ANNUAL REPORT 2017

AFRICAN MEDIA ENTERTAINMENT

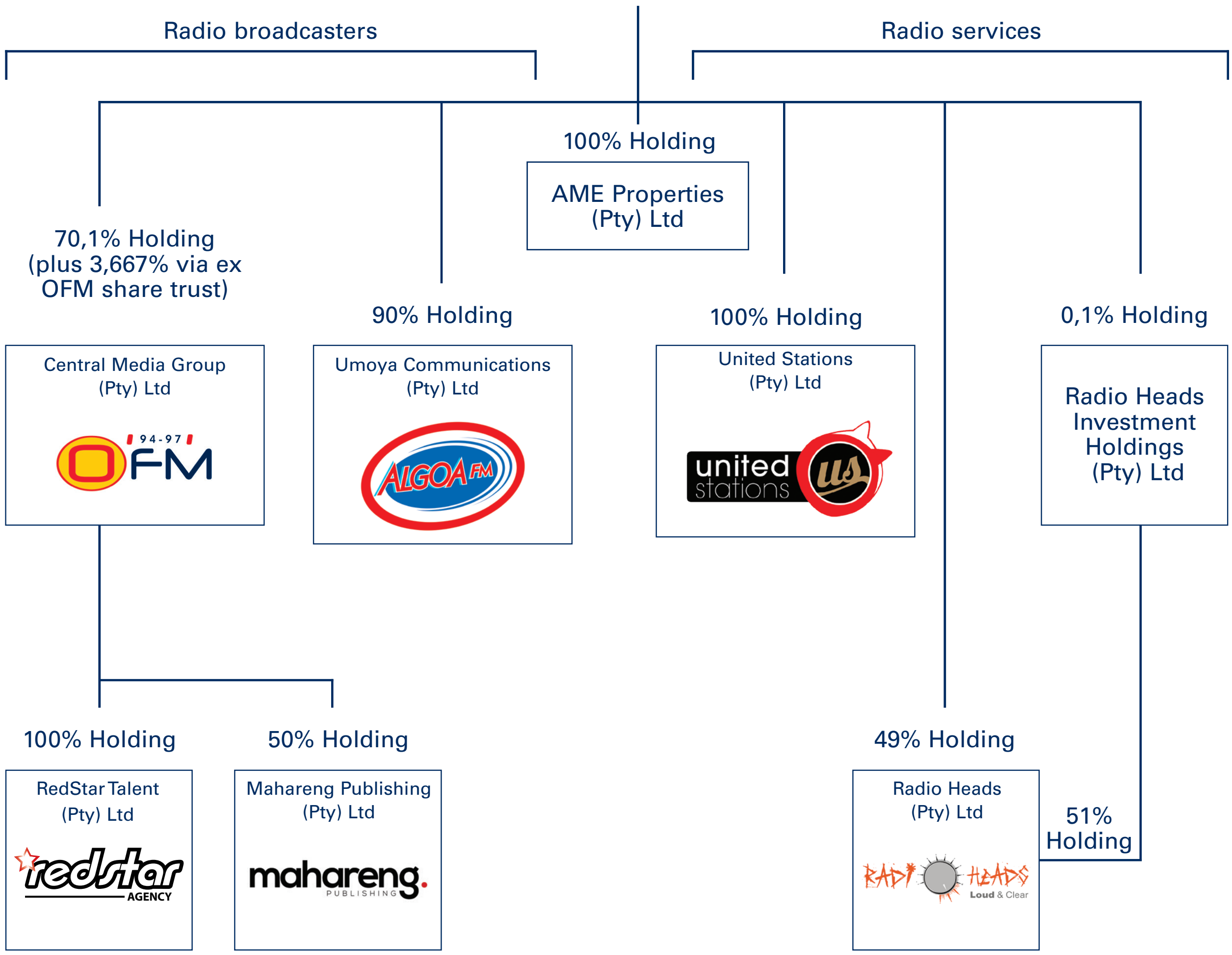
CONTENTS

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)
(JSE share code: AME)
(ISIN: ZAE000055802)



DIRECTORATE AND EXECUTIVE

BOARD OF DIRECTORS

ACG ("Connie") Molusi (55)
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 (62)
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 (64)
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 (55)
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 30 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.

Angela J Isbister (née Davies) (37)
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 (44)
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 various financial positions and has been in the media industry since 2009.

EXECUTIVE MANAGEMENT

The major subsidiaries of the group are managed by the following senior executives:

Rivak Bunce (55)
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 (53)
Umoya Communications – Algoa FM
BCom (Industrial Psychology, 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 (43)
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 (42)
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 Wallrich 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.

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 KI 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 necessary.

BOARD OF DIRECTORS

The board presently comprises of 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 managing directors of AME's largest subsidiaries report on the activities of those companies and attend the AME board meetings where they answer any questions the board may have regarding those businesses.

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

	May 2016	Aug 2016	Nov 2016	Nov 2016	Nov 2016	Mar 2017
ACG Molusi*	✓	✓	✓	✓	✓	✓
MJ Prinsloo*	✓	✓	✓	✓	✓	✓
N Sooka*	✓	✓	✓	✓	**A**	✓
KL Tlahabane*	✓	✓	✓	✓	✓	✓
AJ Isbister**	✓	✓	✓	✓	✓	✓
M Mynhardt**	✓	✓	✓	✓	✓	✓

* *Independent non-executive director*
** *Executive director*
A *Apology*

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 2017 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 Johannesburg Partnership, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board.

The directors believe that 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)*
- KL Tlhabane (Member)*

* *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

	May 2016	Nov 2016	Mar 2017
N Sooka*	✓	✓	✓
MJ Prinsloo*	✓	✓	✓
KL Tlhabane*	✓	✓	✓

* *Independent non-executive director*

Social and ethics committee

The committee presently comprises:

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

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

The committee comprises one independent non-executive chairman and two executive directors. Three representatives from the group's subsidiary companies attend the meetings by invitation.

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

	Aug 2016	Mar 2017
KL Tlhabane*	✓	✓
AJ Isbister**	✓	✓
M Mynhardt*	✓	✓

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

Remuneration committee

The committee presently comprises

- MJ Prinsloo (Chairman)*
- N Sooka (Member)*
- RR Bunce (Representative)#
- K Reed (Representative)#
- G Stroebel (Representative)#
- D Tiltmann (Representative)#
- M Vermeulen (Representative)#

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

The committee comprises one independent non-executive chairman and one independent non-executive director. Representatives of the subsidiary companies attend the meetings by invitation.

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

	May 2016	March 2017
MJ Prinsloo*	✓	✓
N Sooka*	✓	✓

* *Independent non-executive director*

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.

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.

HIV/AIDS

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

COMPANY SECRETARIAL AND PROFESSIONAL ADVICE

The company has a dedicated company secretary to ensure compliance with the Companies Act and JSE Listings Requirements. 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. She has been the company secretary of AME since 1 April 2015 and is a partner in Wallrich business services, where she is responsible for the company secretarial and Tax division. She also attends annual training updates. The board has satisfied itself that the company secretary, Mrs C Roberts, has the appropriate expertise and experience to meet the responsibilities of her position and confirmed her suitability for the continued appointment as company secretary.

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 11.

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. There is no reason to believe that the licences will not be renewed in the normal course of business.

Needletime

The South African Music Performance Rights Association ("SAMPRA") has instituted a legal process to determine if and from which date Needletime Royalties are payable prior to the judgement date of 14 March 2014. The directors consider that in line with legal advice adequate provision has been made for this liability, under 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. Several of these participants have been permanently appointed within the group.

GENDER DIVERSITY

The Listings Requirements require that the board of the company (or its nomination committee, where applicable) adopts a policy on the promotion of gender equality at board level. At present such a policy had not been implemented but the board recognises the need for gender diversification where applicable.

There are currently 2 female members of the board, whose brief CVs appear on page 3 of the this annual report.

NEW LICENCES ISSUED BY ICASA

The new commercial radio licenses in the Eastern Cape and Bloemfontein have been granted. The licensed broadcast area for Rhythm FM falls outside of the Algoa FM footprint in the Eastern Cape and the proposed music format does not conflict with that of Algoa FM.

Beat FM is a new FM license that has been awarded to Histotrim. The initial spectrum allocation is a single 30 KW transmitter in Bloemfontein. The MSG group have been publicising a revised launch date for Beat FM in the second half of 2017. The station aims to attract a LSM 7 to 10 audience in the Free State. While the new license in the central South African region will invariably bring some degree of competition, this new entrant's music format is unlikely to conflict with that of OFM.

