ANNUAL REPORT 2019

AFRICAN MEDIA

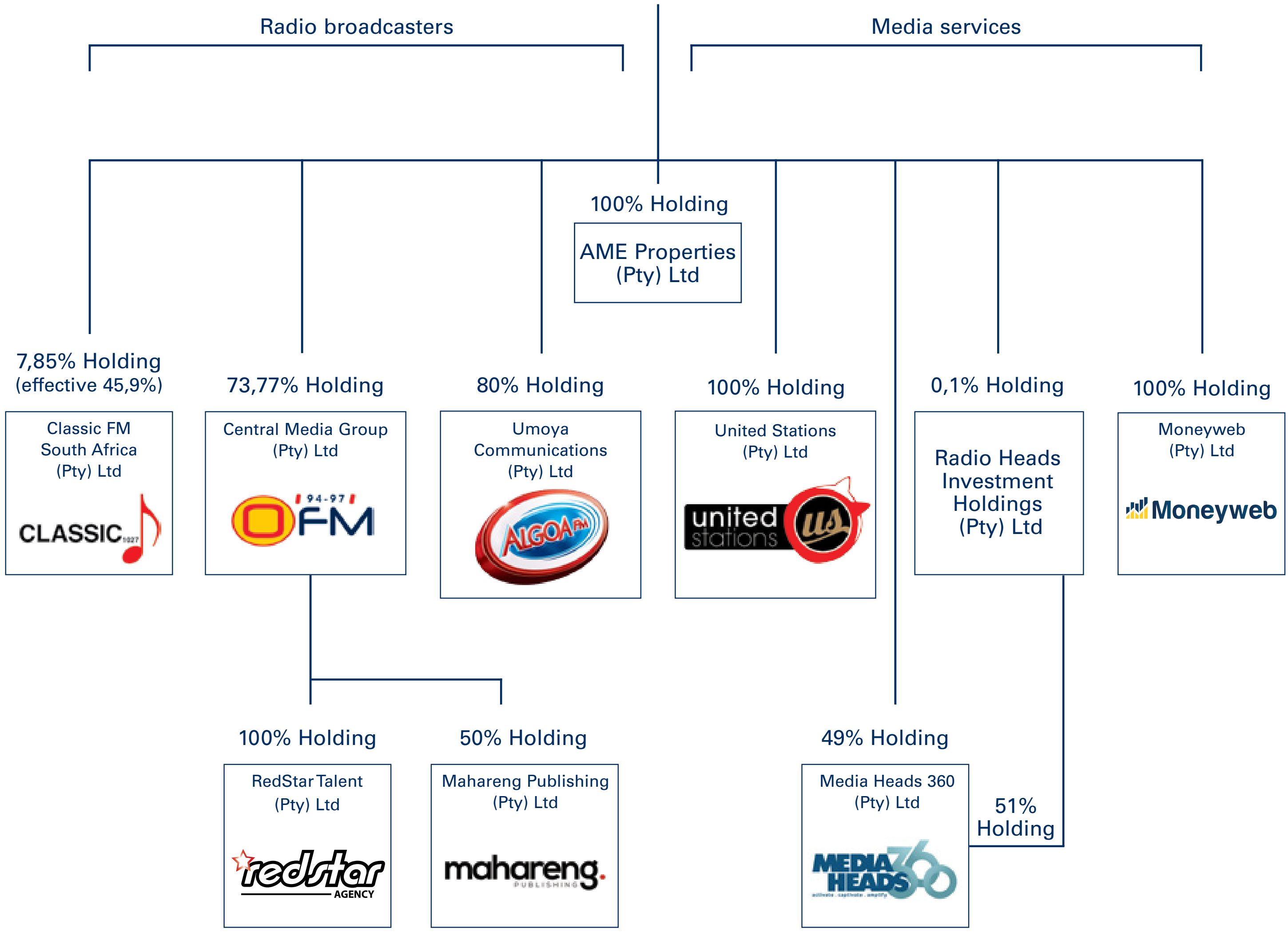
CONTENTS

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)



OFM the sound of your life

NAMPO Harvest Week 2018

NAMPO Harvest Day is one of the largest agricultural exhibitions. Grain SA's NAMPO Harvest Day enables producers and other role players in the agricultural industry to experience the latest technology and products on offer in the farming industry first-hand. The Harvest Day is also regarded by Grain SA as one of the best contributors to ensure sustained food production in South as well as Southern Africa. In 2018 Nampo had 786 exhibitors and 82 817 visitors during the week. OFM was in partnership with Grain SA to produce a four day radio show, Grain SA radio powered by OFM. This is an agriculture radio station that is dedicated to the agriculture shows, news, content and advertisers. OFM also broadcasted live from the premise and had fun activations that visitors could take part in.

Digital Platforms waterhole at annual Chip for Charity, winner two years in a row. One of the most exciting events during the year. The one time the developers really enjoy getting out of the office.

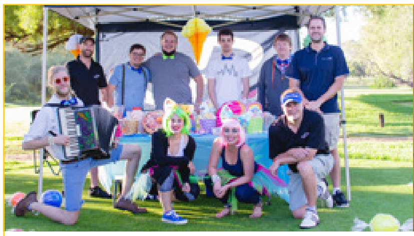
Digital Platforms at Music Marathon hosted by OFM. Theme based waterhole, early mornings and a lot of fun!!

Pretty Gardens Centre

One day event to change a life! Pretty Gardens Wellness day. Charity WattBike challenge took place in the Pod. All proceeds will be donated to animal shelters in Bloemfontein. We kicked off the morning with a mass aerobic class done by Nadia's Fitness Studio and Monkeynastix entertained the little folks with fun and interactive exercises. Great Jujitsu training performance was done by Warren Allison. Great exhibition stands included Trappers, SPC, Biogen, HERBALIFE, Vodacom Fibre and Nadia Fitness Studio.

Vodacom Rose Run

The Vodacom Rose Run took place on 9 March 2019 at Emoya Estate in Bloemfontein. A total of 900 runners entered to run the 10 km and 32 km races. The Pentagon Pistols is proud to host the Vodacom Rose Run annually. Redstar Agency was in charge of managing the event and various sponsors made this day available. We also arranged the food vendors, promoters, MC and branding team.




Chip for Charity

On 1 March 2019 we had our 16th OFM Shoprite Checkers Chip for Charity. This year we had the pleasure to host 210 players which played at Bloemfontein Golf Club and Dreams came true for Reach for a Dream Foundation, Child Welfare Bloemfontein and Childline Free State after receiving R225 000 raised at the Shoprite Checkers OFM Chip4Charity Golf Day.

Cansa Walk

OFM was a proud partner of The Breast Cancer Walk/Run which took place on 31 October 2018 at Bloemfontein Achilles Club. This is an annual Breast Cancer Walk fun run that is aimed at supporting patients with Breast cancer and this was a way for OFM to give back to the community. The aim of the walk was to create awareness for women and men, young and old. 1 200 people took part in the 5 km run/walk dressed in all shades of Pink.

Music Marathon

In November 2018, OFM in partnership with Chatz, Vodacom and Bloemfontein Achilles, hosted the second Music Marathon, Central South Africa's most colourful, fun-filled and music inspired road race. The event featured a 42,2 km marathon, 21,1 km half-marathon, a 10 km run and a 5 km fun run. The race had 1 600 runners that took part. The route had a number of music stations along the route, runners and spectators were treated to themed music zones, such as the 80s, dance, hip-hop and more. The race had music trucks in the 5 and 10 km and water point that were lively and colourful.


Mahareng were involved in some amazing events over the last year. Bloemfontein Courant was the media sponsors of Moments, a concert compiled by national choreographer, Willie Venter, with some big national names in the entertainment arena. It is well supported by the community. Get It had its annual Women on the Move breakfast and Yolanda Maartens from Reach for A Dream was the guest speaker. It was well supported and spoke to every lady's heart at the event. Mahareng also supported local artist Jacobus Silwer with his tribute to Andrea Boccelli, as media sponsor.

SuperSport OFM Business Breakfast

In the run-up to the big South Africa vs England game in Bloemfontein on 16 June 2018, SuperSport and OFM hosted a business breakfast for clients and listeners, with special guests and SuperSport analysts, former England and British and Irish Lions hero, Jeremy Guscott, and former Springbok prop, the entertaining Toks van der Linde. The breakfast was held at Central Media Park on 14 June 2018.

TekkieFees

TekkieFees is held on the grounds of the Vereeniging Gimnasium. It is a two day event, with a huge beer garden, a merry-go-round, braai area, plenty of stalls and a fantastic line-up of artists. The show consists of fitness competitions, soundshow, miss Tekkiefees, a touch rugby tournament, a cheerleader competition and a dog show. In the evenings there are music concerts. OFM broadcast live from the show with Shandor Potgieter, Just Plain drive and WR van der Merwe.

Carols by Candle Light

OFM in partnership with Spar hosted two music shows for the whole family in Potchefstroom and Bloemfontein. The show featured sing along with Kurt Darren, Juanita du Plessis, Monique Steyn and the Mzansi Youth Choir while the little ones play safely in the kiddies' area that will include entertainment, fun crafts and activities. People had bring an unwrapped gift – toys, care packages or stationery appropriate for ages 0 to 18 years old. The donations collected were to be distributed to children's charities in the region. About 7 000 people attended the Potchefstroom event and 8 000 people attended the Bloemfontein event. A total of 140 boxes of toys/tinned food were gathered and will be distributed to charities in the region.

Meerkat Run

OFM was a media partner to the annual Vodacom Kimberley Road Runners present the annual Meerkat Marathon 42,2 km, 21,1 km and 10 km race at Bishops Old Boys Club in Kimberley. The OFM Street Quad present on the day with crossing to studio throughout the race.

Aardklop

Aardklop, National Arts Festival takes place in the oak-lined streets of Potchefstroom in October and includes events such as theatre, dance, arts, debate, music and lots of fun for everyone. A key element of the Aardklop Festival is the stage that it provides for the many creative talents of South Africa. It brings together brand new talents alongside well established artists. OFM Broadcasted live from the premise Monday to Friday during the OFM Fees Flits Show with Shandor Potgieter (12:00 to 14:00) and the Just Plain Drive Show. Listeners could win prizes by taking part in the Pick the Lock game.

Welkom Studio Launch

On 3 November 2018 OFM officially launched the new studio in Welkom at Goldfields Mall. On the same day OFM also celebrated Goldfields Mall 8th birthday with Street Squad activations, performances from various artists and OFM hosted clients and stakeholders.

Nocci

The Biggest Trade Expo in the Northern Cape where the widest range of industries can be found under one roof. OFM broadcasted live from the expo Thursday and Friday, 13:00 to 16:00 for At Lunch with Cyril Viljoen and again Saturday, 09:00 to 13:00, for Shandor's Wild Weekend. Visitors could take part in OFM's Pick the Lock activation and stood a chance to win awesome prizes.

your music, your world


Algoa FM Big Walk for Cancer

The Algoa FM Big Walk for Cancer is the biggest mass participation event in the Eastern Cape. The 5 km walk is a show of force against cancer, with over 13 000 people walking in remembrance of loved ones who have passed away from cancer, for people fighting cancer or for people that want to walk as a stand for a healthier lifestyle. The Algoa FM Big Walk for Cancer is seen in a positive light to celebrate the cause by lifting their spirits and portraying hope and unity. Over R500 000 was raised in the 2018 Algoa FM Big Walk for Cancer, and the Cancer Association of South Africa (CANSA) was the beneficiary of the proceeds as they received a much needed Mole Finder to assist with early detection.

Algoa Cares

Algoa Cares is the Corporate Social Investment programme of Algoa FM. Started in 1997, Algoa Cares has aided and assisted many communities and initiatives in need. From children's homes to old-age homes, communities affected by natural disasters to feeding poverty stricken communities are only a few communities that benefited from various fundraising events headed by Algoa Cares, such as the Algoa Cares East London Charity Golf Day.


Standard Bank Ironman African Championship/Isuzu Corporate Triathlon Challenge powered by Algoa FM

Algoa FM is a media partner to the Standard Bank Ironman African Championship, which is an iconic global event which puts athletes through their paces in a 3,8 km sea swim, followed by a 180 km cycle and ending off with a 42,2 km run, an event that attracts athletes from all over the world. We are also a presenting partner of the Isuzu Corporate Triathlon Challenge powered by Algoa FM, which is the curtain raiser for the full distance Ironman event. The station broadcasts two shows live from the Corporate event on the Saturday, hosts a Vibe Mobile with the Hit Squad on the run course and has presenters shooting the start gun and emceeing the prize giving. The longest Outside Broadcast that Algoa FM hosts takes place on the Sunday at the Standard Bank Ironman African Championship, starting at 06:00 and ending at 19:00, it totals 13 hours of live broadcasting and consists of four consecutive shows.

Algoa FM Activations, Festivals and Roadshows

Algoa FM is a powerhouse media brand and has a consistent presence in the communities of that make up the broadcast area throughout the year, through various forms of activations and events. The station hosts Outside Broadcasts from many pinnacle festivals including The Knysna Oyster Festival, National Arts Festival, the Kirkwood Wildsfees and many more. Hit Mobiles are strong tools to interact with people in the broadcast area, and is an integral part of the Roadshows hosted over the festive season for Multi-National brands, such as Coca-Cola, Engen, Capitec Bank, Cell C and more.

SOPA

Algoa FM is the proud media partner which owned the Red Carpet at the State of the Province Address in Bhisho, on 15 February, with Brian Ndevu and Lee Duru interviewing and interacting with dignitaries, MECs and the Premier as they arrived. Listeners were constantly kept up to date with the happenings on the Red Carpet through an integrated media campaign that included on air, online and on the ground elements.

Algoa FM's New Home

The station is experiencing an exciting venture as the new home for Algoa FM is under construction in Nelson Mandela Bay. The station has grown over the years and is now ready for a state of the art, multi-story, green eco-friendly building to call home. The station has hosted clients, stakeholders and listeners at various milestone events to celebrate the completion of each floor. The building will be situated in the Baakens Valley, which is a key area for local government to rejuvenate and Algoa FM is helping take it to new heights.

