CAXTON&CTP publishers & printers LIMITED

Integrated Annual Report 2019

Caxton and CTP Publishers and Printers Limited is a major publisher and printer, and manufacturer of packaging material in South Africa

Caxton and CTP Publishers and Printers Limited ("the Company") is driven by the quest for excellence across all disciplines of publishing, printing and manufacturing, working with a team of committed, well-trained and empowered employees. We aim to provide products of outstanding quality to our clients and superior returns to our shareholders whilst contributing to the growth of a democratic and prosperous South Africa.

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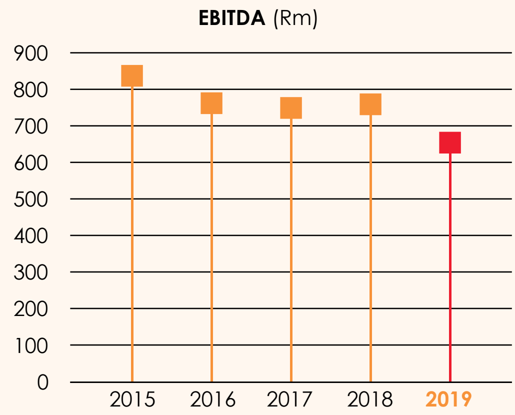
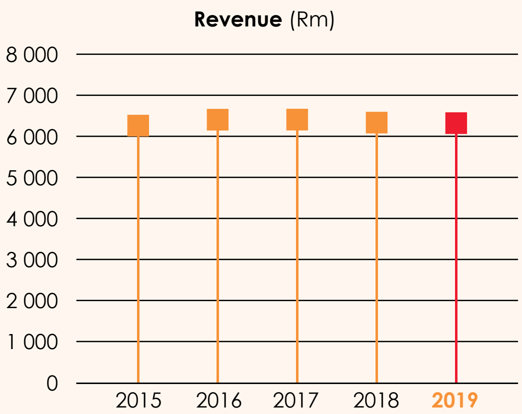
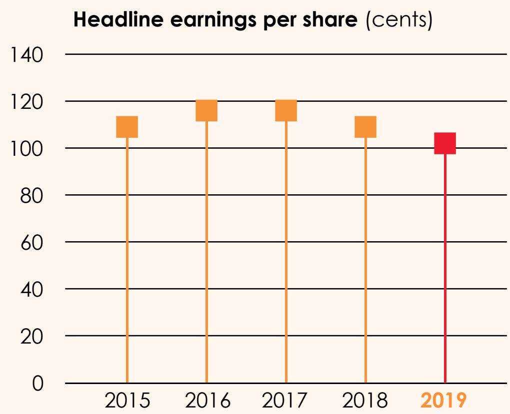
- *Revenue **R6 321 million***
- *Profit before tax **R452 million***
- *Cash generated by operations **R662 million***
- *Cash resources **R1 698 million***







HIGHLIGHTS – FIVE YEARS TO 30 JUNE 2019

		2019 Rm	2018 Rm	2017 Rm	2016 Rm	2015 Rm
Revenue		**6 321**	6 334	6 407	6 405	6 261
Operating profit before depreciation and amortisation		**654**	759	749	762	837
Finance income		**140**	124	141	129	117
Profit attributable to equity holders of the parent		**336**	386	445	448	423
Headline earnings per share	(cents)	**102**	109	116	116	109
Cash generated by operations		**662**	740	725	738	767
Shareholders' equity		**5 844**	5 745	5 729	5 579	5 297
Total assets		**7 248**	7 227	7 229	7 050	6 690
Cash and cash equivalents		**1 698**	1 544	1 886	1 958	1 928
Weighted average number of shares in issue	(000's)	**387 422**	392 427	396 219	397 982	396 463
Net asset value per share	(cents)	**1 484**	1 464	1 436	1 406	1 337
Number of employees		**6 197**	6 030	6 311	6 310	6 434

DIRECTORATE

EXECUTIVE

TD Moolman (75) **(Chief Executive Officer)**
Terry is the founder of Caxton and CTP Publishers and Printers Limited.

TJW Holden (55) **(Managing Director) (Financial Director)**
BCom, CA(SA)
Tim joined the group as group general manager: finance in 2003 and was appointed as financial director in 2006. He is a qualified chartered accountant and has had a number of years' experience in the retail and manufacturing industries. Tim has been the financial director of a number of companies. In addition, he has also held a number of senior and executive operational posts within these companies.

PG Greyling (62) (**Deputy Managing Director)**
BCom Hons, BCompt
Piet is a former chartered accountant. He joined the group in 1992 and is currently CEO of the group's newspaper and commercial printing divisions.

NON-EXECUTIVE

PM Jenkins* (60) **(Chairman)**
BCom, LLB
Paul qualified at Randse Afrikaanse Universiteit with BCom and LLB degrees and was admitted as an attorney and notary in February 1986. He became a partner of Webber Wentzel in 1988 and left his position as senior commercial legal partner in 1999 to join the Johnnic group full time. In this capacity he served as a director of numerous listed companies and was CEO of Johnnic Entertainment. He is currently self-employed and provides business and legal advisory services to a select group of clients.