REMUNERATION POLICY

The group subscribes to equitable employment policies to ensure that individuals from all demographic groupings are given an equal opportunity to be employed and to ensure representivity from all population and gender groups.

The group has several intern programmes in place to employ junior staff at entry level remuneration. These interns are upskilled through on the job training initiatives as well as informal and formal training courses, at the group's expense, to enable them to be promoted. These programmes allow for interns to be entrenched as loyal and committed employees, sharing in the culture and values of the companies. The practice has the benefit, that the initial remuneration cost of the group for interns is relatively small, and as those employees become more skilled their salaries are adjusted to enable the company to retain those skills within the group.

The board of directors are fully aware of the need to balance the return to shareholders and the fair remuneration of employees. The company has established a remuneration committee that is responsible for the review and approval of remuneration packages that are market related and affordable. Key Performance Indicators are used to reward personal performance of staff members. As the group companies mainly operate within secondary markets we often lose staff members to the larger metros and to counter this phenomenon the managing directors are empowered to allow for salary adjustments in critical and scarce skills sectors.

The group places an increased emphasis on maintaining and training members of staff to 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.

Non-executive directors are remunerated at benchmarked, market related rates.

CHAIRMAN'S REVIEW

REVIEW OF THE YEAR

Trading conditions for the period under review remained tough. Revenue of R238,6 million (2016: R238,3 million) was virtually the same as the previous year and comprehensive income increased by 5% to R56,1 million (2016: R53,6 million).

The comprehensive income attributable to equity holders of the parent amounted to R48,6 million (2016: R48 million) with earnings per share of 609,2 cents (2016: 591,2 cents). Headline earnings per share were 606,9 cents (2016: 587,6 cents).

After paying tax of R17,8 million (2016: R21,5 million), the group generated R51,1 million (2016: R60,5 million) in cash from its operating activities during the year. The group invested an additional R1,4 million (2016: R5,5 million) on the development of the new home of Central Media Group in Bloemfontein and spent R5 million (2016: R14,1 million) on capital expenditure. We paid R11,2 million (2016: R3,8 million) to repurchase 155 144 (2016: 39 200) of our own shares. During the year the group paid out dividends to the value of R27,2 million (2016: 28,2 million) to the equity holders of the company and ended the year with cash resources of R119,2 million (2016: R114,1 million).

OPERATIONS

Low business confidence resulted in demanding trading conditions. Innovation and tight cost control remain an imperative.

Algoa FM delivered a good performance with revenue up by 5% resulting in an increase in profitability. The station delivered improved revenues with both national and direct activations exceeding the previous year. Algoa FM's current audience figures are marginally up year on year. A new Greenfields licence, Rhythm FM, plans to go to air by the end of June 2017. This new commercial stations broadcast footprint will cover both Mthatha and Butterworth in the Eastern Cape which falls outside the footprint of Algoa FM. Algoa FM was nominated in 10 categories for the Liberty Radio Awards 2017 and won the best Multi-Media Campaign as well as the Best Promotion, Stunt or Event awards.

Despite difficult trading conditions, Central Media Group managed to grow revenue by 4,5%, resulting in an increase in profitability. OFM felt the effects of the national slow-down in advertising expenditure. A new audience measurement platform (BRC-RAM) was released in this year and this new research has produced a significantly different radio listening landscape. Despite a lower cumulative audience, OFM has the highest Time Spent Listening (TSL) in South Africa's commercial radio sector. Digital Platforms increased profitability on the back of a greater focus on service revenues. Redstar Agency also increased profitability, albeit off a low base. Mahareng Publishing continued to grow by launching a new local newspaper called Bloemfontein Courant Voice, resulting in revenues increasing as the title gained momentum. The late break in the drought has given many businesses hope for the winter season. Central Media has a number of lucrative prospects in the project pipeline as a potential offset of the continued advertising recession. While trading conditions remain tough, Central Media is still ideally positioned as the premier media company in its broadcasting footprint.

RadioHeads has established itself as a leading player in the Content Marketing space for South African Radio with increased revenue and a profitable bottom line. RadioHeads, with its leveraging of content across multiple platforms, is now a preferred supplier for some of the major Agencies in the country. Its maiden sojourn into the space of TV Production over the past year, together with the effective use of "first in the country" mobile broadcast technology, positions RadioHeads as innovative and ahead of the curve. In the year ahead RadioHeads will continue to create and own new Radio properties to ensure its future sustainability.

United Stations is a specialist media sales company, representing the on-air and digital assets of a network of radio stations. It is equipped to maximise the revenue of its various platforms by providing marketing solutions to advertisers and agencies. Revenue and profitability was down year on year as the company focused on the execution of fundamental steps to restructure its fixed costs and diversify its mix of media platforms. This process is now complete and the consequent platform mix offers good potential for growth.

DIVIDENDS

An interim dividend (dividend number 10) of 100 cents per ordinary share (gross) was declared for the period ended 30 September 2016. (2015: 100 cents gross) and paid on 16 January 2017. The final dividend (dividend number 11) for the year ended 31 March 2017 is 250 cents per ordinary share (gross) (2016: 250 cents per share gross).

EVENT SUBSEQUENT TO THE REPORTING PERIOD

On 5 May 2017 AME made an offer to the board of Moneyweb Holdings Limited ("Moneyweb") to acquire all the issued share capital of the company, other than treasury shares and shares already held by AME. The transaction will be implemented by way of a scheme of arrangement with a cash offer of 26 cents per Moneyweb share or a share offer of one AME share for every 250 Moneyweb shares at a value of 28 cents per Moneyweb share. AME estimates that the transaction will be completed by 31 August 2017.

Full details are available on the AME web site www.ame.co.za and on SENS.

PROSPECTS

The board expects the trading conditions for the 2018 year to remain challenging.

ACG Molusi
Independent Non-executive Chairman

20 June 2017

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 2018 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 pages 17 to 19.

The annual financial statements set out on pages 20 to 51 its behalf by:

ACG Molusi
Independent non-executive Chairman

M Mynhardt
Executive Financial Director

20 June 2017

DIRECTORS' APPROVAL

The annual financial statements set out on pages 20 to 51 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 20 June 2017 and are signed on its behalf by:

ACG Molusi
Independent non-executive Chairman

M Mynhardt
Executive Financial Director

20 June 2017

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, correct and up to date.

C Roberts
Company secretary

20 June 2017

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 page 20 to 51 of this report. A review of the group's results and performance of the business units is given in the Chairman's report on pages 8 to 9.

DIVIDENDS

An interim dividend of 100 cents (gross) was declared and paid during the year (2016: 100 cents (gross)).

A final dividend of 250 cents (gross) was declared after year-end for the period to 31 March 2017 (2016: 250 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 25 August 2016 (2015: 21 August 2015), AME repurchased and subsequently cancelled 155 144 (2016: 39 200) ordinary shares.

The net result of the transaction reduced share capital by R155 144 (2016: R39 200), share premium by R9,1 million (2016: R3,7 million) and retained earnings with R1,9 million (2016: Nil).

Share repurchases

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.

The board considers the approval of such authority to be beneficial to the company and its shareholders and accordingly a resolution granting the authority is incorporated in the notice of the AGM in this annual report.

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 2017 R'000	Salary 2016 R'000	**Fees 2017 R'000**	Fees 2016 R'000
ACG Molusi*			**191**	95
MJ Prinsloo*			**284**	274
N Sooka*			**142**	138
KL Tlhabane*			**189**	122
W Tshuma#			**–**	31
AJ Isbister**	**1 016**	4 270	**–**	–
M Mynhardt**	**1 542**	1 365	**–**	–
Total remuneration	**2 558**	5 635	**806**	660
Paid by the company	**2 558**	5 635	**806**	660
Total remuneration	**2 558**	5 635	**806**	660

* *Independent non-executive director*

** *Executive director*

Resigned 11 June 2015

BREAKDOWN OF EXECUTIVE DIRECTORS' SALARY

	Share units exercised R'000	Salary R'000	Bonus R'000	Total R'000
2017				
AJ Isbister	**89**	**827**	**100**	**1 016**
M Mynhardt	**89**	**1 003**	**450**	**1 542**
Total remuneration	**178**	**1 830**	**550**	**2 558**
2016				
AJ Isbister	3 375	795	100	4 270
M Mynhardt	–	965	400	1 365
Total remuneration	3 375	1 760	500	5 635

	2017 Directors interest intrinsic value	2016 Directors interest intrinsic value	**2017** Units	2016 Units
Unit allocation (note 24)				
AJ Isbister	–	213	**20 000**	25 000
M Mynhardt	–	213	**20 000**	25 000

In terms of the unit scheme 1/5 of the unit allocation vested on 1 April 2016 and was paid out, at 31 March 2017 4/5 of the unit allocation remain unvested, with the next 1/5 vesting on 1 April 2017.