Moneyweb

Moneyweb Liberty Retire Well event

Moneyweb, in partnership with Liberty, hosted its annual Retire Well Master Class on 20 November 2018. Over 150 delegates attended the full-day event at Summer Place, in Sandton, while a further 30 000 people from all over South Africa watched a live stream of the event on their computers and cellphones via the Moneyweb website. The audience listened to and interacted with 22 high-profile retirement specialists, on various panels.

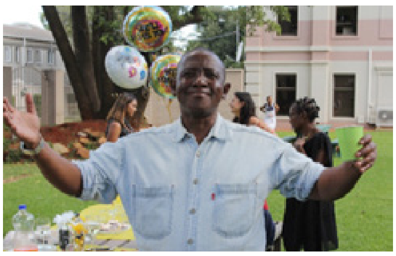
Best team to advise

Panel members Lesego Monareng of KLU Wealth and Legacy Management and Judy Snyman of Alpha Wealth were some of the experts sharing their insights at the Liberty Retire Well Master Class. Here they're pictured talking about: "Spending the kids inheritance – Leaving a legacy versus spending every last cent".

Publicis

MediaHeads 360 engaged with our clients at Publicis Media to celebrate the launch of our new name and positioning.

We strive for unique editorial content. We also publish *ad hoc* opinion pieces from our community experts to provide diverse views and to stimulate debate.



Smile like Shine!

Our resident celebrity to our listeners on our radio platforms Sunshine Motlhabane, our RSG Geldsake sound engineer.

MediaHeads 360

Liberty Radio Awards

MediaHeads 360 General Manager, Amoré Swanepoel, joins other previous Liberty Radio Awards winning "Bright Stars", as a panellist at this year's Liberty Radio Awards Conference.

Moneyweb editor takes the helm

Managing editor and award-winning journalist Ryk van Niekerk has taken over the reins from Andries van Zyl, to anchor the RSG Geldsake show. He continues to broadcast his "Doen jou eie ding" and "Persoonlike Finansies" shows.

DIRECTORATE AND EXECUTIVE

BOARD OF DIRECTORS

ACG ("Connie") Molusi (57)
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 (64)
Independent non-executive director
BCom (Law), CA(SA)
Appointed 13 November 2003

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

Navin Sooka (66)
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.

Jefferine Edwards (59)
Independent non-executive director
BCompt (Hons)
Appointed 1 July 2018

Jefferine joined the group in 2012 when she was appointed as non-executive director of one of the subsidiaries, United Stations. She has extensive experience in financial positions and is serving on various boards and committees within the media and publication industries.

Kim Williams-Thipe (58)
Independent non-executive director
BA (Economics), MBA, CM(SA)
Appointed 1 July 2018

With more than 20 years of media and marketing experience, Kim started her career in the broadcasting industry and continued in the marketing industry where she has held various leading positions and holds directorships in various industries. She was most recently Head of Marketing at South African Airways and is currently a Phd student specialising in Social and Digital Media.

Angela J Isbister (née Davies) (39)
Acting financial director
PGDA (UCT), CA(SA)
Appointed in executive capacity 1 September 2010

Appointed as acting financial director 1 December 2018

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 (46)
Executive financial director
BCompt (Hons), CA(SA)
Appointed 1 June 2010
Resigned 30 November 2018

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.

David Tiltmann (55)
Group chief executive officer
BCom (Industrial Psychology, Business Economics)
Appointed as group CEO on 1 December 2018

Resigned as managing director of Umoya Communications on 31 March 2019

David obtained his BCom from UPE in 1986. He joined Algoa FM in 1989 and was appointed as the managing director of the radio station in February 2000. David was inducted into the South African Radio Hall of Fame in April 2018. He has worked as a Broadcast Liaison Officer at the 2010 and 2018 Soccer World Cup in South Africa and Russia respectively.

EXECUTIVE MANAGEMENT

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

Rivak Bunce (57)
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.

Alfie JE Jay (51)
Umoya Communications, Algoa FM
Appointed as managing director on 1 April 2019

Alfie began his career with Algoa FM as a production engineer in 1990. During his close-on 30 years in the business, he has successfully held many different positions including Producer, Presenter, News Journalist, Technical Manager, Programme Manager and Operations Director. Alfie has served as an Executive on the Board of Umoya Communications (Pty) Ltd t/a Algoa FM since September 2008. Under his guidance, he has led the station's product output to countless new heights and accolades, including the coveted Commercial Station of the Year Award in 2018. He was appointed as Managing Director of Algoa FM on 1 April 2019.

Nick Efstathiou (42)
Central Media Group, OFM
Appointed as managing director on 1 March 2019

Nick Efstathiou has been with OFM since 2001 when he was appointed as Morning Show Producer and Marketing and Events Coordinator. In 2004, he took over as Marketing Manager and in 2011, he was appointed as Group Marketing Manager of CMG. In this capacity, he was responsible for the implementation and management of marketing strategies for the CMG Group. In 2012, he was appointed as General Manager of OFM. Under his leadership, OFM achieved the highest instances of time spent listening (TSL) in South African commercial radio, a Grand Prix Loerie and 13 nominations at the Liberty SA Radio Awards in 2018, with two outright wins. Nick is currently completing his MBA at the North-West University.

COMPANY SECRETARY

Chrisna Roberts (44)
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 IV
AME supports the principles set out in the King IV 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 IV 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 N Sooka and Mr MJ Prinsloo 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 four independent non-executive directors (two of which were appointed on 1 July 2018), two executive directors and an independent non-executive chairman. AME has appointed a group CEO, Mr DM Tiltmann, effective 1 December 2018 to oversee and co-ordinate the group's activities. The managing directors of AME's subsidiaries report on the activities of their respective companies to the CEO, and attend the AME board meetings where they provide feedback on 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, they 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 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Mar 2019
ACG Molusi*	✓	✓	✓	✓	✓	✓
J Edwards*		✓	✓	✓	✓	✓
MJ Prinsloo*	✓	✓	✓	✓	**A**	✓
N Sooka*	✓	✓	✓	✓	✓	✓
KW Thipe*		**A**	✓	✓	✓	✓
AJ Isbister**	✓	**A**	✓	**T**	✓	✓
M Mynhardt**	✓	✓	✓	✓	✓	**R**
DM Tiltmann**						✓

** Independent non-executive director*
*** Executive director*
J Edwards and KW Thipe were appointed on 1 July 2018, DM Tiltmann was appointed on 1 December 2018 and M Mynhardt resigned on 30 November 2018
A Apology
R Resigned
T Teleconference

FINANCIAL
The directors acknowledge responsibility for the preparation of the annual financial statements which, in their opinion, fairly present the state of affairs of the company and the group at 31 March 2019 and their operations and cash flows for the year 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 BDO South Africa Incorporated, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board 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 risk 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 been appointed.

Audit committee

The committee presently comprises:

- N Sooka (Chairman)*
- MJ Prinsloo (Member)*
- J Edwards (Member)* (Appointed 1 July 2018)
- ACG Molusi (Member)* (Resigned 30 June 2018)

* *Independent non-executive director*

Mr ACG Molusi was appointed to the audit committee in a temporary capacity whilst finding a suitable candidate. Mrs J Edwards was appointed to the audit committee on 30 June 2018 (a short biography is on page 6).

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 Conducts.

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 auditor.

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 was reviewed, and the appointment of the external auditor complies with the Companies Act and with the JSE Listings Requirements, including confirming compliance by the auditor with section 22.15(h). 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.

Through the JSE's proactive monitoring process, the committee has received correspondence relating to accounting practices of the group and other related matters. This is currently being addressed.

The audit committee is responsible for evaluating the expertise and experience of the full time financial director. M Mynhardt resigned as financial director effective 30 November 2018 and AJ Isbister was appointed as the acting 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 2018	Nov 2018	Mar 2019
N Sooka*	✓	✓	✓
MJ Prinsloo*	✓	✓	✓
J Edwards*		✓	✓
ACG Molusi*	✓	**R**	**R**

* *Independent non-executive director*
R Resigned
ACG Molusi resigned 30 June 2018

Social and ethics committee

The committee presently comprises:

- KW Thipe* (Chairwoman appointed 1 July 2018)
- ACG Molusi* (Member)
- J Edwards* (Appointed 22 March 2019)
- AJ Isbister** (Member) (Resigned 22 March 2019)
- M Mynhardt** (Resigned 30 November 2018)
- D Tiltmann (Representative by invitation)
- M Gwangwa (Representative by invitation)
- K Reed (Representative by invitation)
- N Efstathiou (Representative by invitation)
- LB Johnstone (Representative by invitation)
- C Dempers (Representative by invitation)
- RR Bunce (Representative by invitation)
- J Morar (Representative by invitation)

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

The committee comprises an independent non-executive chairwoman and two executive directors. Representatives from the group's subsidiary companies attend the meetings by invitation.

The committee is constituted 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 2018	Mar 2019
KW Thipe*	**A**	✓
ACG Molusi*	✓	✓
AJ Isbister**		**A**
M Mynhardt**	✓	**R**

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

Remuneration committee

The committee presently comprises:

- M J Prinsloo (Chairman)*
- ACG Molusi (Member)*
- N Sooka (Member)*
- D Tiltmann (CEO)#**
- CA Dempers (Representative)#
- RR Bunce (Representative)#
- K Reed (Representative)#
- N Efstathiou (Representative)#
- M Vermeulen (Representative)#
- MN Gwangwa (Representative)#
- LB Johnstone (Representative)#

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

The committee comprises an independent non-executive chairman and two independent non-executive directors. 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 2018	March 2019
MJ Prinsloo*	✓	✓
ACG Molusi*	✓	✓
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.

Gender and racial 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 and racial equality at board level. AME is committed to gender and racial equality and diversity and does not discriminate in terms of gender, race or religion. There are currently three female members on the board, whose brief CVs appear on page 6 of this annual report. The board has four directors of colour.

HIV/AIDS

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

GOING CONCERN

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

COMPANY SECRETARIAL AND PROFESSIONAL ADVICE

The company has a dedicated company secretary to ensure compliance with the Companies Act and JSE Listings Requirements. 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 has 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 14.

SUSTAINABILITY

Licence

The group's continued existence is dependent on broadcasting licences being granted to OFM and Algoa FM. Both stations' licences were renewed for 10 years in June 2019.

The Classic 1027 licence is still in the process of renewal.

Needletime

A final settlement agreement was reached with South African Music Performance Rights Association ("SAMPRA") in respect of levies payable for the Algoa and OFM radio licences due prior to the judgement date of 14 March 2014.

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 partakes in the South African Revenue Services Employment Tax Incentive Programme, whereby internships have been created for individuals between the ages of 18 and 29, receiving valuable on the job training and expanding the talent pool for the group.

REMUNERATION POLICY

The group subscribes to equitable employment policies to ensure that individuals from all demographic groupings are given 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.
This practice has the benefit, that the initial remuneration cost to the group for interns is relatively low, 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 is 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, staff members are often lost 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 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' remuneration is benchmarked and market-related.

In the event that the remuneration policy is voted against by 25% or more of the votes exercised, the board will review its remuneration policy and will afford such voters the opportunity to consult on the issue.

CHAIRMAN'S REVIEW

Group revenue was up by 4% to R273,6 million (2018: R262,5 million) which reflects the tough trading conditions prevailing during the year. The 49% decline in profit attributable to equity holders of the parent from R43,7 million to R22,5 million and 48% decline in earnings per share from 541,4 cents to 280,8 cents are mainly as a result of:

- the losses of Classic 1027 and Moneyweb for the first time being recognised for a full year and those losses not being offset against taxable income, resulting in a much higher tax rate for the group; and
- the impairment of the Classic 1027 goodwill and trademark.

The decline in profit was mitigated by the reduction in cost of sales due to the reversal of prior year liabilities resulting from the final settlement of certain industry specific levies in respect of the Algoa FM and OFM radio licences.

The 0,5% decline in headline earnings from R43,7 million to R43,5 million and 0,5% increase in headline earnings per share from 541,5 cents to 544,1 cents ignores the impairment of the Classic 1027 goodwill and trademark. If cost of sales was not reduced by the reversal of previous year liabilities resulting from the final settlement of the industry specific liabilities, headline earnings and headline earnings per share would have declined by 28% from R43,7 million to R31,6 million and from 541,5 cents to 395,1 cents respectively.

The group generated R33,9 million (2018: R30,8 million) in cash from its operating activities during the year after paying tax of R22,5 million (2018: R20,2 million). The group spent R21,8 million (2018: R3,7 million) on capital expenditure and paid R3 million (2018: R11,8 million) to repurchase 78 900 (2018: 230 700) of its own shares. During the year the company paid out dividends of R22,8 million (2018: R28 million) to shareholders of the company and ended the year with cash resources of R80,4 million (2018: R94,5 million).

OPERATIONS

Low business confidence and continuing losses of Classic 1027 and Moneyweb resulted in another demanding year that placed further strain on our resources. Innovation and tight cost control remain imperatives. The appointment of a group CEO in December 2018 will prioritise a focus on group synergies.

Algoa FM had another great year despite market conditions. Revenues showed reasonable year-on-year growth and cost-saving resulted in increased profitability. The Big Walk for CANSA attracted record sponsorship and entries. In addition, the 2018 Radio Station of the year award enabled the growth of digital revenues. Dave Tiltmann was appointed group CEO of AME and Algoa FM's operations director, Alfred Jay, has taken over as managing director of Algoa FM, effective 1 April 2019. The station's commercial broadcasting licence was renewed for another 10 years.

Central Media Group ("CMG") had a challenging year with varied results across the four business units. Digital Platforms performed well and continues to deliver value to CMG. Mahareng had a difficult start to the year, but the second half of the year saw revenues and profits increase above expectations. CMG invested in online streamed video services that will add value to client needs and deliver revenues to the group. CMG is the leading multi-platform advertising solutions company in Central South Africa and is positioned as the first choice media sales organisation. A further highlight was the renewal of OFM's broadcasting licence for another 10 years.

Radioheads relaunched their corporate identity as **Media Heads 360** in February this year. The rejuvenation of the brand into a specialised media agency, allowed for the introduction of new revenue streams for the business. Business was stable over the year although profitability declined. Attaining Level 1 BEE status has increased opportunities in the market. Moving into the new year, Media Heads 360's holistic solution-focused proposition is expected to be more attractive to clients. A substantial marketing campaign has backed the relaunch of the business and firmly entrenched them as a player in the non-traditional media space.