ACG Molusi* (57)
BJournalism, MA
Connie has been involved with the media industry for many years and holds a number of directorships.

NA Nemukula* (64)
Albert qualified as a teacher and has a marketing sales diploma. He has taught at various high schools and was responsible for marketing and publishing at Juta & Co. He has several business interests in publishing and printing, jewellery and retail stores.

J Phalane* (44)
BA, LLB, LLM, MCom, MBA
Jack qualified as a teacher in 1996 and then went on to study at Wits University where he graduated with BA, LLB, LLM and MBA degrees. He also obtained an MCom (Taxation) degree from the North-West University (Potchefstroom) in 2006. He became a partner at Fluxmans in 2007. He practices as a commercial attorney at Fluxmans, specialising in mergers and acquisitions.

T Slabbert* (52)
BA, MBA
Tania is a co-founder and non-executive director of WDB Investment Holdings (Proprietary) Limited and previously served as its CEO for 12 years. She has held numerous past directorships and serves as a non-executive director on the boards of Bidvest and the WDB Growth Fund and is a trustee of the BPSA Education Foundation.

** Independent non-executive*

MANAGING DIRECTOR'S REPORT

EARNINGS

The Caxton group has again shown some resilience against the backdrop of a stagnant economy, a declining retail sector and continued changes in the highly competitive media landscape, by posting a 6.8% decline in headline earnings per share. In these conditions, the importance of focused and vigilant management cannot be underestimated.

The group (the Company, its subsidiaries, joint ventures and associates) has had an extremely difficult year in which trading conditions became more and more challenging as the year progressed, and resulted in a decline in earnings. The state of the economy worsened over the second half of the financial year and this severely impacted demand in most of our operations. The decline in demand also meant competitor activity intensified, with the result that we could not mitigate the increases in raw material input costs by passing them onto customers – these factors cumulatively resulted in unavoidable margin declines. This was particularly felt in three operations that either had a significant decline in revenues due to lost work, or reduced margins with no concomitant reduction in operating overheads to compensate. Besides these operations, the rest of the group was able to navigate the challenges with varying degrees of success by focusing on operational cost reduction. It is pleasing to report that in our key local newspaper businesses, management has succeeded in reversing the declining trend of profitability and has posted marginally increased profits over the prior year. The group's newspaper printing facility in Gauteng and the bulk of the packaging operations also performed well, while the book and magazine printing operations found conditions tough and posted a decline in earnings.

The small increase in revenues at the half-year were reversed during the second half, with the year ending marginally down at R6 320.9 million. Significant declines in revenue were felt at the newspaper printing plant in Cape Town due to the loss of the Independent Media printing contract, while the magazine operations continue to experience declining circulations and, to a lesser extent, reduced advertising revenues.

As was the case at the previous reporting period, raw material input prices continued to rise due to increases in base prices and a volatile exchange rate. The nature of trading conditions made it difficult, if not impossible, to pass these increases on – this being the single biggest factor that contributed to the decline in earnings. This impact was softened by the continued focus on staff and operating expenses, which reflect a decrease of 2.4% and 3.9% respectively.

The combination of a no-growth economic environment and rising raw material costs has been offset by excellent cost control, which meant profit from operating activities before depreciation and amortisation declined by only R105.8 million or 13.9%. Depreciation and amortisation remained fairly constant at R288.6 million, resulting in profit from operating activities after depreciation and amortisation of R365.1 million.

The previously reported upon shares for shares transaction, whereby our shareholding in Private Property South Africa was sold to our former associate, Cognition Holdings, was concluded with an effective date of 1 February 2019. This resulted in Cognition now being a subsidiary that is fully consolidated. This transaction resulted in an accounting loss of R37.2 million.

The decision was made to impair a printing press at our operation in Johannesburg to its net realisable value as there is no certain prospect that this capacity can be utilised in the short- to medium-term. This resulted in a net impairment of R26.1 million.

The decline in earnings was balanced by an increase in net finance income from R114.7 million to R139.1 million, with a dividend from our Novus investment being received for the first time and interest income increasing due to higher cash balances over the reporting period.

Net income from associates declined to R20.2 million as a result of the aforementioned investment in Cognition Holdings moving from an associate to a subsidiary, combined with reduced earnings from our printing associate and start-up losses from some digital associates.

Profit before taxation declined by 16.5% to R451.9 million, but with a reduced tax charge of R96.6 million, profit after taxation declined by 12.4% to R355.3 million.

After the odd-lot offer and specific offer to shareholders and other repurchases made during the year, the weighted average number of shares in issue declined from 392 426 737 to 387 422 175, with the resultant earnings per share of 86.7 cents (2018: 98.5 cents) and headline earnings per share of 101.6 cents (2018: 109.0 cents) – a decline of 12.0% and 6.8% respectively.