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 2017, the aggregate direct and indirect, beneficial interests of the directors in the fully paid issued share capital of the company, was nil (2016: nil). There has been no material change in the directors' interests in the issued share capital between 31 March 2017 and the date of this report.

PROPERTY, PLANT AND EQUIPMENT

The group acquired property, plant and equipment at a cost of R6,4 million (2016: R19,6 million) during the financial year under review, R1,4 million (2016: R5,5 million) of which relates to the property for Central Media Group 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.

DIRECTORS' REPORT CONTINUED

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Dividend

The Board declared a final dividend of 250 cents (gross) per ordinary share on 25 May 2017 for the year ended 31 March 2017.

Corporate action

On 5 May 2017 AME made an offer to the board of Moneyweb Holdings Limited ("Moneyweb") to acquire all the issued share capital of the company, other than treasury shares and shares already held by AME.

The transaction will be implemented by way of a scheme of arrangement with a cash offer of 26 cents per Moneyweb share or a share offer of one AME share for every 250 Moneyweb shares at a value of 28 cents per Moneyweb share. Should all Moneyweb shareholders elect the cash option the total value of the transaction will be R27,5 million, whereas a total share offer will increase the issued share capital of AME with 422 298 shares. AME estimates that the transaction will be completed by 31 August 2017. Full details are available on the AME website www.ame.co.za and on SENS.

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 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 R56,1 million (2016: R53,6 million); subsidiaries making profits amounted to R56,1 million (2016: R55,6 million) and subsidiaries making losses amounted to R4 995 (2016: R2 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 units granted to employees, including any executive directors, are detailed in note 24.

The share scheme presently holds 89 275 (2016: 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 805 442 (2016: 823 716) ordinary shares, can be utilised for purposes of the scheme. At 31 March 2017, 716 167 (2016: 734 441) 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 2017.

BACKGROUND

The committee was established in line with the requirements of the Companies At, 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 risk and setting principles for recommending the use of external auditors for non-audit services.

MEMBERSHIP

The committee comprises Messers N Sooka (Chairman), MJ Prinsloo and KL Tlhabane. All the members are independent non-executive directors.

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 attend 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 non-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 2017 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 2017 financial year. Mr PR Badrick was appointed as the new designated audit partner, due to the rotation requirements of the Act.

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 continued appointment as financial director in terms of the JSE listings requirements.

AUDIT COMMITTEE'S REPORT CONTINUED

COMMITTEE ACTIVITIES

During the financial year 31 March 2017 the committee performed its duties in terms of its charter, a summary of the main activities are set out below.

- Nominated the appointment and retention of the external auditor, Grant Thornton, Johannesburg Partnership (with the designated partner Mr PR Badrick) after satisfying itself, through enquiry, that Grant Thornton, Johannesburg Partnership 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 which is considered appropriate.
- 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.
- To review 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.
- Considered the JSE proactive monitoring report of 2016 and has taken appropriate action.

RECOMMENDATION OF ANNUAL FINANCIAL STATEMENTS

The committee evaluated the annual financial statements for the year ended 31 March 2017 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, Johannesburg Partnership, the external auditor, have provided the shareholders with an unqualified independent audit opinion on whether the annual financial statements for the year ended 31 March 2017 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 2017.

N Sooka
Chairman
Audit committee

20 June 2017

INDEPENDENT AUDITOR'S REPORT

to the shareholders of African Media Entertainment Limited

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of African Media Entertainment Limited (the Group) set out on pages 20 to 51, which comprise the statements of financial position as at 31 March 2017, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matters relate to the consolidated financial statements. We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Key Audit Matter (KAM)	How our audit addressed the KAM
IMPAIRMENT OF GOODWILL	
IFRS requires goodwill to be reviewed annually for impairment. This annual impairment test was considered a KAM due to the high estimation uncertainty, specifically with regards the estimation of future cash flows including growth and discounting rates and forecast periods of the various cash generating units to which the goodwill has been allocated (refer note 4). Goodwill represents 28% of the consolidated Group's total non-current assets and 13% of the consolidated total assets. No impairment was recognised with respect to goodwill in the current year.	Our audit procedures included, amongst others, using a valuation specialist to evaluate the assumptions and methodologies used by the Group. In particular those relating to the revenue growth and discount rates for each cash generating unit to which goodwill has been allocated and the appropriateness of a 5 year forecast given the industry average forecast term. We also focused on the adequacy of the Group's disclosure about these assumptions to which the outcome of the annual impairment test is most sensitive, that is, those that have the most significant effect on the determinations of the recoverable amount of goodwill.

OTHER INFORMATION

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Grant Thornton has been the auditor of African Media Entertainment Limited for 9 years.

Grant Thornton
Registered Auditors

PR Badrick
Partner
Registered Auditor
Chartered Accountant (SA)

20 June 2017

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

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2017

		Group		Company	
		2017	2016	2017	2016
	Notes	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets		**138 630**	139 043	**124 342**	123 136
Property, plant and equipment	3	**73 822**	73 996	**12 767**	12 890
Goodwill	4	**39 426**	39 426	**–**	–
Investment in subsidiaries	5	**–**	–	**96 371**	94 761
Investment in associated companies	6	**4 509**	4 603	**–**	–
Other financial instruments	7	**10 240**	9 200	**14 479**	14 745
Deferred taxation	8	**10 633**	11 818	**725**	740
Current assets		**167 648**	160 747	**83 057**	82 237
Trade receivables	9	**44 841**	41 303	**–**	–
Other receivables	10	**3 532**	4 654	**1 921**	2 615
Dividends receivable		**–**	–	**–**	8 000
Tax paid in advance		**108**	738	**–**	–
Cash and cash equivalents		**119 167**	114 052	**81 136**	71 622
Total assets		**306 278**	299 790	**207 399**	205 373
EQUITY AND LIABILITIES					
Total equity		**230 865**	218 615	**202 011**	200 039
Share capital	11	**7 965**	8 120	**8 054**	8 237
Share premium		**–**	9 097	**446**	10 746
Non-distributable reserve	12	**–**	–	**20 244**	20 244
Retained earnings		**218 678**	199 342	**173 267**	160 812
Equity attributable to equity holders of the parent		**226 643**	216 559	**202 011**	200 039
Non-controlling interest holders		**4 222**	2 056	**–**	–
Current liabilities		**75 413**	81 175	**5 388**	5 334
Trade payables		**14 361**	13 681	**17**	76
Other payables	13	**57 215**	65 037	**3 655**	3 740
Dividend payable		**1 642**	1 472	**1 642**	1 472
Taxation		**2 195**	985	**74**	46
Total equity and liabilities		**306 278**	299 790	**207 399**	205 373

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2017

		Group		Company	
		2017	2016	2017	2016
	Notes	R'000	R'000	R'000	R'000
Revenue	17	238 593	238 303	42 465	41 204
Cost of sales		(59 680)	(57 104)	–	–
Gross profit		178 913	181 199	42 465	41 204
Operating expenses	18	(114 796)	(116 766)	(6 292)	(12 202)
Operating profit		64 117	64 433	36 173	29 002
Investment income	19	4 250	3 000	4 250	3 000
Finance income	19	7 856	6 342	4 460	3 901
Finance costs	19	(6)	(4)	–	–
Equity accounted earnings from associates		631	627	–	–
Net profit before taxation		76 848	74 398	44 883	35 903
Taxation	20	(20 791)	(20 775)	(1 163)	(532)
Total comprehensive income for the year		56 057	53 623	43 720	35 371
Attributable to:					
Non-controlling interest		7 413	5 573	–	–
Equity holders of the parent		48 644	48 050	43 720	35 371
Earnings/diluted earnings per share (cents)	21	609,2	591,2		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2017