The restructuring of **Classic 1027** has resulted in a more cost-efficient operation, with strong focus being placed on the programming and marketing of the radio station. This repositioning into a premium, targeted, uncluttered and engaged brand is expected to create the springboard for growth. Classic 1027 suffered substantial losses during the year, but we remain confident that we shall be able to turn it around in the medium to long term. The Classic 1027 licence is in the process of renewal.

CHAIRMAN'S REVIEW CONTINUED

Moneyweb experienced a challenging year. However, towards the end of the year Moneyweb concluded a new mutually beneficial arrangement, which now enables the selling of advertising on two business shows across national radio stations. Moneyweb's digital platforms performed excellently and continued to build on its large audience base. Several new services aimed at financial advisors were rolled out and the response has been promising.

In an environment of increased competition and growth in new advertising opportunities, **United Stations** delivered a gratifying performance across its much enhanced portfolio of radio, digital, events, video and online audio. Tight trading conditions which persisted throughout the year resulted in a high level of innovation in seeking revenue and closer collaboration with its platforms. This has placed United Stations in a strong position to provide advertisers with additional innovative ways to access their audiences.

DIVIDENDS

An interim dividend (dividend no. 14) of 80 cents per ordinary share (gross) was declared for the period ended 30 September 2018 (September 2017: 100 cents gross) and paid on 14 January 2019. A final dividend (dividend no. 15) for the year ended 31 March 2019 of 150 cents per ordinary share (gross) (2018: 200 cents per share gross) was declared on 29 May 2019.

PROSPECTS

The board expects the trading conditions for the 2020 financial year to remain challenging while focusing on the turnaround of Classic 1027 and Moneyweb.

ACG Molusi
Independent non-executive chairman

23 July 2019

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 management. 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 2019 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 20 to 23.

The annual financial statements set out on pages 24 to 65, which have been prepared on the going-concern basis, were approved by the board of directors and are signed on its behalf by:

ACG Molusi
Independent non-executive chairman

AJ Isbister
Acting financial director

23 July 2019

DIRECTORS' APPROVAL

The annual financial statements set out on pages 24 to 65 have been prepared by the acting financial director, AJ Isbister 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 23 July 2019 and are signed on its behalf by:

ACG Molusi
Independent non-executive chairman

AJ Isbister
Acting financial director

23 July 2019

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

23 July 2019

DIRECTORS’ REPORT

NATURE OF BUSINESS

The group’s main activities are set out on page 1 of this report. All operations are in South Africa.

FINANCIAL RESULTS

The financial results of the group and of the company are set out on pages 24 to 65 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 11 and 12.

DIVIDENDS

An interim dividend of 80 cents (gross) was declared and paid during the year (2018: 100 cents (gross)). A final dividend of 150 cents (gross) was declared after year-end for the period to 31 March 2019 (2018: 200 cents (gross)).

SHARE CAPITAL

Authorised and issued share capital

In accordance with a general authority to repurchase shares granted to the directors of the company at the annual general meeting of the company held on 23 August 2018 (2018: 23 August 2017), AME repurchased and subsequently cancelled 78 900 (2018: 230 700) ordinary shares.

The net result of the repurchase and subsequent cancellation reduced share capital by R78 900 (2018: R230 700) and share premium by Rnil (2018: R11,6 million).

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 6 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 2019 R’000	Salary 2018 R’000	**Fees 2019 R’000**	Fees 2018 R’000
ACG Molusi*			**255**	222
J Edwards*$			**156**	–
MJ Prinsloo*			**314**	301
N Sooka*			**175**	146
KW Thipe*$			**93**	–
KL Tlhabane*#			**–**	128
AJ Isbister**	**1 033**	1 026	**–**	–
M Mynhardt**##	**1 373**	1 613	**–**	–
DM Tiltmann**###	**1 153**	–	**–**	–
Total remuneration	**3 559**	2 639	**993**	797
Paid by the company	**3 559**	2 639	**993**	797
Total remuneration	**3 559**	2 639	**993**	797

* *Independent non-executive director*
** *Executive director*
# *Resigned 15 January 2018*
Resigned 30 November 2018
Appointed 1 December 2018
$ *Appointed 1 July 2018*

BREAKDOWN OF EXECUTIVE DIRECTORS' SALARY

	Leave pay R'000	Salary R'000	Bonus R'000	Total R'000
2019				
AJ Isbister	–	933	100	1 033
M Mynhardt	79	744	550	1 373
DM Tiltmann	–	753	400	1 153
Total remuneration	79	2 430	1 050	3 559
2018				
AJ Isbister	–	877	149	1 026
M Mynhardt	–	1 064	549	1 613
Total remuneration	–	1 941	698	2 639

	Directors' interest 2019	Directors' interest 2018	Units 2019	Units 2018
Unit allocation				
AJ Isbister	–	–	15 000	15 000
M Mynhardt	–	–	–	15 000
DM Tiltmann	–	–	50 000	–

In terms of the unit share scheme 60% of the allocations had been forfeited/vested on 31 March 2019 and 40% of the allocations remain unvested.

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 2019, the aggregate direct and indirect, beneficial interests of the directors in the fully paid issued share capital of the company, was nil (2018: nil). There has been no material change in the directors' interests in the issued share capital between 31 March 2019 and the date of this report.

PROPERTY, PLANT AND EQUIPMENT

The group acquired property, plant and equipment at a cost of R21,8 million (2018: R3,7 million) during the financial year under review (refer to note 3 – Property, plant and equipment).

There have been no major changes in the nature of or the policy relating to the use of property, plant and equipment in the group.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The board declared a final dividend of 150 cents (gross) per ordinary share on 29 May 2019 for the year ended 31 March 2019.

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 6, Investment in subsidiaries on page 40 of the financial statements.

The aggregate profits and losses after taxation of the subsidiaries attributable to the company amounted to R16,2 million (2018: R54,7 million); subsidiaries making profits amounted to R35,4 million (2018: R59,7 million) and subsidiaries making losses amounted to R19,2 million (2018: R5 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 Share-based payments.

The share scheme presently holds 89 275 (2018: 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 802 203 (2018: 810 093) ordinary shares, can be utilised for purposes of the scheme. At 31 March 2019, 712 928 (2018: 720 818) 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 2019.

BACKGROUND

The committee was established in line with the requirements of the Companies Act, 71 of 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 adopted a written charter based on the Companies Act and the Memorandum of Incorporation that was approved by the board of directors.

The audit committee conducted its affairs and discharged all its responsibilities during the financial year under review, in compliance with the charter that is available on request from the company secretary.

OBJECTIVE AND SCOPE

The audit committee assists the board in carrying out its duties relating to accounting policies, internal controls, financial reporting practises, identification of exposure to significant risk, and defines a policy for non-audit services to be provided by the external auditor.

MEMBERSHIP

The committee comprises Messrs N Sooka (Chairman), MJ Prinsloo and ACG Molusi (appointed 15 March 2018 in a temporary capacity whilst finding a suitable candidate). Mr KL Tlhabane resigned on 15 January 2018 and Mrs J Edwards has been appointed to the audit committee with effect from 1 July 2018 Mr ACG Molusi's temporary appointment ended effective 30 June 2019. All the members are independent non-executive directors.

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

The external auditor has unrestricted access to the audit committee, and attend all meetings dealing with the external audit and annual financial statements.

The financial director attends all audit meetings.

EXTERNAL AUDIT

The committee has evaluated the independence of the external auditor and is satisfied that the external auditor remains 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 such letter of appointment is reviewed by the committee.

The committee, in consultation with executive management, agreed to an audit fee for the 2019 financial year. The fee is considered appropriate for the work done. Audit fees are disclosed in note 20 of the financial statements.

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

Grant Thornton Johannesburg Partnership merged with BDO South Africa Incorporated effective 1 December 2018. The committee reviewed the performance of the external auditor and recommends that BDO South Africa Inc. be re-appointed as the external auditor for the 2020 financial year.

FINANCIAL DIRECTOR

As at 30 November 2018, Michelle Mynhardt has resigned. Angela Jane Isbister was appointed as the acting financial director. As required in terms of the JSE Listings Requirements, the committee has satisfied itself that the company's financial director, Mrs AJ Isbister, has the appropriate expertise and experience to meet the responsibilities of her position and confirmed her suitability for the continued appointment as acting financial director in terms of the JSE Listings Requirements.

COMMITTEE ACTIVITIES

During the financial year 31 March 2019 the committee performed its duties in terms of its charter and, a summary of the main activities are set out below.

- Enquired and satisfied itself regarding the auditor's compliance to section 22.25(h) of the JSE Listings Requirements.
- Nominated the appointment of the external auditor, BDO South Africa Incorporated due to the merger between BDO South Africa Inc and Grant Thornton Johannesburg Partnership, (with the designated partner Mr PR Badrick) after satisfying itself, through enquiry, that BDO South Africa Inc is independent.
- Managed the external audit function, including
  - nature and scope of the audit engagement;
  - determined the fees for the audit
  - determined the nature and extent of any other non-audit services, ensuring they are not material and do not have any impact on their independence
- Reviewed the going concern assumptions as prepared by management for the company and the group.
- Reviewed the accounting practices and internal controls of the company and group
- Reviewed the annual report and annual financial statements taken as a whole to ensure they fairly present a balanced and understandable assessment of the company's financial position, performance and prospects.
- Reviewed the external auditor's 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 function and its resources.
- Considered the JSE proactive monitoring report of 2019 and has taken appropriate action.

RECOMMENDATION OF ANNUAL FINANCIAL STATEMENTS

The committee evaluated the annual financial statements for the year ended 31 March 2019 and considers 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 discussed at the forthcoming annual general meeting.

BDO South Africa Inc., the external auditor, has provided the shareholders with an unqualified independent audit opinion on whether the annual financial statements for the year ended 31 March 2019 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 2019.

N Sooka
Chairman

Audit committee
23 July 2019

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 and its subsidiaries ("the group and company") set out on pages 24 to 65, which comprise the consolidated and separate statements of financial position as at 31 March 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of African Media Entertainment Limited and its subsidiaries as at 31 March 2019, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of impairment of goodwill and indefinite life trademarks (notes 4 and 5) (Group)</td></tr>
<tr><td>In accordance with IAS 36 "Impairment of Assets", goodwill and indefinite life trademarks are required to be reviewed annually for impairment. We identified this area as a key audit matter as significant judgement is required by management in determining the recoverable amount of each cash-generating unit, which has a significant impact on the financial results.

The following impairments have been recognised in the financial statements as a result of the assessment:

• Goodwill – R9 791 000

• Other intangible assets – R25 000 000

The impairments were due to a downward revision in revenue forecasts.</td><td>We performed the following procedures amongst others:

• assessed the directors' determination of the cash-generating units;

• assessed the reasonability of key inputs and estimations, such as growth rates, discount rates and the period of forecast cash flows. This took into account a review of approved forecasts and the robustness of the budgeting process applied by the directors. It also took into account a comparison of growth and discount rates to market and industry data;

• with the assistance of our valuation experts, we independently recalculated the value in use calculation; and

• assessed the adequacy of the 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 and the trademarks.</td></tr>
</table>

<table>
<tr><th colspan="2">Assessment of impairment of investments (note 6) (Company)</th></tr>
<tr><td>We have also identified investments held by the company as a key audit matter as significant judgement is required by the directors in determining the recoverable amount of investments which has a significant impact on the financial results.

An amount of R10 748 000 was impaired in the current year.</td><td>We performed the following procedures amongst others:

• assessed the reasonability of key inputs and estimations used in the discounted cash flow models, such as growth rates, discount rates and the period of forecast cash flows. This took into account a review of approved forecasts and the robustness of the budgeting process applied by the directors. It also took into account a comparison of growth and discount rates to market and industry data;

• with the assistance of our valuation experts, we independently recalculated the recoverable amount; and

• assessed the adequacy of the company's disclosure about these assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determinations of the recoverable amount of the investments.</td></tr>
<tr><th colspan="2">Application of IFRS 9 Financial Instruments (notes 6 and 31) (Company)</th></tr>
<tr><td>The company has adopted IFRS 9 "Financial Instruments" in the current financial period. The key changes arising from adoption of IFRS 9 are that the entity's credit losses are now based on an expected credit loss (ECL) rather than an incurred loss model and the change in the classification and measurement of the company's financial assets and liabilities.

The application of IFRS 9 is considered to be a key audit matter as it is a new standard that requires a significant degree of judgement by management. These judgements include amongst others the classification of financial instruments, the stage in the impairment model in which the financial instrument is, defining default and estimating expected credit losses ("ECL").

As a result of the adoption of IFRS 9, an amount of R21,5 million was recognised as an expected credit loss on intercompany loans during the current year under review.</td><td>We performed the following procedures amongst others with respect to the classification and measurement of financial assets and financial liabilities:

• read the company's classification and measurement of financial assets and financial liabilities policy and compared it with the requirements of IFRS 9 to assess for compliance with the standard; and

• checked the appropriateness of the opening balance adjustments.