CASH FLOW

The group's cash and cash equivalents increased by R153.7 million over the year, to R1 697.7 million. The group's listed preference shares were reclassified as an investment and not a cash equivalent; if included, the balance would have been R1 758.1 million.

The decline in cash generated by operations was compensated for by reduced net capital expenditure and investments.

Operating cash flow before working capital movements was R661.6 million, a decrease of 10.6% over the corresponding period. Working capital requirements consumed R184.0 million. After paying taxation of R124.1 million, the net cash inflow from operating activities was R353.6 million, a decline of R145.0 million compared to the prior year.

The increased working capital requirements were mainly as a result of increased accounts receivables, with some significant payments only being received after year-end, and also the inclusion of Cognition Holdings as a subsidiary for the first time.

The net investment in property, plant, equipment and intangibles amounted to R156.9 million – a significant decline compared to the prior year, as the large capital expenditure programme is nearing an end. There was a significant change in cash applied to investing activities with a cash inflow of R224.0 million in the current reporting period compared to an outflow of R238.6 million in the previous period. This change can be summarised as follows:

- Reduction in investments and business acquisitions.
- The funding provided to our fibre to the home associate Octotel was not repeated in the current year. The growth in this business was funded through third party sources and good progress has been made in building this exciting business. At the time of writing, with over 100 000 homes passed, this is the largest fibre network in the Western Cape. With the ever-increasing connection rate of customers, the business is generating significant cash flows and has already accessed a third round of funding to continue the roll-out.
- Cash acquired of R95.5 million as a function of the aforementioned acquisition of control of Cognition Holdings.

During the period, the group returned R267.0 million to shareholders through a dividend of R246.2 million and share buybacks of R20.7 million. Whilst retaining its cash for prospective acquisitions, the group will continue to return a significant portion of net cash generated to shareholders, notwithstanding the tough operating conditions and pressures on our businesses.

GENERAL

With the decline in printing and print/magazine publications, the group has diversified into new packaging businesses and into the digital economy. This process of diversification will accelerate in coming years as the group seeks to replace lost revenue from contracting businesses, with revenue from new growth opportunities. However, given the nature and volatility of our existing major businesses, we consider it necessary to be able to fund our growth from existing resources and to maintain a strong balance sheet.

PERFORMANCE REVIEW

Publishing, printing and distribution

Newspaper publishing and printing

We are pleased to report that the group's local newspapers delivered a small increase in profitability, notwithstanding the tough economic climate and constrained consumer spending. This has been an important milestone, as it signals the reversal of the declining trend that has been evident in the last few years. Local advertising revenues held up relatively well, ending only slightly down over the prior year. This turnaround in trend was achieved through new and innovative sales initiatives which increased volumes into our publications. This is testament to the fact there is still a demand from local businesses to make use of our local publications to reach their target markets. National advertising revenues also held up relatively well and posted a slight increase over the previous reporting period as national retailers continue to appreciate this important channel to market.

The group remains the third largest digital publishing group in South Africa, driven mainly through our Local News Network (LNN) of community news sites and citizen.co.za. The LNN digital assets managed to grow users by 25% to 63.9 million with the bulk of the users accessing content through mobile phones. This has helped to grow digital advertising, albeit off a low base, driven largely by programmatic advertising.

The Citizen performed well, with improved results mainly as a result of strict cost management. Circulations continue to decline but not to the same extent as other newspapers in this market segment, and it is pleasing to note that, with added focus, *The Citizen's* digital offering has progressed from 23rd position in January 2018 to constantly achieving 6th position ranked by unique visitors. This has allowed the publication to increase digital advertising by 63% to compensate for the 7% decline in traditional print advertising revenues.

The Gauteng newspaper printing business delivered a strong performance and increased profitability, thanks to the Media 24 printing contract being in place for the full reporting period, which compensated for the decline in revenues from existing products. This trend will, however, be difficult to sustain in the long-term, with the trading environment for daily and weekly newspapers worsening year after year, with the resultant reduction in print orders and paginations. It is quite evident that the closure of some titles may also become a reality. In contrast to Gauteng the newspaper printing facility in Cape Town underwent a restructure but could not avoid a substantial loss for the year.

Magazine publishing and distribution

The situation that has been reported upon for the last few years continues with our magazine publishing business, where revenues, both from advertising and copy sales, continue to decline. Despite this, the declines are not as severe as with other publications in their categories and, interestingly, although advertising revenue declined, it was not by the same degree as in prior years. In such an environment, cost control is critical, and this ongoing initiative largely mitigated the revenue declines.
This trend is expected to continue, and further business-wide restructuring is accordingly taking place, whereby better use of resources, more content sharing and title synergies are being introduced.

The group's distribution business delivered a marginal improvement in profitability, although it continues to face declining revenues as magazine print orders and copy sales continue to drop. This decline is amplified by the decline in the distribution of CDs and DVDs. The distribution business has successfully tendered to provide delivery services for Media 24 in a number of outlying regions, and this has contributed to assisting branches to cover their fixed cost structures. The business has been successful in reducing costs in an attempt to mitigate the declining revenues; however, this can only be done to a point before affecting service levels. It is more evident than ever that consolidation in the market is inevitable.