	Notes	Group 2017 R'000	Group 2016 R'000	Company 2017 R'000	Company 2016 R'000
Issued capital	11	7 965	8 120	8 054	8 237
Balance at beginning of year		8 120	8 159	8 237	8 276
Shares repurchased and cancelled		(155)	(39)	(183)	(39)
Share premium		–	9 097	446	10 746
Balance at beginning of year		9 097	12 839	10 746	14 489
Shares repurchased and cancelled		(9 097)	(3 742)	(10 300)	(3 743)
Non-distributable reserve		–	–	20 244	20 244
Balance at beginning of year		–	–	20 244	20 244
Retained earnings		218 678	199 342	173 267	160 812
Balance at beginning of year		199 342	179 760	160 812	154 271
Comprehensive income for the year		48 644	48 050	43 720	35 371
Shares repurchased and cancelled		(1 919)	–	(1 919)	–
Dividend declared		(27 389)	(28 468)	(29 346)	(28 830)
Non-controlling interest holders		4 222	2 056	–	–
Balance at beginning of year		2 056	746	–	–
Comprehensive income for the year		7 413	5 573	–	–
Share of dividend		(5 247)	(4 263)	–	–
Total equity		230 865	218 615	202 011	200 039

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2017

	Notes	Group 2017 R'000	Group 2016 R'000	Company 2017 R'000	Company 2016 R'000
Cash flows from operating activities		**51 055**	60 461	**40 123**	34 821
Profit before taxation		**76 848**	74 398	**44 883**	35 903
Adjustments		**(6 314)**	(1 865)	**(8 814)**	(1 358)
– investment income	19	**(4 250)**	(3 000)	**(4 250)**	(3 000)
– finance income	19	**(7 856)**	(6 342)	**(4 460)**	(3 901)
– finance cost	19	**6**	4	**–**	–
– depreciation	3	**6 438**	5 501	**134**	133
– (profit) on disposal of property, plant and equipment		**(257)**	(408)	**–**	–
– profit on disposal of other financial instrument	7	**(249)**	–	**(249)**	–
– non-cash (income)/expenditure		**–**	3 007	**6**	3 007
– provision for impairment in receivable		**485**	–	**5**	2 403
– equity accounted earnings from associates		**(631)**	(627)	**–**	–
Operating profit before working capital changes		**70 534**	72 533	**36 069**	34 545
		(9 563)	3 098	**714**	(3 299)
– (increase)/decrease in trade and other receivables		**(2 421)**	30 912	**688**	(545)
– (decrease)/increase in trade and other payables		**(7 142)**	(27 814)	**26**	(2 754)
Cash generated by operations		**60 971**	75 631	**36 783**	31 246
Net interest received	19	**7 850**	6 338	**4 460**	3 901
Taxation paid	22	**(17 766)**	(21 508)	**(1 120)**	(326)
Cash flows from investing activities		**(2 303)**	(15 637)	**11 139**	(140)
(Increase)/decrease in investments and loans	23	**(795)**	300	**(1 349)**	(5 136)
Purchase of property, plant and equipment	3	**(6 428)**	(19 618)	**(11)**	(4)
Proceeds on disposal of property, plant and equipment		**421**	681	**–**	–
Proceeds on disposal on other financial instrument	7	**249**	–	**249**	–
Dividends received		**4 250**	3 000	**12 250**	5 000
Cash flows from financing activities		**(43 637)**	(36 285)	**(41 748)**	(32 385)
Dividend paid to equity holders		**(27 219)**	(28 241)	**(29 346)**	(28 604)
Dividend paid to non-controlling interest holder		**(5 247)**	(4 263)	**–**	–
Repurchase of shares		**(11 171)**	(3 781)	**(12 402)**	(3 781)
Net increase in cash and cash equivalents		**5 115**	8 539	**9 514**	2 296
Cash and cash equivalents at beginning of year		**114 052**	105 513	**71 622**	69 326
Cash and cash equivalents at end of year		**119 167**	114 052	**81 136**	71 622

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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 guides as issued by the Accounting Practices Committee, the financial reporting pronouncements as issued by the Financial Reporting Standards Council, 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 2016.

The financial statements are prepared under the historical cost convention.

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 when the company is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

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 disclosed under each applicable note in the financial statements.

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.

1.5 Property, plant and equipment

Property, plant and equipment is initially recorded at cost.

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% to 33%
Motor vehicles	20% to 25%
Office equipment	10% to 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 profit or loss and other comprehensive income immediately.

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. ACCOUNTING POLICIES CONTINUED

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 no 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.

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 profit or loss and other 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.

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 profit or loss and other comprehensive income.

1. ACCOUNTING POLICIES CONTINUED

1.8 Impairment of assets continued

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.

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 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.

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.

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.

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 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 receivables and loans and are measured at amortised cost, using the effective interest rate 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.

1. ACCOUNTING POLICIES CONTINUED

1.11 Financial instruments continued

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 amortised cost.

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 are measured at amortised cost 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.

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 liability is recognised if the goods or services were received 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 and the chief operating decision maker is executive management.

2. STATEMENTS AND INTERPRETATIONS NOT YET EFFECTIVE CONTINUED

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

Standard	Details of Amendment	Effective from
IFRS 2: Share-based Payment	Classification and Measurement of Share-based Payment Transactions: A collection of three distinct narrow-scope amendments dealing with classification and measurement of share-based payments. The amendments address: • the effects of vesting conditions on the measurement of a cash-settled share-based payment; • the accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and • classification of share-based payment transactions with net settlement features.	1 January 2018
IFRS 9: Financial Instruments	A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition: • IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. • The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. • IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. • IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	1 January 2018 **IFRS 9 (2014) supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015*

2. STATEMENTS AND INTERPRETATIONS NOT YET EFFECTIVE CONTINUED

Standard	Details of Amendment	Effective from
IFRS 15: Revenue from Contracts with Customers	New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The new standard supersedes: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue; (c) IFRIC 18 Transfers of Assets from Customers; and (d) SIC-31 Revenue-Barter Transactions Involving Advertising Services.	1 January 2018
IFRS 16: Leases	New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. IFRS 16 contains expanded disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 sepercedes the following Standards and Interpretations: (a) IAS 17 Leases; (b) IFRIC 4 Determining whether an Arrangement contains a Lease; (c) SIC-15 Operating Leases-Incentives; and (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a lease.	1 January 2019

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial results but could lead to additional disclosure in the statements of financial position.

	Electronic equipment R'000	Office equipment R'000	Motor vehicles R'000	Leasehold improve-ments R'000	Freehold land and buildings R'000	Total R'000
3. PROPERTY, PLANT AND EQUIPMENT						
GROUP						
Year ended 31 March 2017						
Opening net book value	11 068	3 639	1 710	3 686	53 893	73 996
Additions	3 505	206	1 053	118	1 546	6 428
Depreciation	(4 504)	(1 036)	(382)	(516)	–	(6 438)
Disposals/transfers	(56)	(24)	(84)	–	–	(164)
Closing net book value	10 013	2 785	2 297	3 288	55 439	73 822
At 31 March 2017						
Cost	28 072	6 616	3 078	4 095	55 439	97 300
Accumulated depreciation	(18 059)	(3 831)	(781)	(807)	–	(23 478)
Net book value	10 013	2 785	2 297	3 288	55 439	73 822
Year ended 31 March 2016						
Opening net book value	6 331	2 429	2 011	2 287	47 094	60 152
Additions	8 644	2 332	126	2 680	5 836	19 618
Depreciation	(3 708)	(1 048)	(427)	(318)	–	(5 501)
Disposals/transfers	(199)	(74)	–	(963)	963	(273)
Closing net book value	11 068	3 639	1 710	3 686	53 893	73 996
At 31 March 2016						
Cost	25 672	7 069	2 831	3 977	53 893	93 442
Accumulated depreciation	(14 604)	(3 430)	(1 121)	(291)	–	(19 446)
Net book value	11 068	3 639	1 710	3 686	53 893	73 996
COMPANY						
Year ended 31 March 2017						
Opening net book value	–	661	–	–	12 229	12 890
Additions	–	11	–	–	–	11
Depreciation	–	(134)	–	–	–	(134)
Closing net book value	–	538	–	–	12 229	12 767
At 31 March 2017						
Cost	–	911	–	–	12 229	13 140
Accumulated depreciation	–	(373)	–	–	–	(373)
Net book value	–	538	–	–	12 229	12 767
Year ended 31 March 2016						
Opening net book value	–	790	–	963	11 266	13 019
Additions	–	4	–	–	–	4
Depreciation	–	(133)	–	–	–	(133)
Disposals/transfers	–	–	–	(963)	963	–
Closing net book value	–	661	–	–	12 229	12 890
At 31 March 2016						
Cost	–	930	–	–	12 229	13 159
Accumulated depreciation	–	(269)	–	–	–	(269)
Net book value	–	661	–	–	12 229	12 890

Freehold buildings have not been depreciated as their residual value at the reporting date exceeds their carrying value, based on current market information.