We performed the following procedures amongst others in respect to impairment assessment:

• assessed the company's ECL policy and compared it with the requirements of IFRS 9 to determine compliance with the standard;

• assessed the terms of other financial assets to determine that the appropriate impairment method was applied;

• assessed the reasonability of management's definition of default;

• assessed the forward-looking assumptions applied by management in their ECL calculations through discussions with them; and

• assessed the disclosures arising on the adoption of IFRS 9 to determine if they were in accordance with the requirements of the Standard.</td></tr>
</table>

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "African Media Entertainment Limited Integrated Report 31 March 2019", 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 consolidated and separate or the separate financial statements and our auditor's reports thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's 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 and separate 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 BDO South Africa Incorporated has been the auditor of African Media Entertainment Limited for 11 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Paul Badrick
Director
Registered Auditor

23 July 2019

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2019

	Notes	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
ASSETS					
Non-current assets		**179 126**	196 836	**209 237**	183 170
Property, plant and equipment	3	**87 762**	72 371	**12 650**	12 645
Goodwill	4	**48 471**	58 262	**–**	–
Other intangible assets	5	**2 000**	27 000	**–**	–
Investment in subsidiaries	6	**–**	–	**103 373**	114 908
Loan to subsidiary	6	**–**	–	**64 566**	32 300
Investment in associated companies	7	**4 804**	4 582	**–**	–
Other financial instruments	8	**26 327**	21 081	**28 648**	23 317
Deferred taxation	9	**9 762**	13 540	**–**	–
Current assets		**137 087**	151 713	**36 160**	46 714
Trade receivables	10	**50 361**	48 275	**–**	–
Other receivables	10	**5 190**	8 848	**2 075**	5 520
Tax paid in advance		**1 155**	45	**88**	–
Cash and cash equivalents		**80 381**	94 545	**33 997**	41 194
Total assets		**316 213**	348 549	**245 397**	229 884
EQUITY AND LIABILITIES					
Total equity		**246 201**	261 882	**237 751**	222 353
Share capital	11	**7 933**	8 012	**8 022**	8 101
Share premium		**3 846**	3 846	**4 292**	4 292
Non-distributable reserve	12	**8 614**	3 958	**13 234**	8 578
Retained earnings		**226 469**	229 465	**212 203**	201 382
Equity attributable to equity holders of the company		**246 862**	245 281	**237 751**	222 353
Non-controlling interest holders		**(661)**	16 601	**–**	–
Non-current liabilities		**1 915**	544	**1 915**	544
Deferred taxation	9	**1 915**	544	**1 915**	544
Current liabilities		**68 097**	86 123	**5 731**	6 987
Trade payables		**18 068**	14 684	**67**	28
Other payables	13	**48 024**	68 742	**3 773**	5 205
Dividend payable		**1 891**	1 736	**1 891**	1 736
Taxation		**114**	961	**–**	18
Total equity and liabilities		**316 213**	348 549	**245 397**	229 884

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2019

	Notes	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
Revenue	17	273 610	262 534	8 218	4 625
Dividends received from subsidiary companies		–	–	58 554	35 180
Cost of sales		(57 400)	(78 986)	–	–
Gross profit		216 210	183 548	66 772	39 805
Operating expenses	18	(155 237)	(124 077)	(9 619)	(4 742)
Operating profit		60 973	59 471	57 153	35 063
Investment income	19	3 519	2 480	3 500	2 480
Finance income	19	5 409	7 763	5 001	5 023
Finance costs	19	(70)	(81)	–	–
Equity accounted earnings from associates		833	448	–	–
Net profit before capital items		70 664	70 081	65 654	42 566
Impairment of goodwill and trademark		(34 790)	–	–	–
Impairment of investments and loans		–	–	(32 728)	–
Net profit before taxation		35 874	70 081	32 926	42 566
Taxation	20	(24 326)	(19 354)	(455)	(1 020)
Profit for the year		11 548	50 727	32 471	41 546
Other comprehensive income:					
Items that will be reclassified subsequently to profit and loss:					
Available for sale financial assets (IAS 39)		–	3 958	–	3 958
Valuation gains on fair value through other comprehensive income financial assets		–	5 100	–	5 100
Deferred tax relating to fair value adjustment		–	(1 142)	–	(1 142)
Items that will not be reclassified subsequently to profit or loss:					
Financial assets measured at fair value through other comprehensive income (IFRS 9)		4 656	–	4 656	–
Valuation gains on fair value through other comprehensive income financial assets		6 000	–	6 000	–
Deferred tax relating to fair value adjustments		(1 344)	–	(1 344)	–
Total comprehensive income for the year		16 204	54 685	37 127	45 504
Profit attributable to:					
Non-controlling interest holders		(10 907)	7 005	–	–
Equity holders of the parent		22 455	43 722	32 471	41 546
Total profit for the year		11 548	50 727	32 471	41 546
Total comprehensive income attributable to:					
Non-controlling interest holders		(10 907)	7 005	–	–
Equity holders of the parent		27 111	47 680	37 127	45 504
Total comprehensive income for the year		16 204	54 685	37 127	45 504
Earnings per share (cents)	21	280,8	541,4	–	–

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2019

		Group		Company	
		2019	2018	2019	2018
	Notes	R'000	R'000	R'000	R'000
Issued capital	11	**7 933**	8 012	**8 022**	8 101
Balance at beginning of year		**8 012**	7 965	**8 101**	8 054
Shares issued during the year	11	**–**	277	**–**	277
Shares repurchased and cancelled	11	**(79)**	(230)	**(79)**	(230)
Share premium		**3 846**	3 846	**4 292**	4 292
Balance at beginning of year		**3 846**	–	**4 292**	446
Shares issued during the year		**–**	14 736	**–**	14 736
Shares repurchased and cancelled		**–**	(10 890)	**–**	(10 890)
Non-distributable reserves	12	**8 614**	3 958	**13 234**	8 578
Balance at beginning of year		**3 958**	–	**8 578**	20 244
Transfer to retained income		**–**	–	**–**	(15 624)
Other comprehensive income		**4 656**	3 958	**4 656**	3 958
Retained earnings		**226 469**	229 465	**212 203**	201 382
Balance at beginning of year as peviously stated		**229 465**	218 678	**201 382**	173 267
Change in accounting policy – IFRS 9		**–**	–	**4 000**	–
Balance as at 1 April 2018 as restated		**229 465**	218 678	**205 382**	173 267
Change in shareholding		**–**	(4 130)	**–**	–
Total profit for the year		**22 455**	43 722	**32 471**	41 546
Shares repurchased and cancelled		**(2 968)**	(708)	**(2 968)**	(707)
Transferred from non-distributable reserves		**–**	–	**–**	15 624
Dividend declared		**(22 483)**	(28 097)	**(22 682)**	(28 348)
Non-controlling interest holders		**(661)**	16 601	**–**	–
Balance at beginning of year		**16 601**	4 222	**–**	–
Change in shareholding		**–**	4 130	**–**	–
Acquisition of NCI due to business combination		**–**	(3 294)		
Comprehensive income for the year		**(10 907)**	7 005	**–**	–
Preference shares held by non-controlling interest holder		**–**	10 178		
Share of dividend		**(6 355)**	(5 640)	**–**	–
Total equity		**246 201**	261 882	**237 751**	222 353

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2019

	Notes	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
Cash flows from operating activities		33 916	30 847	40 393	33 928
Profit before taxation		35 874	70 081	32 926	42 566
Adjustments		28 952	(6 690)	(1 202)	(11 763)
– investment income	19	(3 519)	(2 480)	(3 500)	(2 480)
– finance income	19	(5 409)	(7 763)	(5 001)	(5 023)
– dividend *in specie*	19	–	–	(25 522)	–
– finance cost	3	70	81	–	–
– depreciation	3	6 130	6 610	93	122
– loss/(profit) on disposal of property, plant and equipment		(282)	11	–	–
– impairment of non-current assets		32 790	–	32 253	(2 397)
– fair value adjustment		–	300	470	1 012
– impairment in receivables		5	(3 001)	5	(2 997)
– equity accounted earnings from associates		(833)	(448)	–	–
Operating profit before working capital changes		64 826	63 391	31 724	30 803
		(13 769)	(19 986)	4 202	(949)
– (increase)/decrease in trade and other receivables		1 573	(2 367)	3 440	(604)
– (decrease)/increase in trade and other payables		(15 342)	(17 619)	762	(345)
Cash generated by operations		51 057	43 405	35 926	29 854
Net interest received	19	5 339	7 682	5 001	5 023
Taxation paid	22	(22 480)	(20 240)	(534)	(949)
Cash flows from investing activities		(16 350)	(8 116)	(21 861)	(31 813)
Repayments/(advances) to investments and loans	23	1 370	(5 637)	(25 263)	(34 293)
Acquisition of business combination		–	(1 273)	–	–
Purchase of property, plant and equipment		(21 768)	(3 712)	(98)	–
Proceeds on disposal of property, plant and equipment		529	26	–	–
Dividends received		3 519	2 480	3 500	2 480
Cash flows from financing activities		(31 730)	(47 353)	(25 729)	(42 057)
Dividend paid to equity holders		(22 780)	(28 003)	(22 682)	(28 348)
Share issue cost		–	(1 882)	–	(1 882)
Dividend paid to non-controlling interest holder		(5 903)	(5 640)	–	–
Repurchase of shares		(3 047)	(11 828)	(3 047)	(11 827)
Net decrease in cash and cash equivalents		(14 164)	(24 622)	(7 197)	(39 942)
Cash and cash equivalents at beginning of year		94 545	119 167	41 194	81 136
Cash and cash equivalents at end of year		80 381	94 545	33 997	41 194

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 2018 except for the adoption of IFRS 9 and IFRS 15.

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.

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

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

1.3 Significant estimates

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.

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.

Deferred tax assets

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

Impairment of assets

Impairment of non-financial assets

Property, plant and equipment and other non-financial assets are assessed at each reporting date whether there is any indication that objective evidence exists that might indicate that an asset or group of assets are 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.

Fair value less costs to sell and value in use is determined by projections of the future cash flows expected to be generated by the assets, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows is determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value.

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.

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.

Impairment of goodwill and trademark
Goodwill and trademarks are tested annually for impairment.

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

Fair value less costs to sell and value in use is determined by projections of the future cash flows expected to be generated by the assets, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows is determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value.

Impairment of financial instruments (IAS 39)
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.

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

1.3 Significant estimates continued

Impairment of financial instruments (IFRS 9)

The Group makes use of a simplified approach in accounting for trade and other receivables, and records the loss allowance as lifetime expected credit losses.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Trade receivables are reported net of expected credit loss allowances and are recorded in a separate expected credit loss allowance account with the loss being recognised within operating expenses in the consolidated statement of comprehensive income if immaterial. If the expected credit loss allowance is material, the allowance is disclosed separately in the consolidated statement of comprehensive income.

On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated expected credit loss allowance.

Expected credit loss allowances are recognised in respect of related party loans and other debt-type financial assets measured at amortised cost and fair value through other comprehensive income.

Recognition of credit losses is no longer dependent on the group first identifying a credit loss event. Instead the group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1");
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2"); and
- "Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second and third categories.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Credit risk is considered to have increased significantly if it is assessed that the borrower's cash flow and its liquid asset position has significantly deteriorated.

The risk that the borrower will default on an on demand loan depends on whether the subsidiary has sufficient cash or other liquid assets to repay the loan immediately i.e. risk of default is very low, possibly close to 0% or it will not i.e. risk of default is very high, possibly close to 100%.

Risk of default with respect to related party interest-free, on demand loans considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on the number of factors including various liquidity and solvency ratios.

Loans are considered to be credit impaired if it meets the definition of a defaulted loan.

Units granted

Management used the Black-Scholes Merton Option Valuation Model to determine the fair value of the cash settled options and units at issue date. Additional details regarding the estimates are included in note 26 – Share-based payments.

1.4 Goodwill

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

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

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 useful lives and residual values of property, plant and equipment are assessed annually and subsequently carried at cost less accumulated depreciation and impairment.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.6 Other intangible assets

Initial recognition

Trademarks

Trademarks acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

Subsequent treatment

The useful life is assessed as indefinite as the trademarks are likely to independently yield future economic benefits over several media platforms for an indeterminate period. Trademarks are tested for impairment on an annual basis.

1.7 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.

1.8 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. ACCOUNTING POLICIES CONTINUED

1.9 Leased assets

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 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 (IAS 39)

Initial recognition and measurement

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

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

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

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.

Other investments, other than the Share Incentive Trust Loan carried at fair value through profit or loss, 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.

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.

Financial Instruments (IFRS 9)
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
The Group classifies its financial assets into one of the categories as per below, depending on the purpose for which the asset was acquired. The group's accounting policy for each category is as follows:

Amortised cost
These assets principally arise due to trade and other receivables derived from rendering of services to customers and related party loans where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows that are solely payments of principal and interest.

Financial assets are initially measured at fair value plus transaction cost and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Cash and cash equivalents comprise cash on hand and demand deposits and are measured at amortised cost.

Fair value through profit or loss
The loan to the Share Incentive Trust is carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

Fair value through other comprehensive income
The group has investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the group considers this measurement to be the most representative of the business model for these assets.

They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal of the investment, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Please refer to note 1.3 of the accounting policies for reference on the impairment policy of the abovementioned financial instruments.

Financial liabilities
Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1. ACCOUNTING POLICIES CONTINUED

1.12 Share capital

Financial instruments issued by the group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The group's ordinary shares are classified as equity instruments.

1.13 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.

1.14 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 remeasured 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.

1.15 Revenue recognition (IAS 18)

Revenue comprises the invoiced value for the sale of services, net of value-added tax and discounts and after eliminating revenue 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 revenue that is recognised for the holding company and is recognised in the statement of comprehensive income when the company's right to receive payment has been established.

Revenue recognition (IFRS 15)

Performance obligations and timing of revenue recognition (Step 1)
Revenue is mainly derived from sales of airtime and is recognised over a period of time in which advertising material is broadcasted.

Revenue from management fees is recognised over a period of time in which the services are delivered.

Determining the transaction price (Step 2)
Airtime sales prices are determined by a fixed price per period of time booked on the respective radio station therefore revenue earned from the sale of airtime is determined by reference to those fixed prices.

Revenue from management fees are determined by agreement between the parties of a fixed monthly amount for administration and other services.

Allocating amounts to performance obligations (Step 3)
Contracts with customers involving a number of services stipulate a fixed price per service rendered with discounts provided on a discretionary basis.

Costs of fulfilling contracts (Step 4)
The costs of fulfilling contracts do not result in the recognition of a separate asset because airtime revenue is recognised over the period of time that it is broadcasted. Consequently, no asset for such revenue is recognised.

Practical exemptions (Step 5)
The group has taken advantage of the practical exemptions such as:

> not to account for significant financing components where the time difference between receiving consideration and transferring control of services to its customers is one year or less.

1.16 Cost of sales

Cost of sales refers to direct costs attributable to the services rendering in the process of generating revenue.

1.17 Borrowing cost

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 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

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 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. (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 statements of the group.

IFRS 16: The impact will be minimal as most of the property leases will be intercompany and the ones that are not are immaterial.