Digital assets

As previously reported, in an effort to separately recognise and measure some of the group's investments in digital technology platforms, the investment in Private Property South Africa was sold to Cognition Holdings in exchange for shares. From the effective date of 1 February 2019, this increased the group's shareholding in Cognition Holdings from 34.56% to 63.01%, with Cognition Holdings owning 50.01% of Private Property.

Private Property, under new leadership, has improved the key metrics that drive the business; increasing unique browsers by 13%, sessions by 17% and page views by 20%, which ultimately meant an overall growth of 14% in lead generation. This materialised in revenue growing 17%, but this growth was dissipated as investments into marketing and digital advertising more than offset the revenue growth. The increased marketing spend and some non-recurring costs associated with relocation, recruitment and restructuring meant a temporary decline in profits over the previous year. This investment is necessary to gain market share and set the business up for higher growth.

Cognition Holdings, with the exclusion of Private Property, had a difficult year, with earnings declining mainly because of a non-recurring contract and the one-off transaction costs associated with the Private Property transaction.

The Caxton group has, over the last few years, made several significant digital investments in owner-managed start-up businesses as a hedge against the decline in print media. These investments have not as yet made any significant contribution to the group, but, as the digital era builds momentum, this can and will change. As at the reporting date these investments include:

- Guzzle.co.za – a digital retail catalogue listing site
- All4Women.co.za – a content aggregator site of female interest topics
- HealthSpas.co.za – a guide to health spas, selling gift vouchers
- Safari.com – an African safari tour web-based travel agency
- Tysflo.com – a video sharing platform
- Carmag.co.za – a new and second hand car listing platform
- Response24.co.za – a multifunctional incident management and response technology platform (effective July 2019)
- Afristay – a local accommodation booking platform (effective July 2019)

Web and gravure printing

These business units are largely dependent on retail customers, and, in light of the tough economic conditions they were faced with, have performed well in increasing tonnages through the factories and also revenue. However, this was not enough to offset the steep increases in input costs which could not be recovered from customers. This was as a result of not only increases in the Euro-base cost of imported paper, but also the volatility of exchange rates during the year. This, combined with other unavoidable overhead increases, led to a decline in profitability. These operations are well-placed for any improvement in the economy and retail sector.

Book and magazine printing

This operation faced an extremely difficult year which led to a large decline in profitability, as the key educational text book market was faced with subdued demand that led to a significant mix change and overall decline in margins. Raw material input costs also increased substantially in both foreign-base cost and the volatility of the exchange rate. The operation was not successful in fully rec overing these increases from the market and this further impacted margins. The recovery in the educational market is not certain, and thus the focus will be on cost-saving initiatives and aligning cost structures to reduced margins.

Packaging and stationery

Packaging

Save for one operation, the packaging businesses have performed admirably and grew profitability, which reflects the initiatives undertaken over the last few years, including upgrading equipment and infrastructure, rationalising the Gauteng operations and integrating a number of smaller acquisitions. Having said this, the markets we serve were, on the whole, faced with declining volumes and increasing competitor activity that continues to impact margins. It is evident that some competitors, in certain markets, are willing to offer pricing that is commercially unsustainable and predatory.

The group's label operations had an excellent year with the small self-adhesive acquisitions in the Western Cape bearing fruit as the integrations settled down and efficiencies improved. The group's beer label operation was faced with two requests for tenders from its major customers and managed to maintain its market share, but with one contract at significantly reduced margins that will impact profits in the forthcoming year. This unit, however, is extremely efficient and continues to provide customers with continuity of supply when other competitors are unable to supply.

The folding carton market continues to be difficult to navigate with declining volumes, mainly in the fast-moving consumer goods sector, on top of reducing margins as competitors price at levels that do not make commercial sense. The fast food sector has assisted in compensating, as there does appear to be some organic growth where customers are opening new stores and also expanding their offerings with new products and promotions. The cigarette market continues to decline due to illicit trade affecting our major customer, but what has been noticeable over the reporting period is that this is at a lower rate, and there appear to be some signs of improved volumes in the lower-priced brands as the authorities clamp down on the illicit cigarette trade.

Stationery

The stationery business units maintained market share but profitability was impacted by a decline in margins because the increases in input costs, mainly imported products, could not be passed on to customers.

Other

The group's replications business is in its last days as volumes for CDs and DVDs have materially declined. There is, however, still a need for these physical products and this operation is working closely with its customer base to ensure that the service can still be provided.

PROSPECTS

The group continues to manage its businesses in as tight a manner as possible in an uncompromising trading environment that is unlikely to change in the medium-term. As previously indicated, we are most fortunate to have a strong balance sheet that can be effectively used to acquire businesses that can drive some growth and diversification.