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
3. PROPERTY, PLANT AND EQUIPMENT CONTINUED				
Freehold land and buildings consist of:				
Johannesburg				
Remaining extent of Erf 1946 Houghton Estate	**7 619**	7 515	**7 260**	7 260
Portion 2 of Erf 1946 Houghton Estate	**4 969**	4 969	**4 969**	4 969
Erf 1947 Houghton Estate	**6 086**	6 034	**–**	–
Bloemfontein				
Erf 2692 Sunny Ridge Part 1	**1 650**	1 650	**–**	–
Erf 30374 Ext 213 Wild Olive Estate	**35 115**	33 725	**–**	–
	55 439	53 893	**12 229**	12 229

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.

Impairment of assets

Property, plant and equipment, 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.

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
4. GOODWILL				
Cost less accumulated impairment				
Umoya Communications (Pty) Ltd	**20 309**	20 309	**–**	–
Central Media Group (Pty) Ltd	**16 605**	16 605	**–**	–
AME Broadcasting (Pty) Ltd	**2 512**	2 512	**–**	–
Redstar Talent (Pty) Ltd – less than R1 000	**–**	–	**–**	–
Carrying value at end of year	**39 426**	39 426	**–**	–
Movement for the year				
Carrying value at beginning of year	**39 426**	39 426	**–**	–
Carrying value at end of year	**39 426**	39 426	**–**	–

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. All the business units have the same risk profile, hence the same rate was used. The impairment calculations performed indicated that the goodwill was not impaired.

	COMPANY	
	2017 R'000	2016 R'000
5. INVESTMENT IN SUBSIDIARIES		
AME Broadcasting (Pty) Ltd		
– 100 shares representing a 100% holding*	–	–
United Stations (Pty) Ltd		
– Loan (regarded as part of nett investment)	4 620	4 620
AME Properties (Pty) Ltd		
– 10 shares representing a 100% holding*	–	–
– Loan at fair value	32 896	29 782
– Equity contribution to subsidiaries	6 204	7 708
Central Media Group (Pty) Ltd (t/a OFM)		
– 77 525 shares representing a 70,1% holding	28 968	28 968
Umoya Communications (Pty) Ltd (t/a Algoa FM)		
– 1 000 shares representing a 90% holding	23 683	23 683
Radio Heads Investment Holdings (Pty) Ltd		
– 1 share representing a 0,1% holding*	–	–
– Loan	40	35
Radio Heads (Pty) Ltd		
– 490 shares representing a 49% holding* (effective 49,05%)	–	–
– Loan	11 400	11 400
	107 811	106 196
Provision for impairment in subsidiaries	(11 440)	(11 435)
	96 371	94 761

** Less than R1 000*

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

During the 2015 year, the company sold the majority of its investment in Radio Heads Investment Holdings (Pty) Ltd to a B-BBEE 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. R8,3 million (2016: R8,3 million) of the loan to Radio Heads (Pty) Ltd is subordinated and the company issued an unlimited surety in favour of the Media Credit Co-ordinator. Loans are impaired where evidence exists that recoverability is uncertain.

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. The loan to AME Properties (Pty) Ltd is secured over the building situated at Erf 30374 extention 213 Wild Olive estate (note 3).

The loans to Radio Heads (Pty) Ltd and Radio Heads Investments Holdings (Pty) Ltd have been fully impaired.

Loans to subsidiaries are considered part of the investment.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
6. INVESTMENT IN ASSOCIATED COMPANIES				
Mahareng Publishing (Pty) Ltd				
– 500 shares representing a 50% holding	**1**	1	**–**	–
Share of post-acquisition loss	**(524)**	(839)	**–**	–
Oxford's Office Terrace (Pty) Ltd				
– 50 shares representing a 50% holding	**1 523**	1 523	**–**	–
Share of post-acquisition profit	**534**	218	**–**	–
Carrying amounts of investments	**1 534**	903	**–**	–
Mahareng Publishing (Pty) Ltd				
– Loan	**2 975**	3 700	**–**	–
	4 509	4 603	**–**	–
The balance comprises:				
Carrying value	**4 499**	5 224	**–**	–
Share of post-acquisition profits/(losses)	**10**	(621)	**–**	–
	4 509	4 603	**–**	–
Mahareng Publishing				
Mahareng Publishing has a March financial year end				
Summary of the financial information:				
Total assets	**6 423**	6 883		
Total liabilities	**(7 470)**	(8 559)		
Total net liabilities	**(1 047)**	(1 676)		
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				
Oxford's Office Terrace year-end was changed in 2017 to March. The year-end for the comparative numbers was August and March 2016 management account information had been used				
Summary of the financial information:				
Total assets	**5 593**	5 186		
Total liabilities	**(1 479)**	(1 704)		
Total net assets	**4 114**	3 482		
Reconciliation of the carrying amounts of the investments				
Total net assets	**3 067**	1 806		
Proportion of ownership interest held by the group (%)	**50**	50		
	1 534	903		

While the investments constitutes a 50% share of the capital in issue, the group, through its voting rights, only exercises significant influence over these entities and not joint control. The loan to Mahareng is considered part of the investment and post acquisition losses are offset against the loan.

		GROUP		COMPANY	
		2017	2016	**2017**	2016
		R'000	R'000	**R'000**	R'000
7.	OTHER FINANCIAL INSTRUMENTS				
	Loan to Share Incentive Trust at fair value	**–**	–	**2 715**	2 944
	– Deemed interest	**–**	–	**2 564**	2 601
	Chestnut Hill Investments 265 (Pty) Ltd				
	– 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) Ltd				
	– 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) Ltd				
	– 10 "B" ordinary shares	**9 200**	9 200	**9 200**	9 200
	Moneyweb Limited				
	– 1 000 000 ordinary shares at cost	**680**	680	**680**	680
	– Allowance for impairment in value	**(680)**	(680)	**(680)**	(680)
	Tysflo (Pty) Ltd				
	– 1 700 shares at cost representing a 17% holding	**1 040**	–	**–**	–
	M-Power Radio (Pty) Ltd (t/a Rise FM)				
	– 498 shares representing a 7,05% holding*	**–**	–	**–**	–
		10 240	9 200	**14 479**	14 745

** Less than R1 000*

Level 1: Quoted prices available in active markets for identical assets or liabilities
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 Limited is denominated in Rands.

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.

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 hierarchy.

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) Ltd, Before The Wind Investments 160 (Pty) Ltd, Mokgosi Holdings (Pty) Ltd and Tysflo (Pty) Ltd 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	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
Level 1	**–**	–	**–**	–
Level 2	**–**	–	**5 279**	5 545
Level 3	**10 240**	9 200	**9 200**	9 200
	10 240	9 200	**14 479**	14 745

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.

During the year the investment in M-Power Radio (Pty) Ltd (t/a Rise FM) was sold to the majority shareholder of Rise for a consideration of R249 000.

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

	GROUP		COMPANY	
	2017 R'000	2016 R'000	**2017 R'000**	2016 R'000
8. DEFERRED TAXATION				
Balance at beginning of year	**11 818**	12 387	**740**	1 143
Movements during the year attributable to:				
– Temporary differences	**(788)**	(1 337)	**(15)**	(403)
Provision for leave pay	**(138)**	(75)	**(10)**	(17)
Income received in advance	**454**	(74)	**–**	–
Prepaid expenditure	**32**	8	**–**	–
Accelerated capital allowance	**(164)**	107	**–**	–
Accruals	**(885)**	(1 061)	**(5)**	(386)
Allowance for impairment of receivables	**(87)**	(242)	**–**	–
– Computed tax losses	**(397)**	768	**–**	–
Balance at end of year	**10 633**	11 818	**725**	740
The balance comprises:				
Provision for leave pay	**344**	482	**8**	18
Income received in advance	**518**	64	**–**	–
Prepaid expenditure	**(4)**	(36)	**–**	–
Accelerated capital allowances	**(350)**	(186)	**–**	–
Accruals	**6 661**	7 546	**717**	722
Allowance for impairment of receivables	**423**	510	**–**	–
Computed tax losses	**3 041**	3 438	**–**	–
	10 633	11 818	**725**	740

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.