	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 2019						
Opening net book value	8 333	2 206	3 099	3 080	55 653	72 371
Additions	4 037	841	1 801	149	14 940	21 768
Depreciation	(4 002)	(691)	(894)	(543)	–	(6 130)
Disposals/transfers	(55)	(1)	(182)	(9)	–	(247)
Closing net book value	8 313	2 355	3 824	2 677	70 593	87 762
At 31 March 2019						
Cost	32 194	7 590	5 800	7 063	70 593	123 240
Accumulated depreciation	(23 881)	(5 235)	(1 976)	(4 386)	–	(35 478)
Net book value	8 313	2 355	3 824	2 677	70 593	87 762
Year ended 31 March 2018						
Opening net book value	10 013	2 785	2 297	3 288	55 439	73 822
Additions	2 182	107	981	228	214	3 712
Acquisition through business combination	1 321	51	–	113	–	1 485
Depreciation	(4 631)	(724)	(706)	(549)	–	(6 610)
Disposals/transfers	(552)	(13)	527	–	–	(38)
Closing net book value	8 333	2 206	3 099	3 080	55 653	72 371
At 31 March 2018						
Cost	30 519	7 225	4 742	7 378	55 653	105 517
Accumulated depreciation	(22 186)	(5 019)	(1 643)	(4 298)	–	(33 146)
Net book value	8 333	2 206	3 099	3 080	55 653	72 371
COMPANY						
Year ended 31 March 2019						
Opening net book value	–	416	–	–	12 229	12 645
Additions	–	98	–	–	–	98
Depreciation	–	(93)	–	–	–	(93)
Closing net book value	–	421	–	–	12 229	12 650
At 31 March 2019						
Cost	–	1 009	–	–	12 229	13 238
Accumulated depreciation	–	(588)	–	–	–	(588)
Net book value	–	421	–	–	12 229	12 650
Year ended 31 March 2018						
Opening net book value	–	538	–	–	12 229	12 767
Depreciation	–	(122)	–	–	–	(122)
Closing net book value	–	416	–	–	12 229	12 645
At 31 March 2018						
Cost	–	911	–	–	12 229	13 140
Accumulated depreciation	–	(495)	–	–	–	(495)
Net book value	–	416	–	–	12 229	12 645

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
3. PROPERTY, PLANT AND EQUIPMENT CONTINUED				
Freehold land and buildings consist of:				
Johannesburg				
Remaining extent of Erf 1946 Houghton Estate	**7 732**	7 679	**7 260**	7 260
Portion 2 of Erf 1946 Houghton Estate	**5 015**	4 969	**4 969**	4 969
Erf 1947 Houghton Estate	**6 208**	6 117	**–**	–
Bloemfontein				
Erf 2692 Sunny Ridge Part 1	**1 650**	1 650	**–**	–
Erf 30374 Ext 213 Wild Olive Estate	**35 238**	35 238	**–**	–
Port Elizabeth				
Erf 83 South End and remaining extent of Erf 84 South End	**14 750**	–	**–**	–
	70 593	55 653	**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	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
4. GOODWILL				
The carrying amount of goodwill is allocated to the cash-generating units (CGUs) as follows:				
Cost less accumulated impairment				
Umoya Communications Proprietary Limited	**20 309**	20 309	**–**	–
Central Media Group Proprietary Limited	**16 605**	16 605	**–**	–
AME Broadcasting Proprietary Limited	**2 512**	2 512	**–**	–
Redstar Talent Proprietary Limited – less than R1 000	**–**	–	**–**	–
Moneyweb Group	**9 045**	9 045		
Classic FM South Africa Proprietary Limited	**–**	9 791		
Carrying value at end of year	**48 471**	58 262	**–**	–
The movements in the net carrying amount of goodwill are as follows:				
Balance as at beginning of the year	**58 262**	39 426	**–**	–
Acquired through business combination	**–**	18 836	**–**	–
Impairment of goodwill	**(9 791)**	–		
Balance as at 31 March 2019	**48 471**	58 262	**–**	–

4. GOODWILL CONTINUED

Goodwill that arose from the acquisition of the Moneyweb Group is due to the synergistic benefits that arise from the extensive digital knowledge within Moneyweb in addition to strong relationships held by them with key players in the industry.

There is also a vast array of radio expertise within the group which is well positioned to provide the Moneyweb Group with additional experience and insight to further grow their Radio assets and boost revenue growth.

Impairment testing

For the purpose of annual impairment testing, goodwill is compared to the recoverable amount of each subsidiary to which goodwill relates.

The recoverable amount of each subsidiary is determined based on a discounted future cash flow model.

Operating cash flows for the relevant business units were projected for a five-year period based on expected and forecasted revenue growth for each subsidiary.

The present value of the expected cash flows were determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the subsidiary.

The growth rates applied as per the table below reflect terminal growth rates. The terminal growth rates applied are higher for Moneyweb due to the digital industry that the entity operates in.

	Discount rate %	Terminal growth rates %
2019		
Umoya Communications Proprietary Limited	**16**	**4**
Central Media Group Proprietary Limited	**16**	**4**
AME Broadcasting Proprietary Limited	**16**	**4**
Moneyweb Group	**17**	**6**
Classic FM South Africa Proprietary Limited	**16**	**4**
2018		
Umoya Communications Proprietary Limited	16	4
Central Media Group Proprietary Limited	16	4
AME Broadcasting Proprietary Limited	16	4
Moneyweb Group	17	5
Classic FM South Africa Proprietary Limited	17	4

The impairment assessments performed indicated an impairment in the Classic 1027 goodwill of R9,8 million due to a downward revision in revenue forecasts as compared to the prior year.

5. OTHER INTANGIBLE ASSETS

Details of the group's other intangible assets and their carrying amounts are as follows:

	2019 R'000	2018 R'000
GROUP		
2019		
Balance as at beginning of the year	**27 000**	–
Acquired through business combinations		
– Classic 1027 trademark	**–**	25 000
– Moneyweb trademark	**–**	2 000
Impairment of Classic 1027 trademark	**(25 000)**	–
Balance as at end of the year	**2 000**	27 000

In accordance with the group's accounting policy, an impairment test was performed on trademarks at year-end using a discounted future cash flow model. The discount rate used was 16% and terminal growth rates applied were 4%. The impairment calculations performed indicated an impairment in the Classic 1027 trademark of R25 million due to a downward revision in revenue forecasts as compared to the prior year.

	COMPANY 2019 R'000	COMPANY 2018 R'000
6. INVESTMENT IN SUBSIDIARIES		
Investments		
AME Broadcasting Proprietary Limited		
– 100 shares representing a 100% holding*	–	–
United Stations Proprietary Limited		
– Loan (regarded as part of the net investment)	4 620	4 620
AME Properties Proprietary Limited		
– 10 shares representing a 100% holding*	–	–
– Loan	–	–
– Equity contribution to subsidiaries	4 310	4 310
– Change in accounting policy (IFRS 9)	(4 310)	–
Central Media Group Proprietary Limited (t/a OFM)		
– 77 525 shares representing a 73,77% holding	28 968	28 968
Umoya Communications Proprietary Limited (t/a Algoa FM)		
– 1 000 shares representing a 80% (2018: 80%) holding	23 683	23 683
Radio Heads Investment Holdings Proprietary Limited		
– 1 share representing a 0,1% holding*	–	–
– Loan (fully impaired)	49	43
*Media Heads 360 Proprietary Limited**		
– 490 shares representing a 49% holding* (Effective 49,05%)	–	–
– Loan (partially impaired)	–	9 000
Moneyweb Holdings Limited		
– 106 574 604 shares representing a 100% holding*	26 327	26 327
Classic FM South Africa Proprietary Limited (t/a Classic 1027)		
– 104 shares representing 7,85% shareholding (Effective 45,9%)	1 140	1 140
– Loan	–	20 000
Huntrex 144 Proprietary Limited	4 000	4 000
– 49 shares representing 49% shareholding (25,4% shareholding in Classic 1027)		
Golden Pond Trading 183 Proprietary Limited	1 860	1 860
– 50 shares representing 50% shareholding (12,6% shareholding in Classic 1027)		
Algoa FM Radio Empowerment Company Proprietary Limited		
– 16 cumulative redeemable preference shares of no par value	25 522	–
	116 169	123 951
Provision for impairment of investments in subsidiaries		
Moneyweb Holdings Limited	(5 747)	–
Classic FM South Africa Proprietary Limited (t/a Classic 1027)	(1 140)	–
Huntrex 144 Proprietary Limited	(4 000)	–
Golden Pond Trading 183 Proprietary Limited	(1 860)	–
Radio Heads Investment Holdings Proprietary Limited	(49)	(43)
Media Heads 360 Proprietary Limited as previously disclosed per IAS 39	–	(9 000)
	(12 796)	(9 043)
Net carrying amount of investments	103 373	114 908

	COMPANY	
	2019 R'000	2018 R'000
6. INVESTMENT IN SUBSIDIARIES CONTINUED		
Loan to subsidiary		
AME Properties Proprietary Limited		
– Loan	46 766	32 300
– Change in accounting policy (IFRS 9)	4 310	–
Media Heads 360 Proprietary Limited		
– Loan	7 500	–
Classic FM South Africa Proprietary Limited (t/a Classic 1027)		
– Loan	32 490	–
	91 066	32 300
Expected credit loss allowance on loans		
Media Heads 360 Proprietary Limited		
– As previously disclosed per IAS 39	(9 000)	–
– Change in accounting policy (IFRS 9)	4 000	–
– Reversal of impairment**	1 500	–
Classic FM South Africa Proprietary Limited (t/a Classic 1027)		
– Change in accounting policy (IFRS 9)	(23 000)	–
Net carrying amount of loans	64 566	32 300

* *Less than R1 000*

** *Due to recoverability scenarios indicating that this portion of the loan will be recovered*

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

During March 2019, Umoya Communications Proprietary Limited declared a dividend *in specie* of the preference share investment held in Algoa FM Radio Empowerment Company Proprietary Limited to its ordinary shareholders resulting in African Media Entertainment Limited obtaining 16 cumulative redeemable preference shares of no par value.

During the 2015 year, the company sold the majority of its investment in Radio Heads Investment Holdings Proprietary Limited 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. R7,5 million (2018: R8,3 million) of the loan to Media Heads 360 Proprietary Limited is subordinated and the company issued an unlimited surety in favour of the Media Credit Co-ordinator. This surety has been cancelled in the 2019 financial year.

Due to the losses incurred by Classic 1027 in 2019, this was an indicator of impairment of the investment. The recoverable amount was determined using a discounted cash flow model. The present value of future expected cash flows was determined by applying an appropriate discount rate based on the current market assessments of the time value of money and risks specific to Classic 1027. As compared to the prior year assessment, this has declined in the current year due to the downward revision of revenue forecasts. As per IFRS 9 assessments performed, it was also determined that the loan to Classic 1027 required impairment.

In the 2019 year, AME Limited impaired its investment in Classic FM South Africa Proprietary Limited of R1,14 million, its investment in Huntrex of R4 million and its investment in Golden Pond Trading 183 Proprietary Limited of R1,86 million and impaired the loan to Classic FM South Africa Proprietary Limited by R23 million.

Due to the acquisition of 49% interest in Huntrex Proprietary Limited in 2018, the company raised a contingent consideration of R2 million on condition that it will be payable if the Classic 1027 lease was cancelled by December 2018 and the company moved into the AME Media campus. The conditions were not satisfied by the seller and the contingent consideration has subsequently been reversed in 2019.

6. INVESTMENT IN SUBSIDIARIES CONTINUED

Due to the losses incurred by Moneyweb Proprietary Limited in 2019, this was an indicator of impairment of the investment in 2019. The recoverable amount was determined using a discounted cash flow model. The present value of future expected cash flows was determined by applying an appropriate discount rate based on the current market assessments of the time value of money and risks specific to Moneyweb. Due to Moneyweb obtaining a key sales agreement with a national broadcaster only towards the end of the 2019 financial year, the 2019 forecast upon which the prior year valuation was based reduced the present value of the future cash flows. As a result, in the 2019 year, AME Limited impaired its investment in Moneyweb by R5,7 million.

Loans to subsidiaries

All loans to subsidiaries whether it is part of the net investment in the subsidiary or is separately recognised is interest-free, with no fixed terms of repayment and are on demand loans.

In the previous year, a portion of the loan with AME Properties is shown as part of the net investment.

Due to the application of IFRS 9 in the current year, the loan has been assessed as in default, but in terms of probability recovery scenarios there is no expected credit loss. The probability recovery scenario is based on the value of the property portfolio.

The loans that were previously recognised in 2018 in terms of IAS 39 as part of net investments in loans have been re-allocated under loans to subsidiaries as per the transitional adjustments of IFRS 9.

The loan to Classic 1027 was assessed in accordance with the requirements of IFRS 9. The general approach was applied to the loan as the loan is in default. R23 million of the loan was assessed as the allowance for the expected credit loss applicable to be raised in respect of the loan.

The loan to Media Heads 360 Proprietary Limited and Radio Heads Investment Holdings Proprietary Limited was fully impaired, however, due to the IFRS 9 assessment performed and the transitional adjustments required by IFRS 9, R4 million of the provision for the loan was reversed. These loans are still regarded as being in default, however, based on recovery scenarios only R3,5 million expected credit loss allowance was raised. During the year, Media Heads 360 Proprietary Limited repaid R1,5 million of its loan and the corresponding impairment was reversed.

Subsidiary with material non-controlling interest

The group includes subsidiaries with material non-controlling interests (NCI).

Subsidiary	Proportion of ownership interest and voting rights held by the NCI 2019 %	2018 %	Total comprehensive income allocated to the NCI 2019	2018	Accumulated NCI 2019	2018
Central Media Group Proprietary Limited (t/a OFM)	**26,2**	26,2	**6 841**	5 832	**6 029**	5 091
Algoa FM Radio Empowerment Company Proprietary Limited	**51,0**	51,0	**(1 588)**	(538)	**6 830**	3 576
Classic FM South Africa Proprietary Limited	**54,14**	54,14	**(19 877)**	(695)	**(13 688)**	6 189

Dividends were paid to Central Media Group Proprietary Limited (t/a OFM) and Algoa FM Radio Empowerment Company Proprietary Limited (t/a Algoa FM) NCI in both 2019 and 2018.