TJW Holden
Managing Director

Johannesburg
25 October 2019

TEN-YEAR REVIEW – SALIENT FEATURES

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenue	(Rm)	**6 321**	6 334	6 407	6 405	6 261	5 390	5 157	4 819	4 340	4 087
Profit before taxation	(Rm)	**452**	541	610	590	597	545	686	633	672	510
Profit from operating activities after depreciation before impairments	(Rm)	**365**	466	463	473	477	430	596	520	546	471
Weighted average number of shares in issue	(000's)	**387 422**	392 427	396 219	397 982	396 463	406 494	422 657	416 999	457 252	465 987
Earnings per share	(cents)	**87**	99	112	113	107	105	116	105	101	76
Headline earnings per share	(cents)	**102**	109	116	116	109	98	123	110	106	76
Dividends per share	(cents)	**60**	60	70	70	65	60	55	50	40	40
Dividend cover	(times)	**1.4**	1.6	1.6	1.6	1.6	1.7	2.1	2.1	2.5	1.9
Ordinary shareholders' equity	(Rm)	**5 740**	5 696	5 682	5 523	5 240	4 976	5 347	4 856	5 031	4 917
Net current assets	(Rm)	**2 814**	2 487	2 770	2 887	2 824	2 833	2 075	2 371	2 263	2 268
Net asset value per share	(cents)	**1 484**	1 462	1 436	1 406	1 337	1 283	1 277	1 175	1 107	1 060
Number of employees		**6 197**	6 030	6 311	6 310	6 434	6 053	6 025	5 910	5 850	5 652

SUSTAINABILITY REPORT

APPROACH TO SUSTAINABILITY

Caxton and CTP Publishers and Printers Limited adheres to the precepts of socially responsible investment and has previously been recognised for its efforts in this regard. Our Integrated Annual Report reflects our progress in making a positive contribution to our shareholders, customers, suppliers, employees and local communities.

In addition to enhancing shareholder value, we use our resources to make a difference by financially assisting educational institutions, promoting health and wellness in our operations and continually training and supporting our employees by offering them access to new opportunities. These issues are only part of a holistic view that also extends to societal and environmental issues.

SCOPE OF REPORT

This report reflects the group's drive towards facilitating positive transformation in the group, as well as in South African society and its economy. This journey is one of continued improvement in addressing sustainability issues facing the group, and the Transformation Committee continues to review this progress and also the factors inhibiting such progress towards a more transformed workplace. The major focus areas continue to be around skills development and training to ensure the group can provide new talent that also contributes to the transformation of the workplace.

Sustainability performance in this report spans the year to 30 June 2019.

STANDARDS AND CERTIFICATIONS

CTP Printers Johannesburg and CTP Printers Cape Town are FOGRA Process Standard Offset ("PSO") certified. The FOGRA PSO certification is achieved with consistent and predictable colour reproduction to ISO 12647-2 standards. This certification provides proof externally of the quality the group is capable of and internally it ensures smooth production.

FOGRA works with, and is associated with, the German Print Federation ("GPF") and thus the standards that are set are endorsed by the European printing community. In order to attain the certification, 70% is required as a minimum standard from all aspects that are tested. CTP Printers Cape Town became the first print company in Africa to receive this prestigious printing certificate.

CTP Printers Cape Town (FSC-C017578), SA Litho Label Printers (FSC-C084368), CTP Packaging (FSC-C108896), CTP Printers Johannesburg (FSC-C146398), CTP Gravure Durban (FSC-C146398) and CTP Cartons and Labels (FSC-C108896 and FSC-C124452) have also attained the Forestry Stewardship Council® (FSC®) Chain of Custody certification. This allows these divisions to produce work carrying the FSC logo and provides assurance that the raw material used as well as the production process conforms to standards of social and environmental awareness. The paper manufacturers that we use are also either FSC® or PEFC™ certified and some of the paper mills have also been awarded the EU Flower for environmental excellence.

CTP Cartons & Labels, CTP Flexibles and Boland Printers are all ISO 9001:2015 certified.

SA Litho is ISO FSSC 22000 certified (secondary food packaging certification) while CTP Cartons & Labels and CTP Packaging are ISO FSSC 22000 certified (primary food packaging certification). CTP Flexibles is BRC certified. The FSSC 22000 and the BRC food safety system certifications provide frameworks for effectively managing an organisation's food safety responsibilities. FSSC 22000 is fully recognised by the Global Food Safety Initiative ("GFSI") and is based on existing ISO Standards. It demonstrates that our divisions have a robust Food Safety Management System in place that meets the requirements of customers and consumers. The FSSC 22000 food safety certification is a prerequisite for suppliers of all major food and beverage brands – major brands will not entertain business with suppliers who do not have this certification as a minimum. In the Packaging arena, this means that our customers can use our packaging for direct food contact applications, and be secure in the knowledge that we have met the necessary food safety requirements, ensuring that our packaging is contaminate free.

Thuthuka Packaging, CTP Gravure Johannesburg, CTP Cartons & Labels, CTP Packaging and CTP Digital Services are ISO 9001:2015 accredited.

EMBEDDING SUSTAINABILITY

Our approach to sustainability has a direct impact on the bottom line and we recognise that failure on our part to manage risks could have an adverse effect on performance, results and our reputation.

