect of special resolution number 3 is to grant the directors of the company the authority to cause the company to provide financial assistance to any entity which is related or inter-related to the company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

4. **Special resolution number 4: financial assistance for subscription for or purchase of securities by related or inter-related entities to the company**
"Resolved that:
The board of directors is authorised, in terms of and subject to the provisions of section 44 of the Act, to cause the company to provide financial assistance to any company or corporation that is related or inter-related to the company for the subscription for or purchase of securities in the company or in any company or corporation that is related or inter-related to the company."

Explanation:
The reason for and effect of special resolution number 4 is to grant the directors of the company the authority to cause the company to provide financial assistance to any entity which is related or inter-related to the company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

Additional disclosure requirements in terms of the JSE Listings Requirements

As per section 11.26(b) of the Listings Requirements of the JSE, shareholders are referred to the following sections in the annual report to which this notice of annual general meeting is attached:

- Details of directors on page 10;
- Directors' interest in securities commencing on page 11 (which beneficial interests have not changed since 31 March 2015. There are no non-beneficial interests);
- Major shareholders on page 51;
- Material changes in the nature of the company's trading or financial position post 31 March 2015 on page 12;
- The Share Capital note 11 on page 39.

Litigation statement

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the company, which may have a material effect on the group's financial position or which have had a material effect during the 12 months preceding the date of this notice of annual general meeting.

Directors' responsibility statement

The directors, whose names have been given on page 3 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution 1, 2, 3 and 4 and certify that to the best of their knowledge and belief, there are no facts which have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolution contain all information relevant to special resolution number 1, 2, 3 and 4.

Material changes

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

Voting and proxies

Each shareholder who, being a natural person, is present in person, by proxy or agent, or, being a company, is represented by representative proxy or agent at the general meeting, is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy or by representation, is entitled to one vote for each share held.

A form of proxy is attached for use by certificated or own name shareholders who are unable to attend the general meeting but wish to be represented thereat. They are required to complete and return the form of proxy so as to be received by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited (70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107) no later than 10:00 on Wednesday, 19 August 2015.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than by own name registration and who wish to attend the annual general meeting must instruct their CSDP of broker to issue them with the necessary letter of representation to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy should provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

Each certificated or own name dematerialised shareholder entitled to attend and vote at the general meeting may appoint one or more proxies (none of whom need be an AME shareholder) to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude a shareholder from attending the meeting and speaking and voting thereat to the exclusion of the proxy so appointed.

By order of the board

C Roberts
Company secretary

19 June 2015

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, AS REQUIRED IN TERMS OF SUB-SECTION 58(8)(B)(I)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the company at least 48 hours before the meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:
   6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
   6.2 the appointment is revocable unless the proxy appointment states otherwise (section 58(4)(b)); and
   6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).

8. If the proxy instrument has been delivered to the company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the company to the shareholders must be delivered by the company to the shareholders (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
    10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8 (a));
    10.2 the invitation or form of proxy instrument supplied by the company must:
        10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
        10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
        10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s), to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
    10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
    10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

FORM OF PROXY

AFRICAN MEDIA ENTERTAINMENT

(Incorporated in the Republic of South Africa)
(Registration number 1926/008797/06)
(JSE share code: AME)
(ISIN: ZAE000055802)
("AME" or "the company")

For use by certificated shareholders and dematerialised shareholders with own name registration at the seventeenth annual general meeting of the holders of ordinary shares in the company ("AME shareholders") to be held in the boardroom, Block B, Oxford Office Park, No. 5, 8th Street, Houghton Estate, Johannesburg, at 10:00 on Friday, 21 August 2015 ("the annual general meeting").

I/We ____

being the registered holder/s of [   ] ordinary shares in the capital of the company, of (address):

____

____

hereby appoint (see note 1):

1. ________________________________ or failing him/her,

2. ________________________________ or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to act for me/us at the annual general meeting for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment thereof, and to vote for or against the resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

Resolution number	For	Against	Abstain
Ordinary resolutions			
1 To adopt the annual financial statements for the year ended 31 March 2015			
2 To place the unissued ordinary shares of the company under the control of the directors			
3.1 To re-elect Mr MJ Prinsloo as a director of the company			
3.2 To re-elect Mr KL Tlhabane as a director of the company			
4 To re-appoint Grant Thornton as the independent auditor			
5.1 To re-elect Mr N Sooka as chairman and member of the audit and risk committee			
5.2 To re-elect Mr MJ Prinsloo as member of the audit and risk committee			
6 To authorise the directors or company secretary to sign documentation to effect resolutions passed			
Special resolutions			
1 To approve the general authority for the company and/or the subsidiary to acquire the company's own shares			
2 To approve the remuneration of the non-executive directors			
3 To approve financial assistance to related or inter-related entities to the company			
4 To approve financial assistance for subscription for purchase of securities by related or inter-related entities to the company			

Signed at ________________ on ________________ 2015

Signature ________________________________

Assisted by (where applicable state capacity and full name) ________________

Each AME shareholder is entitled to appoint one or more proxy/ies (who need not be a shareholder/s of the company) to attend, speak and vote in his or her stead at the annual general meeting.

Please read the notes on the reverse side hereof.

NOTES

1. An AME shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the AME shareholder concerned. The person whose name appears first on the form of proxy and who is present at the annual general meeting, will be entitled to act as proxy to the exclusion of those names that follow.
2. An AME shareholder's instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that AME shareholder wishes to vote by inserting an "X" in the relevant box unless a shareholder wishes to split his/her votes. In this case the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the annual general meeting as he/she deems fit in respect of all the AME shareholder's votes exercisable thereat.
3. An AME shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions proposed at the annual general meeting or any other proxy to vote or abstain from voting, at the annual general meeting as he deems fit, in respect of the shares concerned.
4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the company, Computershare Investor Services (Proprietary) Limited (70 Marshall Street, Johannesburg 2001 or PO Box 61051, Marshalltown 2107), to be received by no later than 10:00 on Wednesday 19 August 2015.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's secretary or waived by the chairman of the annual general meeting.
7. If you are a dematerialised shareholder, other than by own name registration, you must inform your appointed Central Securities Depository Participant ("CSDP") or broker of the manner in which you wish to vote in order for them to notify the secretary by no later than 10:00 on Wednesday, 19 August 2015. Only registered certificated shareholders recorded in the main register of members of the company or under own names in the dematerialised register, may complete a form of proxy or alternatively attend the annual general meeting. Those dematerialised shareholders who are not registered under their own names who wish to attend the annual general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority to do so, or carry out their instructions.
8. This must be done in terms of the agreement between the shareholder and his/her CSDP as applicable.
9. The chairman of the annual general meeting may reject or accept any proxy form which is completed and /or received, other than in compliance with the Memorandum of Incorporation of the company or these notes.

AFRICAN MEDIA
ENTERTAINMENT

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