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.

		GROUP		COMPANY	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
9. TRADE RECEIVABLES					
Trade accounts receivable		47 379	44 798	–	–
Allowance for impairment of receivables		(2 538)	(3 495)	–	–
		44 841	41 303	–	–
The maximum exposure to credit risk for gross trade receivables at the reporting date by type of customer was:					
	Average debtors terms (days)				
Parastatals/government	30	1 028	859	–	–
Corporates	30/60	36 663	29 518	–	–
SMMEs	30	9 526	14 259	–	–
Individuals	30	162	162	–	–
		47 379	44 798	–	–
Within terms					
Current		15 551	19 895	–	–
Due 30 days and less		25 978	20 011	–	–
Past due					
Due 30 to 60 days		1 656	720	–	–
Due 60 to 90 days		3 253	471	–	–
Due 90 days +		941	3 701	–	–
		47 379	44 798	–	–

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. R5,1 million (2016: R0,2 million) of the group's trade and other receivables have been ceded as security for Media Credit Co-ordination's accreditation.

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
9. TRADE RECEIVABLES CONTINUED				
Allowance for impairment of receivables				
Balance at beginning of period	**(3 495)**	(3 582)		
Impairment loss recognised	**766**	400		
Impairment loss reversed/(provided)	**191**	(313)		
	(2 538)	(3 495)	**–**	–
The reason for recognising the following impairment losses were:				
Financial difficulties/bankruptcy	**2 123**	1 069		
Absconded	**–**	1 318		
Dispute	**415**	1 108		
	2 538	3 495	**–**	–

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.

	GROUP		COMPANY	
Trade and other receivables past due but not impaired				
Due 30 to 60 days	**1 166**	720		
Due 60 to 90 days	**983**	471		
Due 90 days+	**727**	206		
	2 876	1 397		

		GROUP		COMPANY	
		2017	2016	**2017**	2016
		R'000	R'000	**R'000**	R'000
10.	**OTHER RECEIVABLES**				
	Prepayments	**1 850**	1 511	**323**	275
	Deposits	**101**	93	**–**	–
	Advances	**1 581**	1 942	**1 598**	2 340
	VAT receivable	**–**	1 108	**–**	–
		3 532	4 654	**1 921**	2 615
11.	**SHARE CAPITAL**				
	Authorised				
	15 000 000 ordinary shares of R1 each	**15 000**	15 000	**15 000**	15 000
	Issued				
	Ordinary shares of R1 each				
	Balance at beginning of the year	**8 237**	8 276	**8 237**	8 276
	Shares repurchased and cancelled	**(183)**	(39)	**(183)**	(39)
	Balance at end of the year	**8 054**	8 237	**8 054**	8 237
	Held by the AME Share Incentive Trust	**(89)**	(89)	**–**	–
	Held by AME Broadcasting (Pty) Limited	**–**	(28)	**–**	–
		7 965	8 120	**8 054**	8 237

During the year the shares held by AME Broadcasting (Pty) Ltd was bought back and cancelled.

Unissued shares

The 6 945 576 (2016: 6 762 835) 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 25 August 2016 (2016: 21 August 2015). The authority is valid until the next annual general meeting.

		GROUP		COMPANY	
		2017	2016	**2017**	2016
		R'000	R'000	**R'000**	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	**855**	213	**-**	-
	Share-based bonuses	**1 203**	3 587	**219**	652
	Receiver of revenue VAT	**2 294**	2 000	**30**	59
	Accruals	**52 863**	59 237	**3 406**	3 029
		57 215	65 037	**3 655**	3 740

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.

15. FINANCIAL ASSETS BY CATEGORY

	Loans and receivables R'000	Non-financial instruments R'000	Available-for-sale R'000	Total R'000
Group				
2017				
Other financial instruments	–	–	10 240	10 240
Trade receivables	44 841	–	–	44 841
Other receivables	1 682	1 850	–	3 532
Tax paid in advance	–	108	–	108
Cash and cash equivalents	119 167	–	–	119 167
	165 690	1 958	10 240	177 888
2016				
Other financial instruments	–	–	9 200	9 200
Trade receivables	41 303	–	–	41 303
Other receivables	2 035	2 619	–	4 654
Tax paid in advance	–	738		738
Cash and cash equivalents	114 052	–	–	114 052
	157 390	3 357	9 200	169 947
Company				
2017				
Other financial instruments	–	–	14 479	14 479
Other receivables	1 598	323	–	1 921
Cash and cash equivalents	81 136	–	–	81 136
	82 734	323	14 479	97 536
2016				
Other financial instruments	–	–	14 745	14 745
Other receivables	8 000	–	–	8 000
Tax paid in advance	2 340	275	–	2 615
Cash and cash equivalents	71 622	–	–	71 622
	81 962	275	14 745	96 982

	Non-financial instruments R'000	Amortised cost R'000	Total R'000
16. FINANCIAL LIABILITIES BY CATEGORY			
Group			
2017			
Trade payables	–	14 361	14 361
Other payables	3 149	54 066	57 215
Dividend payable	–	1 642	1 642
	3 149	70 069	73 218
2016			
Trade payables	–	13 681	13 681
Other payables	2 213	62 824	65 037
Dividend payable	–	1 472	1 472
	2 213	77 977	80 190
Company			
2017			
Trade payables	–	17	17
Other payables	30	3 625	3 655
Dividend payable	–	1 642	1 642
	30	5 284	5 314
2016			
Trade payables	–	76	76
Other payables	59	3 681	3 740
Dividend payable	–	1 472	1 472
	59	5 229	5 288

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
17. REVENUE				
Commercial advertising and related services	238 593	238 303	–	–
Management fees received from subsidiaries	–	–	4 625	4 560
Dividends received from subsidiaries	–	–	37 840	36 644
	238 593	238 303	42 465	41 204

Change in prior year disclosure – prior period error.

Dividends from subsidiaries are now disclosed under revenue of the parent. In prior years it was disclosed under investment income (note 19) for the company. This re-allocation has no impact on profit or loss or comprehensive income.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
18. OPERATING EXPENSES				
Are stated after taking the following into account:				
Expenses				
Administration and management fees paid				
– other companies	**300**	300	**–**	–
Auditor's remuneration				
– audit fees	**944**	972	**296**	307
– prior year overprovision	**(47)**	(75)	**–**	(21)
– other services	**16**	44	**–**	–
Consulting fees	**716**	528	**278**	318
Depreciation	**6 438**	5 501	**134**	133
Legal fees	**1 068**	869	**507**	138
Profit on disposal of property, plant and equipment	**(257)**	(408)	**–**	–
Profit on disposal of other financial investment	**(249)**	–	**(249)**	–
Operating lease charges				
– premises	**2 589**	3 188	**–**	–
– office equipment and transmitters	**12 366**	11 922	**–**	–
Secretarial fees	**32**	19	**6**	5
Staff costs	**77 374**	80 759	**682**	660
Defined contribution plans	**3 952**	3 519	**–**	–
Impairment of deposit	**–**	3 000	**–**	3 000
Provision for impairment in receivable	**485**	–	**5**	2 403
Impairment of other receivables	**6**	7	**6**	7

	Salary 2017 R'000	Salary 2016 R'000	Fees 2017 R'000	Fees 2016 R'000
Directors' emoluments				
ACG Molusi*	**–**	–	**191**	95
MJ Prinsloo*	**–**	–	**284**	274
N Sooka*	**–**	–	**142**	138
KL Tlhabane*	**–**	–	**189**	122
W Tshuma#	**–**	–	**–**	31
AJ Isbister**	**1 016**	4 270	**–**	–
M Mynhardt**	**1 542**	1 365	**–**	–
Total remuneration	**2 558**	5 635	**806**	660
Paid by the company	**2 558**	5 635	**806**	660
Total remuneration	**2 558**	5 635	**806**	660

* *Independent non-executive director*
** *Executive director*
\# *Resigned 11 June 2015*

	Share units/ options exercised	Salary	Bonus	Total
18. OPERATING EXPENSES CONTINUED				
Breakdown of executive directors' salary				
2017				
AJ Isbister	**89**	**827**	**100**	**1 016**
M Mynhardt	**89**	**1 003**	**450**	**1 542**
Total remuneration	**178**	**1 830**	**550**	**2 558**
2016				
AJ Davies	3 375	795	100	4 270
M Mynhardt	–	965	400	1 365
Total remuneration	3 375	1 760	500	5 635

	GROUP		COMPANY	
	2017 R'000	2016 R'000	**2017 R'000**	2016 R'000
19. INVESTMENT INCOME AND FINANCE COST				
Investment income				
– dividends received from other companies	**4 250**	3 000	**4 250**	3 000
	4 250	3 000	**4 250**	3 000
Finance income				
– interest received from bank	**7 694**	6 238	**4 313**	3 829
– other	**162**	104	**147**	72
	7 856	6 342	**4 460**	3 901
Finance cost				
– other	**6**	4	**–**	–
	6	4	**–**	–

Change in prior year disclosure refer to note 17.