6. INVESTMENT IN SUBSIDIARIES CONTINUED

Summarised financial information for Central Media Group Proprietary Limited (t/a OFM) before intragroup eliminations

	COMPANY 2019 R'000	COMPANY 2018 R'000
Non-current assets	11 529	14 670
Current assets	22 245	27 246
Total assets	33 774	41 916
Non-current liabilities	–	–
Current liabilities	10 794	22 511
Total liabilities	10 794	22 511
Equity attributable to owners of the parent	16 951	14 314
Non-controlling interest	6 029	5 091
Revenue	98 117	99 117
Profit for the year attributable to owners of the parent	19 235	16 396
Profit for the year attributable to NCI	6 841	5 832
Total comprehensive income for the year	26 076	22 228
Net cash from operating activities	18 537	26 746
Net cash used in investing activities	(2 215)	(350)
Net cash from financing activities	(22 000)	(21 404)
Net cash inflow	(5 678)	4 992

Summarised financial information for Algoa FM Radio Empowerment Company Proprietary Limited before intragroup eliminations

	COMPANY 2019 R'000	COMPANY 2018 R'000
Non-current assets	72 800	38 914
Current assets	–	–
Total assets	72 800	38 914
Non-current liabilities	–	–
Current liabilities	3 3112	31 902
Total liabilities	3 3112	31 902
Equity attributable to owners of the parent	32 858	3 436
Non-controlling interest	6 830	3 576
Revenue	–	–
Profit for the year attributable to owners of the parent	8 855	3 163
Profit for the year attributable to NCI	(1 588)	(538)
Other comprehensive income for the year	26 296	–
Total comprehensive income for the year	33 563	2 625
Net cash from operating activities	7 267	(1 055)
Net cash generated/(used) in investing activities	–	3 680
Net cash from financing activities	(7 267)	(2 625)
Net cash inflow	–	–

6. INVESTMENT IN SUBSIDIARIES CONTINUED

Summarised financial information for Classic FM South Africa Proprietary Limited before intragroup eliminations.

	COMPANY	
	2019 R'000	2018 R'000
Non-current assets	**826**	1 158
Current assets	**2 473**	3 787
Total assets	**3 299**	4 945
Non-current liabilities	**32 490**	20 000
Current liabilities	**4 713**	7 135
Total liabilities	**37 203**	27 135
Equity attributable to owners of the parent	**(20 216)**	(28 379)
Non-controlling interest	**(13 688)**	6 189
Revenue	**10 062**	5 608
Loss for the year attributable to owners of the parent	**(16 837)**	(589)
Loss for the year attributable to NCI	**(19 877)**	(695)
Total comprehensive loss for the year	**(36 714)**	(1 284)
Classic 1027 was acquired in December 2017		
Net cash from operating activities	**(12 309)**	(19 271)
Net cash used in investing activities	**(20)**	–
Net cash from financing activities	**12 383**	20 000
Net cash inflow	**54**	729

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
7. INVESTMENT IN ASSOCIATED COMPANIES				
Mahareng Publishing Proprietary Limited				
– 500 shares representing a 50% holding	**1**	1	**–**	–
Share of post-acquisition profit/(loss)	**337**	(246)	**–**	–
Oxford's Office Terrace Proprietary Limited				
– 50 shares representing a 50% holding	**1 412**	1 523	**–**	–
Share of post-acquisition profit	**954**	704	**–**	–
Carrying amount of investments	**2 704**	1 982	**–**	–
Mahareng Publishing Proprietary Limited				
– Loan	**2 100**	2 600	**–**	–
	4 804	4 582	**–**	–
The balance comprises:				
Carrying value	**3 513**	4 124	**–**	–
Share of post-acquisition profits	**1 291**	458	**–**	–
	4 804	4 582	**–**	–

In 2018, the investment in Oxford Office Terrace Proprietary Limited included a shareholder loan of R110 446 owing to AME Properties Proprietary Limited. This was initially included as part of the investment in terms of IAS 28 as there was no intention to repay the loan. In the current year, management decided to repay the shareholder loans owing to both shareholders of OOT.

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
Mahareng Publishing				
Mahareng Publishing has a March financial year-end.				
Summary of the financial information:				
Total assets	**6 635**	6 451	**–**	–
Total liabilities	**(5 958)**	(6 940)	**–**	–
Total net liabilities	**677**	(489)	**–**	–
The loan is unsecured, interest-free and is an on demand loan.				
Oxford's Office Terrace				
Summary of the financial information:				
Total assets	**5 798**	5 630	**–**	–
Total liabilities	**(1 067)**	(1 177)	**–**	–
Total net assets	**4 731**	4 453	**–**	–
Reconciliation of the carrying amounts of the investments				
Total net assets	**5 408**	3 964	**–**	–
Proportion of ownership interest held by the group (%)	**50**	50	**–**	–
	2 704	1 982	**–**	–

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 the post-acquisition losses are offset against the loan.

	GROUP 2019 R'000	GROUP 2018 R'000	COMPANY 2019 R'000	COMPANY 2018 R'000
8. OTHER FINANCIAL INSTRUMENTS				
Loan to Share Incentive Trust at fair value through profit and loss	–	–	4 830	5 029
– Fair value adjustment	–	–	(1 482)	(1 012)
Chestnut Hill Investments 265 Proprietary Limited at fair value through OCI				
– 1 247 cumulative redeemable preference shares	1 247	1 247	1 247	1 247
– Impairment in value	(1 247)	(1 247)	(1 247)	(1 247)
Before The Wind Investments 160 Proprietary Limited at fair value through OCI				
– 1 300 cumulative redeemable preference shares	1 300	1 300	1 300	1 300
– Impairment in value	(1 300)	(1 300)	(1 300)	(1 300)
Mokgosi Holdings Proprietary Limited at fair value through OCI				
– 10 "B" ordinary shares at cost	9 200	9 200	9 200	9 200
– Fair value adjustment	11 100	5 100	11 100	5 100
Moneyweb Limited				
– 1 000 000 ordinary shares at cost	–	–	680	680
– Impairment in value	–	–	(680)	(680)
Tysflo Proprietary Limited at fair value through OCI				
– 1 700 shares at cost representing a 17% holding	1 027	1 027	–	–
FEC Investments Proprietary Limited at fair value through OCI				
– 10 preference shares of no par value	5 000	5 000	5 000	5 000
STANLIB Unit Trust	–	725	–	–
Old Mutual Plc				
– 875 ordinary shares at cost	–	29	–	–
	26 327	21 081	28 648	23 317

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 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.

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 investment in Stanlib is denominated in rands and is determined based on unit prices as supplied by Stanlib based on their trading portfolio value. This investment was disposed of in the current year.

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 Proprietary Limited, Before The Wind Investments 160 Proprietary Limited, Mokgosi Holdings Proprietary Limited, and Tysflo Proprietary Limited are denominated in Rands.

Investments are valued based on discounted cash flow models. Should the discount rates and the terminal growth rates differ by 1%, the value of the investment will decrease between 6% and 16%. The discount rates used vary between 17,62% and 19,68%.

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
8. OTHER FINANCIAL INSTRUMENTS CONTINUED				
Level 1	**–**	29	**–**	–
Level 2	**–**	725	**3 348**	4 017
Level 3	**26 327**	20 327	**25 300**	19 300
	26 327	21 081	**28 648**	23 317

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy

Fair value measurements using significant unobservable inputs (Level 3)

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
Opening balance	**20 327**	10 240	**19 300**	9 200
Transfers into Level 3				
– additional investment in Tysflo	**–**	287	**–**	–
– investment in preference shares	**–**	5 000	**–**	5 000
Total gains or losses for the year				
– impairment included in profit or loss	**–**	(300)	**–**	–
– fair value adjustments included in other comprehensive income	**6 000**	5 100	**6 000**	5 100
	26 327	20 327	**25 300**	19 300

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.

	GROUP		COMPANY	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
9. DEFERRED TAXATION				
Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:				
Balance at beginning of year	**12 996**	10 633	**(544)**	725
Movements during the year attributable to:				
– Temporary differences	**(5 149)**	2 363	**(1 371)**	(1 269)
Accrual for leave pay	**(47)**	585	**4**	11
Income received in advance	**91**	(136)	**–**	–
Prepaid expenditure	**(218)**	2	**–**	–
Accelerated capital allowances	**(180)**	(9)	**–**	–
Accruals – other	**(1 776)**	(824)	**–**	–
Accruals for incentives and commission	**(622)**	(251)	**(31)**	(138)
Allowance for impairment of receivables	**(652)**	358	**–**	–
Fair value adjustment on investment	**(1 344)**	(1 142)	**(1 344)**	(1 142)
Computed tax losses	**(401)**	(21)	**–**	–
Other intangible assets on business combination	**–**	(447)	**–**	–
Computed tax losses acquired on business combination	**–**	4 248	**–**	–
Balance at end of year	**7 847**	12 996	**(1 915)**	(544)
Deferred tax assets	**9 762**	13 540	**–**	–
Deferred tax liabilities	**(1 915)**	(544)	**(1 915)**	(544)
Balance at end of year	**7 847**	12 996	**(1 915)**	(544)
The balance comprises:				
Accrual for leave pay	**882**	929	**23**	19
Income received in advance	**473**	382	**–**	–
Prepaid expenditure	**(220)**	(2)	**–**	–
Accelerated capital allowances	**(539)**	(359)	**–**	–
Accruals – other	**881**	2 657	**–**	–
Accruals for incentives and commission	**2 307**	2 929	**548**	579
Allowance for impairment of receivables	**129**	781	**–**	–
Other intangible assets on business combination	**(447)**	(447)	**–**	–
Fair value adjustment on investment	**(2 486)**	(1 142)	**(2 486)**	(1 142)
Computed tax losses	**6 867**	7 268	**–**	–
	7 847	12 996	**(1 915)**	(544)

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 most companies the profits expected to be generated in the next few years will be sufficient to utilise the deferred tax assets raised.

There are computed tax losses of R62,8 million (2018: R23,5 million) for which no deferred tax asset has been recognised. Should a deferred tax asset be recognised, a further R17,6 million (2018: R6,6 million) deferred tax asset will be recognised. The directors consider it prudent not to raise the full deferred tax asset at this stage.

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
10. TRADE RECEIVABLES				
Financial instruments				
Trade accounts receivable	**50 974**	50 428	**–**	–
Less: Allowance for expected credit losses	**(613)**	(2 153)	**–**	–
Trade receivables classified as amortised cost	**50 361**	48 275	**–**	–
Other receivables				
Financial instruments:				
Deposits	**206**	179	**78**	54
Loans	**909**	4 763	**867**	4 763
Other	**502**	802	**885**	374
Non-financial instruments:				
Prepayments	**2 580**	3 029	**245**	329
VAT receivable	**993**	75	**–**	–
	5 190	8 848	**2 075**	5 520
Total trade and other receivables	**55 551**	57 123	**2 075**	5 520
Less: Non-current portion – loan to related parties	**(868)**	(990)	**(868)**	(990)
Current assets	**54 683**	56 133	**1 207**	4 530

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

R867 537 (2018: R989 418) loan to subsidiary company director, bears interest at prime less 1% and has fixed terms of repayment. The loan is expected to be settled in five years.

Comparative disclosure under IAS 39

The maximum exposure to credit risk for gross trade receivables at the reporting date by type of customer was:

	Average debtors terms (days)	GROUP		COMPANY	
		2019	2018	**2019**	2018
		R'000	R'000	**R'000**	R'000
Parastatals/government	30	–	4 379	–	–
Corporates	30/60	–	36 897	–	–
SMMEs	30	–	9 030	–	–
Individuals	30	–	122	–	–
		–	50 428	–	–
Within terms					
Current		–	28 733	–	–
Due 30 days and less		–	13 397	–	–
Due 60 days		–	1 274	–	–
Past due					
Due 30 to 60 days		–	1 415	–	–
Due 60 to 90 days		–	3 016	–	–
Due 90 days +		–	2 593	–	–
		–	50 428	–	–

10. TRADE RECEIVABLES CONTINUED

Exposure to credit risk

Please refer to note 28 Financial Instruments for disclosure of the group credit risk policy.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	GROUP					
	Estimated gross carrying amount 2019 R'000	Expected loss rate %	Loss allowance (Lifetime expected credit loss) 2019 R'000	Estimated gross carrying amount 2018 R'000	Expected loss rate %	Loss allowance (Lifetime expected credit loss) 2018 R'000
Not past due	45 341	–	–	42 583	–	154
Less than 30 days past due	3 267	3	103	662	–	2
31 to 60 days past due	514	30	154	2 269	34	767
+61 days past due	1 852	19	356	4 914	25	1 230
	50 974		613	50 428		2 153

Reconciliation of loss allowance

Movements in the impairment allowance for trade receivables are as follows:

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Allowance for impairment of receivables				
Balance at beginning of the year	(2 153)	(2 538)	–	–
Additions – Business combination	–	(1 327)	–	–
Movement in expected credit loss allowance for the current year	1 540	701	–	–
Allowance reversed on settled trade receivables	–	1 011	–	–
Actual bad debts written off	–	–	–	–
	(613)	(2 153)	–	–
Comparative disclosure under IAS 39				
The reason for recognising the following impairment losses were:				
Financial difficulties/bankruptcy	–	1 697	–	–
Dispute	–	456	–	–
	–	2 153	–	–

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.

Balances 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	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Trade and other receivables past due but not impaired				
Due 30 to 60 days	–	853	–	–
Due 60 to 90 days	–	1 289	–	–
Due 90 days +	–	2 729	–	–
	–	4 871	–	–

		GROUP		COMPANY	
		2019	2018	**2019**	2018
		R'000	R'000	**R'000**	R'000
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	**8 101**	8 054	**8 101**	8 054
	Shares issued during the year as part of business combination	**–**	277	**–**	277
	Shares repurchased and cancelled	**(79)**	(230)	**(79)**	(230)
	Balance at end of the year	**8 022**	8 101	**8 022**	8 101
	Held by the AME Share Incentive Trust	**(89)**	(89)	**–**	–
		7 933	8 012	**8 022**	8 101

Unissued shares

The 6 977 966 (2018: 6 899 066) 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 23 August 2018 (2018: 23 August 2017). The authority is valid until the next annual general meeting.