Committees

We have a Social and Ethics Committee, chaired by the chairman of the Board, which ensures that the best interests of not only the shareholders, but also the community, employees, customers and suppliers are met. This committee oversees developments with regard to legislative changes (compliance with the Employment Equity Act and the B-BBEE Act), good corporate citizenship, health and safety, and other labour and employment issues.

In addition, the Transformation Committee, which functions as a policy-making body to monitor the various elements of the BEE scorecard, meets on a monthly basis. This forum, chaired by the group Managing Director, comprises senior management who represent the main business sectors in the group. Progress with regard to transformation is reviewed later in this report.

HEALTH AND SAFETY

In order to provide and maintain, as far as possible, a work environment that is safe and without risk to our employees and the members of the public who visit our premises, all operations are responsible to ensure that the group's health and safety policy is adhered to.

Equally, we are committed to protecting and conserving the natural resources on which our business depends, by continuously improving our environmental performance.

The group has adopted a preventative and proactive approach to the healthcare of its employees by providing on-site medical facilities.

Employee wellness

Many sites of the group have a permanent occupational healthcare practitioner, in addition to a medical doctor who is available on site every week for consultation. The wellness programmes include audiometric and eye screening tests and addressing issues pertaining to ill-health, family planning, substance abuse and HIV/Aids educational programmes. Voluntary HIV testing is available to employees on request, with referral assistance to clinics for treatment and counselling.

Employee relations

Each workplace has a workplace committee that focuses on monitoring the implementation of the Employment Equity Plan as well as the Workplace Skills Plan and Annual Training Report. This committee meets at least quarterly.

ENVIRONMENT

As a member of the printing, publishing and packaging industries we are aware of the adverse impact that our printing processes have on the environment.

Caxton depends on natural resources, including coal-fired power, natural gas, water, paper and plastics for our business activities. Our activities have an impact on the environment; however, we remain committed to minimising these impacts. We are focussed on the imperative to include de-carbonisation into our long-term business model. We are embarked on a long-term environmental plan based on continuous improvement.

Energy, water and waste

Caxton is committed to responding to climate change risks by developing and implementing our migration and off-setting programs, in order that we can ensure long-term resilience of our energy, water and waste stewardship.

We have appointed a carbon reduction consultant to assess and monitor our operations. We will be reporting our greenhouse gas ("GHG") emissions consistent with the recommendations of the Intergovernmental Panel on Climate Change ("IPCC") and our verification standard which is the GHG Protocol. The GHG Protocol is the most widely used standard for mandatory and voluntary GHG reports and is compatible with other international GHG standards such as ISO 14064. The GHG Protocol is derived from a multiple-stakeholder partnership of businesses, NGOs and governments led by the World Resources Institute ("WRI") and the World Business Council for Sustainable Development ("WBCSD").

In accordance with the GHG Protocol, clear organisational and operational boundaries have been defined and the relevant data will be collected. The GHG inventory will include:

- direct emissions (referred to as Scope 1) from fuel used directly by Caxton (stationary fuels), fleet vehicles (mobile fuels) and gas refills (air-conditioning, refrigeration and fire-suppressing);
- indirect emissions (referred to as Scope 2) from purchased electricity; and
- indirect emissions in the supply chain (referred to as Scope 3) from business travel activities, employee commuting, upstream distribution, and the consumption of paper, plastic and cardboard packaging.

Emissions are calculated using emission factors, and are reported as carbon dioxide equivalent gases (CO_2e) as required by the GHG Protocol. Unless otherwise stated, emission factors are sourced from Defra 3. The greenhouse gases covered by this calculation are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.

From the 2020 financial year, we will be developing a revised inventory in line with National Greenhouse Gas Emission Reporting Regulations, 2016 as amended on 6 September 2019.

Action plan

Our printing industry covers a broad range of printing types. They all have potential environmental impacts because of the raw materials and chemicals they use and the waste they generate. The following printing types are applicable:

- Lithographic
- Gravure
- Flexographic
- Digital
- Label printing
- Web and sheet fed
- Other associated printing types

Our action plan pivots around:

- Understanding the environmental risks and responsibilities in the printing industry;
- Improving the environmental management of our operations; and
- Taking advantage of the business benefits that result from improved environmental practices.

Efficiency in printing includes reducing the use of resources and lowering the volume and toxicity of waste and emissions.

The initiatives implemented and to be implemented are:

- reducing the use of energy, water and raw materials with optimised processes;
- avoiding waste and reusing and recycling materials;
- minimising waste volumes and reducing waste toxicity to lower the cost of treatment and disposal;
- implementing process changes to increase production and reduce spoilage; and
- reducing the use of hazardous and dangerous materials to minimise dangerous goods storage and related environmental risks.

Over and above these initiatives, the group continues to invest in new technology to reduce energy consumption and promote sustainability. Allied with the energy and water measurement programme, green-friendly solutions have become increasingly cost-effective and are being considered.

Achievements
The Western Cape operations have sunk boreholes to reduce their dependence on water from local municipalities. Water filtration systems have been assessed to establish which system will provide usable water and implementation is almost complete.