	GROUP		COMPANY	
	2017 R'000	2016 R'000	**2017 R'000**	2016 R'000
20. TAXATION				
South Africa normal taxation				
– current	**19 611**	20 362	**1 144**	286
– prior year adjustment	**(5)**	(156)	**4**	(156)
Deferred taxation				
– deferred	**1 185**	659	**15**	493
– prior year adjustment	**–**	(90)	**–**	(91)
	20 791	20 775	**1 163**	532
Tax rate reconciliation:	**%**	%	**%**	%
Statutory tax rate	**28,0**	28,0	**28,0**	28,0
Non-deductible expenditure	**1,4**	1,7	**0,1**	5,10
Exempt income	**(2,3)**	(1,4)	**(25,5)**	(30,9)
Prior year adjustment	**–**	(0,4)	**0,0**	(0,7)
Effective tax rate	**27,1**	27,9	**2,6**	1,5

The company has an estimated tax loss of Rnil (2016: Rnil) and the group has an estimated tax loss of R10,9 million (2016: R12,3 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 on all unused tax losses as the group expects that with the profits expected to be generated in future years, the computed tax losses will be utilised.

		GROUP		COMPANY	
		2017 R'000	2016 R'000	**2017 R'000**	2016 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 parent		**48 644**	48 050	**–**	–
Profit on disposal of property, plant and equipment		**(257)**	(408)	**–**	–
Tax on disposal of property, plant and equipment		**72**	114	**–**	–
Headline earnings		**48 459**	47 756	**–**	–
Earnings and diluted earnings per share	(cents)	**609,2**	591,2		
Headline earnings and diluted headline earnings per share	(cents)	**606,9**	587,6		
Gross dividends per share for the year	(cents)	**350,0**	350,0		
Weighted average number of shares in issue	('000)	**7 985**	8 127	**–**	–
22. TAXATION PAID					
Amount unpaid at beginning of year		**(247)**	(1 549)	**(46)**	(242)
Amount charged to statement of comprehensive income		**(19 606)**	(20 206)	**(1 148)**	(130)
Amount unpaid at end of year		**2 087**	247	**74**	46
		(17 766)	(21 508)	**(1 120)**	(326)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	**2017 R'000**	2016 R'000
23. DECREASE/INCREASE IN INVESTMENTS AND LOANS				
Increase in investment in subsidiaries	**–**	–	**(1 615)**	(5 402)
Decrease in investments in associates	**725**	300	**–**	–
Decrease in financial instruments	**(1 520)**	–	**266**	266
	(795)	300	**(1 349)**	(5 136)
24. SHARE-BASED PAYMENTS				
(Reversal of provision)/expense arising from share-based payment transactions	**(1 669)**	1 121	**(306)**	921

The value of the units are determined by the value of the share price. There was a reduction of R13 in the share price from the previous reporting date, which resulted in a reversal of the overall provision through profit and loss.

	Number of options		Number of options	
Reversal of provision				
Balance at beginning of year	–	50 000	–	50 000
Number exercised (grant 4)		(50 000)		(50 000)
Balance at end of year	–	–	–	–

Executive directors of certain subsidiary companies received share options as part of the group's share bonus scheme. There were Nil (2016: Nil) options outstanding at the end of the financial period. No additional options were granted during the year. The option scheme has run its conclusion in 2016 and no options are left.

	GROUP Number of units		COMPANY Number of units	
Grant 5: Date of Grant 1 April 2013	**2017**	**2016**	**2017**	**2016**
Balance at beginning of year	**275 000**	275 000	**50 000**	50 000
Vested and settled	**(55 000)**	–	**(10 000)**	–
Balance at end of year	**220 000**	275 000	**40 000**	50 000

Contractual life:		(years)	7
Vesting conditions:	after 3 years	(%)	20
	after 4 years	(%)	20
	after 5 years	(%)	20
	after 6 years	(%)	20
	after 7 years	(%)	20

Executive directors' allocation Share units	**2017 Units**	2016 Units
AJ Isbister	**20 000**	25 000
M Mynhardt	**20 000**	25 000

The incentive scheme is intended to function as a bonus scheme for executive management.

The weighted average share price at the date of cash settlement was R74,89 (units) (2016: R100,50 (options)).

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 five 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. 220 000 (2016: 275 000) units were allocated and outstanding at the end of the financial period. The first 20% tranche has vested and was paid out on 1 April 2016. The weighted average value was determined at R74,89 (2016: R82,74)

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

		2017 Grant 5	2016 Grant 5
Share price at reporting date	(R)	**65,00**	78,00
Exercise price	(R)	**65,00**	65,00
Expected volatility	(%)	**21,0**	18,4
Risk free interest rate	(%)	**7,90**	8,7
Dividend yield	(%)	**1,5**	1,3
Fair value	(R)	**8,35**	21,64
Mark to market value	(R)	**–**	13,00
Intrinsic value	(R'000)	**–**	2 344
Directors' interest			–
AJ Isbister	(R'000)	**–**	213
M Mynhardt	(R'000)	**–**	213
Fair value	(R'000)	**1 203**	3 587
Director's interest			
AJ Isbister	(R'000)	**109**	326
M Mynhardt	(R'000)	**109**	326

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.

25. BORROWING POWERS

In terms of the company's Memorandum of Incorporation, the borrowing powers of the company are unlimited.

At 31 March 2017 the company's borrowings totalled Rnil (2016: Rnil), and its subsidiaries' borrowings totalled Rnil (2016: 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 52. 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	
	2017 R'000	2016 R'000
Loan accounts owing by related parties		
AME Properties (Pty) Ltd	**39 100**	37 490
Radio Heads (Pty) Ltd	**11 400**	11 400
Radio Heads Investment Holdings (Pty) Ltd	**40**	35
Share Incentive Trust	**5 279**	5 545
United Stations (Pty) Ltd	**4 620**	4 620
Amounts included in other receivables regarding related parties		
AME Properties (Pty) Ltd	**–**	161
Central Media Group (Pty) Ltd	**169**	182
Umoya Communications (Pty) Ltd	**227**	221
United Stations (Pty) Ltd	**–**	23
Amounts included in other payables regarding related parties		
United Stations (Pty) Ltd	**–**	11
Management fees received from related parties		
Central Media Group (Pty) Ltd	**1 920**	1 920
Umoya Communications (Pty) Ltd	**2 400**	2 400
United Stations (Pty) Ltd	**240**	240
Dividends received from related parties		
AME Broadcasting (Pty) Ltd	**2 387**	97
Central Media Group (Pty) Ltd	**14 753**	11 987
Umoya Communications (Pty) Ltd	**20 700**	16 560
United Stations (Pty) Ltd	**–**	8 000

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
27. RELATED PARTIES CONTINUED				
Associates' loan				
Mahareng Publishing (Pty) Ltd	**2 975**	3 700	**–**	–
Oxford's Office Terrace (Pty) Ltd	**448**	747	**448**	747
Key management personnel (being the executive management and company secretary as per page 3) remuneration for the period amounted to:				
Basic			**4 884**	4 704
Medical aid			**263**	240
Pension			**351**	333
Bonus			**2 390**	2 488
			7 888	7 765

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 statement of financial position represent the group's exposure to credit risk in relation to these assets.