		GROUP		COMPANY	
		2019	2018	**2019**	2018
		R'000	R'000	**R'000**	R'000
12.	**NON-DISTRIBUTABLE RESERVE**				
	The details of non-distributable reserves are as follows:				
	NDR relating to investment in subsidiaries	**–**	–	**–**	15 624
	Transfer to retained earnings	**–**	–	**–**	(15 624)
	Financial assets at fair value through OCI reserve	**3 958**	–	**8 878**	4 620
	Balance at 1 April 2018	**3 958**	–	**8 578**	4 620
	Fair value adjustment on Mokgosi Holdings Proprietary Limited	**4 656**	3 958	**4 656**	3 958
		8 614	3 958	**13 234**	8 578
13.	**OTHER PAYABLES**				
	Amounts received in advance	**3 108**	2 655	**–**	–
	Share-based bonuses	**38**	56	**10**	10
	Receiver of revenue VAT	**3 659**	2 841	**483**	19
	Payroll accruals	**15 421**	14 211	**1 018**	986
	Levies	**4 970**	32 232	**–**	–
	Accruals	**18 550**	12 189	**1 634**	349
	Provisions	**1 975**	2 522	**537**	1 841
	Other	**303**	2 036	**91**	2 000
		48 024	68 742	**3 773**	5 205

The levies accrual declined in the current financial year due to a final settlement agreement reached with South African Music Performance Rights Association ("SAMPRA") in respect of levies payable for the Algoa and OFM radio licenses.

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.

	Amortised cost (Loans and receivables 2018) R'000	Non-financial instru-ments R'000	Fair value through profit and loss (Fair value through profit or loss 2018) R'000	Fair value through other compre-hensive income (Available-for-sale 2018) R'000	Total R'000
15. FINANCIAL ASSETS BY CATEGORY					
Group					
2019					
Other financial instruments	–	–	–	26 327	26 327
Trade receivables	50 361	–	–	–	50 361
Other receivables	1 617	3 573	–	–	5 190
Tax paid in advance	–	1 155	–	–	1 155
Cash and cash equivalents	80 381	–	–	–	80 381
	132 359	4 728	–	26 327	163 414
2018					
Other financial instruments	–	–	–	21 081	21 081
Trade receivables	48 275	–	–	–	48 275
Other receivables	5 744	3 104	–	–	8 848
Tax paid in advance	–	45	–	–	45
Cash and cash equivalents	94 545	–	–	–	94 545
	148 564	3 149	–	21 081	172 794
Company					
2019					
Other financial instruments	–	–	3 348	25 300	28 648
Other receivables	1 830	245	–	–	2 075
Tax paid in advance	–	88	–	–	88
Cash and cash equivalents	33 997	–	–	–	33 997
	35 827	333	3 348	25 300	64 808
2018					
Other financial instruments	–	–	–	23 317	23 317
Other receivables	5 191	329	–	–	5 520
Cash and cash equivalents	41 194	–	–	–	41 194
	46 385	329	–	23 317	70 031

	Non-financial instruments R'000	Amortised cost R'000	Total R'000
16. FINANCIAL LIABILITIES BY CATEGORY			
Group			
2019			
Trade payables	**–**	**18 068**	**18 068**
Other payables	**6 767**	**43 172**	**49 939**
Dividend payable	**–**	**1 891**	**1 891**
	6 767	**63 131**	**69 898**
2018			
Trade payables	–	14 684	14 684
Other payables	5 496	63 790	69 286
Dividend payable	–	1 736	1 736
	5 496	80 210	85 706
Company			
2019			
Trade payables	**–**	**67**	**67**
Other payables	**483**	**3 290**	**3 773**
Dividend payable	**–**	**1 891**	**1 891**
	483	**5 248**	**5 731**
2018			
Trade payables	–	28	28
Other payables	19	5 186	5 205
Dividend payable	–	1 736	1 736
	19	6 950	6 969

	GROUP		COMPANY	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
17. REVENUE				
Commercial advertising and related services				
– Over a period of time	**273 610**	262 534	**–**	–
Management fees received from subsidiaries	**–**	–	**8 218**	4 625
Total	**273 610**	262 534	**8 218**	4 625

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
18. OPERATING EXPENSES				
Are stated after taking the following into account:				
Expenses				
Administration and management fees paid				
– other companies	**300**	300	**–**	–
Auditors' remuneration				
– audit fees	**1 602**	1 303	**472**	349
– prior year under/(over) provision	**(2)**	333	**–**	28
– other services	**53**	58	**–**	–
Consulting fees	**6 262**	5 508	**727**	1 438
Depreciation	**6 130**	6 610	**93**	122
Legal fees	**885**	1 965	**187**	1 025
Loss/(profit) on disposal of property, plant and equipment	**(282)**	11	**–**	–
Operating lease charges				
– premises	**5 987**	3 774	**–**	–
– office equipment and transmitters	**5 620**	13 181	**–**	–
Secretarial fees	**99**	66	**11**	13
Staff costs	**104 809**	86 405	**2 171**	989
Defined contribution plans	**5 126**	5 150	**–**	–
Allowance for expected credit losses on trade receivables	**613**	2 153	**–**	–
Allowance for expected credit losses on other receivables	**5**	3	**475**	1 015

	Salary 2019 R'000	Salary 2018 R'000	**Fees 2019 R'000**	Fees 2018 R'000
Directors' emoluments				
ACG Molusi*	**–**	–	**255**	222
J Edwards*	**–**	–	**156**	–
MJ Prinsloo*	**–**	–	**314**	301
N Sooka*	**–**	–	**175**	146
KW Thipe*	**–**	–	**93**	–
KL Tlhabane*	**–**	–	**–**	128
AJ Isbister**	**1 033**	1 026	**–**	–
M Mynhardt**	**1 373**	1 613	**–**	–
DM Tiltmann**	**1 153**	–	**–**	–
Total remuneration	**3 559**	2 639	**993**	797
Paid by the company	**3 559**	2 639	**993**	797
Total remuneration	**3 559**	2 639	**993**	797

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

	Leave pay R'000	Salary R'000	Bonus R'000	Total R'000
18. OPERATING EXPENSES CONTINUED				
Breakdown of executive directors' salary				
2019				
AJ Isbister	–	933	100	1 033
M Mynhardt	79	744	550	1 373
DM Tiltmann	–	753	400	1 153
Total remuneration	79	2 430	1 050	3 559
2018				
AJ Isbister	–	877	149	1 026
M Mynhardt	–	1 064	549	1 613
Total remuneration	–	1 941	698	2 639

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
19. INVESTMENT INCOME AND FINANCE COST				
Investment income				
– dividends received from other companies	3 519	2 480	3 500	2 480
	3 519	2 480	3 500	2 480
Finance income				
– interest received from bank	4 959	7 037	1 438	4 299
– other	450	726	3 563	724
	5 409	7 763	5 001	5 023
Finance cost				
– interest paid to bank	2	76	–	–
– other	68	5	–	–
	70	81	–	–

	GROUP 2019 R'000	GROUP 2018 R'000	COMPANY 2019 R'000	COMPANY 2018 R'000
20. TAXATION				
South Africa normal taxation				
– current	**20 523**	19 171	**428**	1 004
– prior year adjustment	**–**	(111)	**–**	(111)
Deferred taxation				
– deferred	**3 803**	294	**27**	127
	24 326	19 354	**455**	1 020
Other comprehensive income				
– deferred	**1 344**	1 142	**1 344**	1 142
	1 344	1 142	**1 344**	1 142
	%	%	**%**	%
Tax rate reconciliation:				
Statutory tax rate	**28,0**	28,0	**28,0**	28,0
Non-deductible expenditure				
– disallowed expenditure on non-taxable income	**1,6**	1,8	**1,7**	2,30
– impairments	**27,6**	0,1	**28,7**	0,70
Exempt income				
– income non-taxable including associates profit	**(0,6)**	(0,2)	**–**	–
– reversal of impairments	**–**	(1,2)	**(1,3)**	(3,5)
– dividends	**(3,0)**	(1,0)	**(55,7)**	(24,8)
Prior year adjustment	**(0,9)**	(0,4)	**–**	(0,30)
Computed tax losses not accounted for	**15,1**	0,5	**–**	–
Effective tax rate	**67,8**	27,6	**1,4**	2,4

The company has an estimated tax loss of Rnil (2018: Rnil) and the group has an estimated tax loss of R87,4 million (2018: R49,5 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 of R17,6 million (2018: R6,6 million) have not been raised on unused tax losses as the group is cautious in raising these losses until more certainty is obtained about the utilisation thereof.

		GROUP			
		Gross 2019 R'000	Net 2019 R'000	Gross 2018 R'000	Net 2018 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		–	22 455	–	43 722
Impairment of Classic 1027 trademark		25 000	11 465	–	–
Impairment of Classic 1027 goodwill		9 791	9 790	–	–
Profit on disposal of property, plant and equipment		(282)	(203)	11	8
Headline earnings		–	43 507	–	43 730
Earnings and diluted earnings per share	(cents)	–	280,8	–	541,4
Headline earnings and diluted headline earnings per share	(cents)	–	544,1	–	541,5
Gross dividends per share for the year (interim and final)	(cents)	–	230,0	–	300,0
Weighted average number of shares in issue	('000)	–	7 996	–	8 076

		GROUP		COMPANY	
		2019 R'000	2018 R'000	2019 R'000	2018 R'000
22. TAXATION PAID					
Amount unpaid at beginning of year		(916)	(2 087)	(18)	(74)
Amount charged to statement of comprehensive income		(20 523)	(19 060)	(428)	(893)
Acquisition through business combination		–	(9)	–	–
Amount unpaid at end of year		(1 041)	916	(88)	18
		(22 480)	(20 240)	(534)	(949)
23. DECREASE/INCREASE IN INVESTMENTS AND LOANS	Notes				
Decrease/(increase) in investment in subsidiaries	6	–	–	4 304	2 757
Increase in loans to subsidiaries	6	–	–	(29 766)	(32 300)
Decrease in investments in associates	8	611	375	–	–
(Increase)/decrease in financial instruments	9	759	(6 012)	199	(4 750)
		1 370	(5 637)	(25 263)	(34 293)

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
24. SHARE-BASED PAYMENTS				
Reversal of provision from share-based payment transactions	**(150)**	(1 146)	**–**	(208)

The value of the units are determined by the value of the share price. There was a reduction of R10 in the share price from the previous reporting date, which resulted in a reversal of the overall provision through profit and loss.

Grant 5: Date of Grant 1 April 2013	Number of units **2019**	2018	Number of units **2019**	2018
Balance at beginning of year	**165 000**	220 000	**30 000**	40 000
Vested and forfeited/settled	**(65 000)**	(55 000)	**(20 000)**	(10 000)
Balance at end of year	**100 000**	165 000	**10 000**	30 000

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	**2019 Units**	2018 Units
AJ Isbister		
Opening balance	**15 000**	20 000
Forfeited	**(5 000)**	(5 000)
Closing balance	**10 000**	15 000
M Mynhardt		
Opening balance	**15 000**	20 000
Forfeited	**(15 000)**	(5 000)
Closing balance	**–**	15 000

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

The share value at year-end in 2019 had no value payable and no payment was made out of the share-based accrual and that allocation was forfeited.

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. 100 000 (2018: 165 000) units were allocated and outstanding at the end of the financial period. The third 20% tranche has vested and was forfeited out on 1 April 2018.
The weighted average value was determined at Rnil (2018: Rnil).

24. SHARE-BASED PAYMENTS CONTINUED

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:

		2019 Grant 5	2018 Grant 5
Share price at reporting date	(R)	**35,00**	45,00
Exercise price	(R)	**65,00**	65,00
Expected volatility	(%)	**40,0**	24,3
Risk free interest rate	(%)	**8,60**	7,0
Dividend yield	(%)	**7,5**	7,8
Fair value	(R)	**0,50**	0,46
Mark to market value	(R)	**–**	–
Intrinsic value	(R'000)	**–**	–
Directors' interest			–
AJ Isbister	(R'000)	**–**	–
M Mynhardt	(R'000)	**–**	–
Fair value	(R'000)	**–**	–
Directors' interest			
AJ Isbister	(R'000)	**–**	–
M Mynhardt	(R'000)	**–**	–

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 2019, the company's borrowings totalled Rnil (2018: Rnil), and its subsidiaries' borrowings totalled Rnil (2018: 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 6 and the associates of the group are disclosed in note 7. Significant shareholders are detailed on page 66. The directors are listed in the directors' report. Details of key management are listed on page 6.

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	
	2019 R'000	2018 R'000
Loan Accounts owing by related parties		
AME Properties Proprietary Limited	**51 076**	36 610
Media Heads 360 Proprietary Limited (impaired in full)	**7 500**	9 000
Radio Heads Investment Holdings Proprietary Limited (impaired in full)	**48**	43
AME Share Incentive Trust (impaired R1,012 million of loan)	**4 830**	5 029
United Stations Proprietary Limited	**4 620**	4 620
Classic FM South Africa Proprietary Limited	**32 490**	20 000
Amounts included in other receivables regarding related parties		
Central Media Group Proprietary Limited	**203**	172
Umoya Communications Proprietary Limited	**173**	173
United Stations Proprietary Limited	**–**	23
Moneyweb Proprietary Limited	**5**	–
Classic FM South Africa Proprietary Limited	**5**	–
Amounts included in other payables regarding related parties		
United Stations Proprietary Limited	**1**	8
Management fees received from related parties		
Central Media Group Proprietary Limited	**1 920**	1 920
Umoya Communications Proprietary Limited	**2 400**	2 400
United Stations Proprietary Limited	**240**	240
AME Properties Proprietary Limited	**3 418**	65
Moneyweb Proprietary Limited	**240**	–
Dividends received from related parties		
Algoa FM Radio Empowerment Company Proprietary Limited – preference dividend	**3 113**	–
Algoa FM Radio Empowerment Company Proprietary Limited – ordinary dividend	**435**	–
Central Media Group Proprietary Limited	**16 597**	15 860
Umoya Communications Proprietary Limited – ordinary dividend	**16 000**	19 320
Umoya Communications Proprietary Limited – Dividend *in specie*	**25 522**	–

Related party not part of group

All transactions with related parties not part of the group are in the normal course of business and is not material.