The introduction of water metering to control consumption and identify leakage and loss is in progress.

Energy metering and control systems have been implemented at the large manufacturing entities and will be rolled out to smaller entities. This has provided controls that facilitate energy reduction measures that will be ongoing. These entities are also considering alternate energy supplies.

The Citizen building has converted to efficient lighting and green energy equipment, and recycles 30 tonnes of paper annually.

CTP Printers Cape Town, through technology, is minimising its levels of greenhouse gas emissions. It has decommissioned inefficient web presses resulting in lower levels of consumption of LPG gas, as well significantly reducing the wastepaper generated as a result of the process. The program of replacing lighting in the factory with energy-efficient LED lighting is ongoing.

The restructuring of the CTP Cartons and Labels operations led to new buildings being constructed at the Elandsfontein and Industria sites. These new buildings were all fitted with energy-saving LED lighting.

Wastepaper, reel cores, plastics, effluent, copper, solvents and chrome waste used in the manufacturing process are collected, segregated and recycled.

Air quality controls are in progress, with implementation of afterburners in Parow and waste water discharge treatment programs in Industria and Durban.

Dust control and extraction is in place at the manufacturing entities.

Ink and solvent reuse and recycling programs have been implemented at the manufacturing sites.

Sundry waste, pallets and bins are recycled.

Stakeholders and stewardship
Our Industry is aware of our impact on paper supply, and we forge healthy stewardship relations.

As detailed above, a number of our businesses are certified as part of the Forest Stewardship Council chain of custody.

The following are also members of SEDEX (the Supplier Ethical Data Exchange):

- SA Litho Label Printers
- CTP Cartons & Labels
- CTP Printers

CTP Flexibles has a BRC AA rating status – British Retail Consortium. This is one of the highest standards associated with primary food packaging.

We have good relationships with government agencies, and strive to comply with relevant regulation. We are committed to responding to our climate change risks through the development and implementation of appropriate mitigation responses to enable the long-term resilience of the group's business operations.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Caxton and CTP Publishers and Printers Limited's ("CAT") subsidiaries and jointly-controlled entities are measured against the Department of Trade and Industry's ("DTI") Amended Broad-Based Black Economic Empowerment ("BEE") Codes. CTP Limited maintained its Level 4 BEE rating in May 2019.

The Transformation Committee meets on a monthly basis and is headed by the group Managing Director. The committee is tasked with identifying initiatives aligned with the BEE Codes and monitors progress towards reaching the group's transformation targets. Quarterly feedback is provided to the CAT Audit and Risk Committee.

Ownership and management control

The Black Ownership of group entities is measured using the flow-through principle from CAT. Overall Black Ownership decreased slightly from 15.99% to 14.61%, with the Black Female shareholding decreasing from 7.57% to 4.61%.

Driving diversity and inclusion is an integral part of the group's transformation and human resource strategies. As at 31 March 2019, CTP Limited had 5 190 permanent employees nationally, of whom 75.5% are black employees (an increase of 1.5% from the previous year) and 26% are black women (an increase of 1% from the previous year). Increasing representation of African females, especially in middle and senior management occupational levels, continues to be a priority target for the group.

The group ensures that it is compliant with the Employment Equity Act as all the designated employers within the group report annually via the Department of Labour's website on progress towards reaching the individual workplace Employment Equity Plan targets. Employment Equity Committees meet on a quarterly basis where progress towards reaching Employment Equity targets is measured.

Skills development

The main focus of the skills development and training opportunities for employees as well as unemployed learners is on the following areas: apprenticeships (employed and unemployed learners), learnerships (employed and unemployed learners), bursary programme (employed learners), various internships to provide work experience required for learners to complete their courses, and the graduate programme (unemployed learners).

Although the group has aligned its training to meet the amended BEE Codes requirements that came into effect in 2017, new changes were announced on 31 May 2019. These changes, specifically with regard to a new target spend of 2.5% of skills development levy for bursaries only for black people, will require a realignment of training initiatives.

The group implemented 115 learnerships for employees in Gauteng and the Western Cape. One of the mentors in Gauteng, Christopher Swanepoel, received the National Top Mentor award from the training provider, Organisation Development International, at its recent conference.

Twelve-month learnerships were offered to 60 learners from January 2019. The group has also extended training opportunities to people with disabilities.

Learnerships, apprenticeships and internships

CTP Limited had 356 learners in Category B to D learning programmes of the Skills Development Learning Programme Matrix, of which 337 were black learners. The historic focus on printing apprenticeships is still important for the group, but, increasingly, training opportunities for employees and the unemployed by way of learnerships is being implemented. Work experience, either as internships for graduates or work-integrated learning required by students in order to complete their courses, is being offered to non-employees.

Bursary programme

The bursary programme focuses on academic courses for employees that provide further development and possible promotion to various managerial levels. A total of 61 employees received bursaries for further study in disciplines such as management development, logistics, finance and digital media.