Fair values

At 31 March 2017 and 31 March 2016 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 one year R'000	Between one and two years R'000	Between two and five years R'000	Over five years R'000
GROUP				
At 31 March 2017				
Trade and other payables	**70 069**	–	–	–
At 31 March 2016				
Trade and other payables	77 977	–	–	–
COMPANY				
At 31 March 2017				
Trade and other payables	**5 284**	–	–	–
At 31 March 2016				
Trade and other payables	5 229	–	–	–

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 the 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		COMPANY	
		2017 R'000	2016 R'000	**2017 R'000**	2016 R'000
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		**119 167**	114 052	**81 136**	71 622
Cash and cash equivalents		**119 167**	114 052	**81 136**	71 622
Weighted average effective interest rate	(%)	**6,7**	6,0	**7**	6,3

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

At 31 March 2017 and 31 March 2016, 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 R0,9 million (2016: R0,8 million) and for the company by approximately R0,5 million (2016: R0,5 million). 1% movement is used as it is the expected movement in interest rates.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
29. COMMITMENTS				
Future operating lease charges for premises				
Payable within one year	**2 482**	3 443	–	–
Payable within two to five years	**1 482**	8 286	–	–
Payable after five years	–	6 134	–	–
	3 964	17 863	–	–
CAPITAL COMMITMENTS				
Payable within one year	**27 826**	3 413	**27 449**	–
– capital expenditure	**377**	2 163	–	–
– building development	–	1 250	–	–
– Moneyweb investment	**27 449**	–	**27 449**	–
	27 826	3 413	**27 449**	–

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 (2016: R2,2 million), around Rnil (2016: R1,3 million) for the development of the new Central Media Group business premises in Bloemfontein and R27,4 million to purchase 100% in Moneyweb Holdings Limited.

30. CONTINGENT LIABILITIES

The company stands surety for the liabilities amounting to R5,1 million (2016: R1,5 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.

The South African Music Performance Rights Association ("SAMPRA") has instituted a legal process to determine if and from which date Needletime Royalties are payable prior to the judgement date of 14 March 2014. The directors consider that in line with legal advice adequate provision has been made for this liability, under note 13.

31. SEGMENTAL REPORTING

	Radio broadcasters		Radio services		Corporate		Group total	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Revenue								
Total revenue	198 802	194 171	57 170	61 162	42 973	41 570	298 945	296 904
Internal revenue	–	–	(17 887)	(17 396)	(42 465)	(41 204)	(60 352)	(58 600)
External revenue	198 802	194 171	39 283	43 766	508	366	238 593	238 303
Profitability								
Segment profit from operations	60 333	58 915	2 184	8 237	1 600	(2 719)	64 117	64 433
Unallocated/ eliminated corporate net expense and intercompany consolidation	315	409	–	–	316	218	631	627
	60 648	59 324	2 184	8 237	1 916	(2 501)	64 748	65 060
Investment income							4 250	3 000
Finance income							7 856	6 342
Finance cost							(6)	(4)
Taxation							(20 791)	(20 775)
Profit for the year							56 057	53 623
Assets								
Segment assets	62 262	63 076	31 640	37 303	88 700	80 756	182 602	181 135
Investment in associates	2 452	2 862	–	–	2 057	1 741	4 509	4 603
	64 714	65 938	32 120	37 303	90 757	82 497	187 111	185 738
Cash and cash equivalents							119 167	114 052
							306 278	299 790
Liabilities								
Segment liabilities	49 863	53 109	19 535	21 955	6 015	6 111	75 413	81 175
Capital expenditure	4 632	13 640	250	277	1 546	5 701	6 428	19 618
Depreciation	5 510	4 424	615	765	313	312	6 438	5 501

Change in prior year disclosure refer to note 17.

ANALYSIS OF SHAREHOLDING

as at 31 March 2017

	Number of shares held '000	Shares held %	Number of shareholders	Shareholder %
Size of shareholding				
1 – 1 000	92	1,1	378	67,7
1 001 – 10 000	521	6,5	112	20,1
10 001 – 100 000	1 688	21,0	53	9,5
100 001 +	5 753	71,4	15	2,7
Total	8 054	100,0	558	100,0
Category				
Private individuals	4 027	50,0	386	69,2
Nominee companies or trusts	730	9,1	51	9,1
Investment companies	2 857	35,5	99	17,8
Limited companies	139	1,7	4	0,7
Other corporate bodies	301	3,7	18	3,2
Total	8 054	100,0	558	100,0
Shareholder spread				
Non-public shareholders				
AME Share Incentive Trust	89	1,1	1	0,2
Shareholders holding more than 5% of the issued ordinary shares				
– Moolman and Coburn Partnership	2 312	28,7	1	0,2
– Frances Elizabeth Coburn	800	9,9	1	0,2
– MGM Family Trust	497	6,2	1	0,2
	3 698	45,9	4	0,8
Public shareholders	4 356	54,1	554	99,2
Total	8 054	100,0	558	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 2017.

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 19th 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 Wednesday 23 August 2017.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 23 June 2017 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 18 August 2017. The last day to trade in order to be eligible to vote at the meeting is accordingly Tuesday, 15 August 2017.

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 Monday, 21 August 2017, alternatively, contact the transfer secretaries at 011 370 5122/7873 by 10:00 on Monday, 21 August 2017, 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 company or the transfer secretaries by 10:00 on Tuesday, 22 August 2017 at the address set out at the end of this notice of meeting.

PURPOSE OF MEETING

The purpose of this meeting is to present the director's report and the audited financial statements of the company and the group for the year ended 31 March 2017, 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 2017 be and are hereby adopted.

   Explanation: The reason for and effect of the 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 2017.

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 Act, 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 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 Johannesburg Partnership 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 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 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 committee until conclusion of the next annual general meeting.

5.3 Mr KL Tlhabane be and is hereby re-elected as a member of the audit committee until conclusion of the next annual general meeting."

Explanation: To re-elect Messrs N Sooka, MJ Prinsloo and KL Tlhabane, 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 committee comprising of at least three members.

Brief biographies of these directors appear on page 3.

The ordinary resolutions number 5.1, 5.2 and 5.3 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.

7. **Non-binding advisory resolution number 1**
"Resolved that: The company's remuneration policy as set out in the corporate governance report, be and is hereby approved.

Explanation: The policy is tabled in terms of King III, to enable shareholders to express their views in the remuneration policies adopted and on their implementation. This ordinary resolution is advisory only, but will be taken into consideration when considering the company's remuneration policy in the future.

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% (ten 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 2017 as set out below:

Directors' fees are payable per meeting attended:	R
Board	
Chairman	20 700
Other	14 800
Audit and risk committee	
Chairman	14 200
Other	9 900
Remuneration committee	
Chairman	14 200
Other	9 900
Social and ethics committee	
Chairman	14 200

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 to 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 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. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of 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.

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 3;
- Directors' interest in securities commencing on page 12 (which beneficial interests have not changed since 31 March 2017. There are no non-beneficial interests);
- Major shareholders on page 52;
- Material changes in the nature of the company's trading or financial position post 31 March 2017 on page 14;
- 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 (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61051, Marshalltown, 2107) by 10:00 on Monday 21 August 2017, for administrative purpose or thereafter to the company by hand no later than 10:00 on Wednesday, 23 August 2017.

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 or broker to issue them with the necessary letter or 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

20 June 2017

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 19th 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 Wednesday, 23 August 2017 ("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):

Ordinary resolutions	For	Against
1 To adopt the annual financial statements for the year ended 31 March 2017		
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 Johannesburg Partnership, as the independent auditor		
5.1 To re-elect Mr N Sooka as chairman and member of the audit committee		
5.2 To re-elect Mr MJ Prinsloo as member of the audit committee		
5.3 To re-elect Mr KL Tlhabane as member of the audit committee		
6 To authorise a director or company secretary to sign documentation to effect resolutions passed		
Non-binding ordinary resolution		
7 To approve the remuneration policy		
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 ______________ 2017

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 TO THE FORM OF PROXY

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, 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, 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 (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Wednesday, 23 August 2017.

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, 23 August 2017. 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.

CORPORATE INFORMATION

AFRICAN MEDIA ENTERTAINMENT LIMITED
Incorporated in the Republic of South Africa
Registration number 1926/008797/06
JSE share code: AME
ISIN: ZAE000055802

AUDITOR
Grant Thornton Johannesburg Partnership
Chartered Accountants (SA)
Practice number 903485E
Registered Auditor
52 Corlett Drive
Wanderers Office Park
Illovo, 2196

BANKERS
Absa Capital CIBW
15 Alice Lane
Sandton, 2196

LEGAL ADVISORS
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) Ltd
Registration number 2006/033725/07
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead, 2191

Suite #439, Private Bag X29, Gallo Manor, 2052

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Ltd
Registration number 2004/003647/07
Rosebank Towers,
15 Bierman Avenue
Rosebank, 2196

PO Box 61051, Marshalltown, 2107

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

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