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000
27. RELATED PARTIES CONTINUED				
Associates' loan				
Mahareng Publishing Proprietary Limited	**2 100**	2 600	**–**	–
Oxford's Office Terrace Proprietary Limited	**–**	179	**–**	179

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

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.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix groups debtors based on similar risk and aging and has been developed by making use of past default experience of debtors but also incorporates forward-looking information and general economic conditions of the industry as at the reporting date. The group has identified GDP growth and South African business confidence as factors should be considered when adjusting the historical rate.

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 credit losses. 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 in accordance with the general approach of IFRS 9. 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 2019 and 31 March 2018 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 financial instruments also approximate their fair values.

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.

28. FINANCIAL INSTRUMENTS CONTINUED

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 2019				
Trade and other payables	**61 216**	–	–	–
At 31 March 2018				
Trade and other payables	79 666	–	–	–
COMPANY				
At 31 March 2019				
Trade and other payables	**5 248**	–	–	–
At 31 March 2018				
Trade and other payables	6 950	–	–	–

Capital risk management

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

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

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

		GROUP		COMPANY	
		2019 R'000	2018 R'000	**2019 R'000**	2018 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		**80 381**	94 545	**33 997**	41 194
Cash and cash equivalents		**80 381**	94 545	**33 997**	41 194
Weighted average effective interest rate	(%)	**6,4**	6,6	**6,4**	7

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

At 31 March 2019 and 31 March 2018, 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 R0,6 million (2018: R0,8 million) and for the company by approximately R0,2 million (2018: R0,4 million). 1% movement is used as it is the expected movement in interest rates.

	GROUP		COMPANY	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000
29. COMMITMENTS				
Future operating lease charges for premises				
Payable within one year	4 569	4 631	–	–
Payable within two to five years	3 326	4 159	–	–
Payable after five years	400	1 330		
	8 295	10 120	–	–
30. CAPITAL COMMITMENTS				
Payable within one year	22 034	4 625	–	–
– Capital expenditure	259	–	–	–
– Building development	21 775	4 625	–	–
	22 034	4 625	–	–

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 Rnil for equipment (2018: Rnil) and around R21,8 million (2018: R4,6 million) for the development of a building in Port Elizabeth owned by AME Properties Proprietary Limited. The building development costs will be funded from existing cash reserves.

31. EFFECTS OF CHANGES IN ACCOUNTING POLICIES

The group adopted IFRS 9 and IFRS 15 with a transition date of 1 April 2018 and the limited retrospective and modified retrospective transition method was applied.

The new and the prior year accounting policies are disclosed in 1.3, 1.11 and 1.15 of note 1.

As a result of the adoption of IFRS 15 and the changes in the revenue accounting policy, the prior year financial statements were not restated as the application of IFRS 15 does not have a material effect on the financial statements other than a change in disclosure. The reasons for having no material impact are as follows:

- The performance obligations identified under IFRS 15 were similar to the stage of completion of services as disclosed under IAS 18 in terms of rendering services for airtime and other related services.
- The transaction prices are fixed and determinable amounts which are not materially different to the invoiced value as previously disclosed under IAS 18.
- Performance obligations are easily identified and the prices thereof can be allocated to the performance obligations as each service has a fixed price.
- Costs of fulfilling contracts do not require recognition of a separate asset because airtime revenue is recognised over the period of time that it is broadcast.
- There is no material effect of interest on the consideration received from a customer that has credit terms with the group.

31. EFFECTS OF CHANGES IN ACCOUNTING POLICIES CONTINUED

The group has chosen not to restate comparatives on adoption of IFRS 9 and these changes have been processed at the date of initial application (i.e. 1 April 2018) and recognised in the opening equity balances.

IFRS 9 had no effect on the group and no material effect on the company. However, had the company continued to report in accordance with IAS 39 as at 31 March 2019, it would have reported the following amounts in these financial statements:

	COMPANY			
	As would have been reported under IAS 39 at 31 March 2018 R'000	Effect of IFRS 9 Through retained earnings R'000	Effect of IFRS 9 Other R'000	As reported under IFRS 9 at 1 April 2018 R'000
Non-current assets				
Investment in subsidiaries	114 908	4 000	(28 310)	90 598
Loans to subsidiaries	32 300	–	28 310	60 610
Retained earnings				
Balance at 1 April 2018	201 382	4 000	–	205 382

Due to the application of IFRS 9, the following reclassifications were effected into the following measurement categories:

	GROUP		COMPANY	
	Original IAS 39 Category	New IFRS 9 Category	Original IAS 39 Category	New IFRS 9 Category
Non-current assets				
Loans to subsidiaries	N/A	N/A	Amortised cost	Amortised cost
Other financial instruments (excluding AME Share Incentive Trust)	Available for sale	FVTOCI	Available for sale	FVTOCI
Loan to AME Share Incentive Trust	N/A	N/A	Available for sale	FVTPL
Current assets				
Trade receivables	Amortised cost	Amortised cost	Amortised cost	Amortised cost
Other receivables	Amortised cost	Amortised cost	Amortised cost	Amortised cost
Cash and cash equivalents	Amortised cost	Amortised cost	Amortised cost	Amortised cost

The impact of the above are due to the following reasons:

- Loans that are recognised as interest-free, on demand loans are no longer present valued and therefore no equity contribution to subsidiaries is separately recognised.
- Loans are no longer considered to be part of the net investment in a subsidiary and have been reclassified to the loans to subsidiaries line item under non-current assets.
- There was a R4 million reversal of the allowance raised in respect of the loan to Media Heads 360 Proprietary Limited due to the ECL allowance model applied.

The probability scenarios indicated that this portion will be recovered.

32. SEGMENTAL REPORTING

	Radio broadcasters		Media services		Corporate		Group total	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000
Revenue								
Total revenue	**213 702**	210 831	**59 908**	51 472	**–**	4 856	**273 610**	267 159
Internal revenue	**–**	–	**–**	–	**–**	(4 625)	**–**	(4 625)
External revenue	**213 702**	210 831	**59 908**	51 472	**–**	231	**273 610**	262 534
Profitability								
Segment profit from operations	**68 537**	60 471	**(6 914)**	(3 412)	**(650)**	2 412	**60 973**	59 471
Profits from associates	**583**	279	**–**	–	**250**	169	**833**	448
	69 120	60 750	**(6 914)**	(3 412)	**(400)**	2 581	**61 806**	59 919
Investment income	**–**	–	**–**	–	**–**	–	**3 519**	2 480
Finance income	**–**	–	**–**	–	**–**	–	**5 409**	7 763
Finance cost	**–**	–	**–**	–	**–**	–	**(70)**	(81)
Impairment of goodwill and trademark	**–**	–	**–**	–	**–**	–	**(34 790)**	–
Taxation	**–**	–	**–**	–	**–**	–	**(24 326)**	(19 354)
Profit for the year	**69 120**	60 750	**(6 914)**	(3 412)	**(400)**	2 581	**11 548**	50 727
Assets								
Segment assets	**46 267**	106 053	**65 255**	67 220	**119 506**	76 149	**231 028**	249 422
Investment in associates	**2 438**	2 355	**–**	–	**2 366**	2 227	**4 804**	4 582
	48 705	108 408	**65 255**	67 220	**121 872**	78 376	**235 832**	254 004
Cash and cash equivalents	**–**	–	**–**	–	**–**	–	**80 381**	94 545
	48 705	108 408	**65 255**	67 220	**121 872**	78 376	**316 213**	348 549
Liabilities								
Segment liabilities	**26 812**	53 469	**32 960**	23 689	**10 240**	9 509	**70 012**	86 667
Capital expenditure	**5 807**	3 210	**924**	197	**15 037**	305	**21 768**	3 712
Depreciation	**5 332**	5 842	**524**	465	**274**	303	**6 130**	6 610

ANALYSIS OF SHAREHOLDING

as at 31 March 2019

	Number of shares held '000	Shares held %	Number of shareholders	Shareholder %
Size of shareholding				
1 – 1 000	131	1,6	515	74,6
1 001 – 10 000	446	5,6	115	16,7
10 001 – 100 000	1 392	17,4	46	6,7
100 001 +	6 053	75,4	14	2,0
Total	8 022	100,0	690	100,0
Category				
Private individuals	2 441	30,4	628	77,9
Nominee companies or trusts	1 280	16,0	63	7,8
Investment companies	3 003	37,4	90	11,2
Limited companies	708	8,8	9	1,1
Other corporate bodies	590	7,4	16	2,0
Total	8 022	100,0	806	100,0
Shareholder spread				
Non-public shareholders				
AME Share Incentive Trust	89	1,1	1	0,8
Shareholders holding more than 5% of the issued ordinary shares				
– Moolman and Coburn Partnership	2 312	28,8	1	0,8
– Barwon Investments Limited	533	6,6	1	0,8
– MGM Family Trust	497	6,2	1	0,8
	3 431	42,7	4	3,2
Public shareholders	4 591	57,3	116	96,8
Total	8 022	100,0	120	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 2019.

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 twentieth 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 am on Thursday, 22 August 2019.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 12 July 2019 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 16 August 2019. The last day to trade to be eligible to vote at the meeting is accordingly Tuesday, 13 August 2019.

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 am on Tuesday, 20 August 2019 alternatively, contact the transfer secretaries at 011 370 5122/7873 by 10:00 am on Tuesday, 20 August 2019, 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 am on Thursday, 22 August 2019 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 directors' report and the audited financial statements of the company and the group for the year ended 31 March 2019, 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 2019 be and are hereby adopted."

Explanation: The reason for and effect of ordinary resolution number 1 is to receive and adopt the annual financial statements for the company and the group for the year ended 31 March 2019.

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, 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 director of the company.

3.2 Mr N Sooka, 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 director of the company."

Explanation: To re-elect Messrs MJ Prinsloo and N Sooka, 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 each appear on page 6.

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:

BDO South Africa Incorporated 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 the 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 the conclusion of the next annual general meeting.

5.3 Mrs J Edwards be and is hereby re-elected as a member of the audit committee until the conclusion of the next annual general meeting."

Explanation: To re-elect Messrs N Sooka, MJ Prinsloo and Mrs J Edwards, who are recommended by the board and whose appointments automatically terminate 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 independent non-executive directors.

Brief biographies of these directors appear on page 6.

The ordinary resolutions number 5.1, 5.2 and 5.3 will be considered separately.

6. ORDINARY RESOLUTION NUMBER 6: RE-ELECTION OF THE SOCIAL AND ETHICS COMMITTEE MEMBERS AND CHAIRMAN

"Resolved that:

6.1 Mrs K Williams-Thipe be and is hereby elected as a member and chairman of the social and ethics committee until conclusion of the next annual general meeting.

6.2 Mrs J Edwards be and is hereby elected as a member of the social and ethics committee until conclusion of the next annual general meeting.

6.3 Mr ACG Molusi be and is hereby re-elected as a member of the social and ethics committee until conclusion of the next annual general meeting."

Explanation: To re-elect Mmes K Williams-Thipe, J Edwards, and Mr ACG Molusi who are recommended by the board and whose appointments automatically terminate 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 a social and ethics committee comprising of at least three members.

Brief biographies of these directors appear on page 6.

The ordinary resolutions number 6.1, 6.2 and 6.3 will be considered separately.

7. ORDINARY RESOLUTION NUMBER 7: 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.

8. 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 IV, to enable shareholders to express their views on 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 modifications.

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 repurchase 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 share 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 authority in terms of the Act and the Listings Requirements of the JSE for the repurchase 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 repurchase 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 determined with effect from 1 April 2019 as set out below:

Directors' fees are payable per meeting attended:	R
Board	
Chairman	24 000
Other	16 000
Audit committee	
Chairman	16 000
Other	11 000
Remuneration committee	
Chairman	16 000
Other	11 000
Social and ethics committee	
Chairman	16 000
Other	11 000"

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

3. SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED ENTITIES TO THE COMPANY

"Resolved that:

the board of directors is authorised, in terms of and subject to the provisions of section 45 of the Act, to cause the company to provide financial assistance to any company or corporation that is related or inter-related to the company."

Explanation: The reason for and effect of special resolution number 3 is to grant 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 provision of section 44 of the Act, to cause the company to provide financial assistance to any entity that is related or inter-related to the company for the subscription for, or purchase of, securities in the company or in any entity 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 of 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 6;
- Directors' interest in securities commencing on page 15 (which beneficial interests have not changed since 31 March 2019. There are no non-beneficial interests);
- Major shareholders on page 66;
- Material changes in the company's trading or financial position post 31 March 2019 on page 16;
- The share capital note 13 on page 51.

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 are given on page 6 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolutions number 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 contains all information relevant to special resolutions 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 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 meeting but wish to be represented thereat. They are required to complete and return the form of proxy 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) for administration purposes not later than 10:00 am on Tuesday, 20 August 2019.

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 meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

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

Each certificated or own name dematerialised shareholder entitled to attend and vote at the 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

23 July 2019

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 20th 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 am on Thursday, 22 August 2019 ("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	Abstain
1. To adopt the annual financial statements for the year ended 31 March 2019			
2. To place 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 elect Mr N Sooka as a director of the company			
4. To re-appoint BDO South Africa, 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 Mrs J Edwards as member of the audit committee			
6.1 To elect Mrs K Williams-Thipe as chairman and member of the social and ethics committee			
6.2 To elect Mrs J Edwards as member of the social and ethics committee			
6.3 To re-elect Mr ACG Molusi as member of the social and ethics committee			
7. To authorise a director or company secretary to sign documentation to effect resolutions passed			
Non-binding ordinary resolution			
8. 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 or purchase of securities by related or inter-related entities to the company			

Signed at ______________ on ______________ 2019

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, or abstain from voting, at the annual general meeting as he/she deems fit in respect of all the AME shareholder's votes exercisable thereat.

3. An AME shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast 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 Tuesday, 20 August 2019 or handed to the chairman of the annual general meeting by no later than 10:00 on Thursday, 22 August 2019.

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 Thursday, 22 August 2019. 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 proxy form 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
BDO South Africa Incorporated
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) Limited
Registration number 2006/033725/07
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead, 2191

PO Box 62397, Marshalltown, 2107

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

PO Box 61051, Marshalltown, 2107

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

AFRICAN MEDIA ENTERTAINMENT

WWW.AME.CO.ZA