Graduate programme

The graduate programme provides recent graduates with a 12-month, structured programme that provides work experience in various disciplines such as journalism, IT, finance and engineering. Experienced mentors, who provide support throughout the year to ensure meaningful work exposure to different departments within a division, are allocated to the programme participants.

Enterprise and supplier development

Preferential procurement

The BEE status of suppliers is monitored on an ongoing basis. Changes to a supplier's BEE status are reported to the Transformation Committee. Full points are obtained for procuring from all empowering suppliers, Exempted Micro Enterprises ("EMEs"), and Qualifying Small Enterprises ("QSEs"). Procurement from at least 30% black female-owned suppliers as well as 51% black-owned suppliers will be prioritised going forward due to the changes in the DTI Codes released at the end of May 2019, which increased the points for procurement from at least 51% black-owned suppliers from nine points to 11 points, with a target increase from 40% to 50%.

Enterprise and supplier development

The group's enterprise and supplier development initiatives focus on exempted small enterprises who are at least 51% black-owned. Free advertising is provided to enterprise development beneficiaries in Gauteng through the wide Caxton Local Newspaper media coverage. Supplier development focuses on providing qualifying beneficiaries with administrative assistance and transport. Spend on enterprise and supplier development exceeds the required targets as set out by the BEE Codes.

Socio-economic development

The group continues to support qualifying entities with support that exceeds the 1% of net profit after tax as required by the amended DTI Codes. The initiatives support various charities, schools within the geographical areas in which the group operates, the homeless and HIV/Aids organisations.

Some of the group's socio-economic development initiatives undertaken during the year were:

SA Litho supports Ubuntu House, a place of safety for new-born babies who have been abandoned, orphaned or neglected, as well as babies born as a result of an unplanned or crisis pregnancy, through monthly monetary donations that contribute towards the feeding and caring of the babies. Currently SA Litho's annual financial contribution to Ubuntu is R84 000. Our sponsorship of Ubuntu House goes back almost 10 years now, and we are incredibly honoured to be able to continue to make a difference in the lives of the children cared for by this home.

CTP Packaging Western Cape continued to support five schools, namely Ravensmead Secondary School, Plantation Primary School, Kasselsvlei High School, Elswood Secondary school and Westville Primary School to the value of R352 800. Through the Peninsula School Feeding Association ("PSFA"), established to provide meals to hungry children in primary, secondary and special-needs schools in the Western Cape, we ensured that 784 learners were fed two wholesome meals a day.

CTP Packaging Western Cape provides staff members the opportunity to pack food parcels with Foodbank SA at their warehouse for their 67 minutes each year on Mandela Day. We have been involved with this initiative for the past six years.

For the past three years, CTP Packaging Western Cape has partnered with Women Against Rape in activities aimed at having a positive impact on individuals who have been affected by violence within their communities and homes, especially women and children. On the day, the staff participate in the making of over 2 000 sandwiches, the provision of educational books and material concerning children's rights, as well as the making up of comfort packs and journals for rape victims. Staff also have a little fun while engaging in a team drumming session. The sandwiches and educational materials are delivered to the grade 1 and 2 learners of Plantation Primary School, one of the schools we sponsor through PSFA. The comfort packs and journals are delivered to rape crisis centres in the immediate vicinity to be handed out to individuals in the community that have been through crisis situations. The initiative costs approximately R55 000, and enables approximately 80 employees to get involved and give back to the community.

The Citizen, together with Caxton Printers, donated R33 000 to the St Laurence's Children's Haven. We have supported this initiative for the last nine years.

CTP Printers used some of their raw materials to make up 5 000 colouring-in books for the "Reach for a Dream Foundation".

During the 2019 financial year, CTP Printers made the following donations and provided the following assistance:

- The Paige Project Association: R5 000. This is a registered NPO that assists children with Cerebral Palsy at mainly the Tambo Memorial Hospital as well as other smaller centres.
- The Little Fighters Cancer Trust: R20 000. This is a registered NPO that provides practical and emotional support to children with cancer.
- The Jacaranda Care Centre: R4 000. This is a registered NPO that provides destitute people with a roof over their heads, as well as meals, transport and clothing.
- Action for Blind and Disabled Children: R4 000. This is a registered NPO that provides assistance to children who are blind and disabled.
- Jicama 89: R12 500. This is a registered NPO that provides support to Sibonile School children who are visually impaired.
- Cebo Siloam Foundation: R5 000. This is a registered NPO that enables individuals to translate their education into practice through the pillars of health, education, skills and bursaries.
- Bella Vista Crèche: R4 000: This is a registered NPO that provides support to underprivileged children at the Bella Vista Crèche.
- Abused and Abandoned Kids Educational Excursions (AAAKEE): R2 000: This is a registered NPO that provides support for abused and abandoned children.
- Resthaven Ministries: R2 000. This is a registered NPO that provides support to HIV+ orphans, abused and abandoned children, as well as destitute pensioners.

The following initiatives were undertaken by RNA:

- Contributions were made to the sick and underprivileged by way of donations to various hospitals and organisations.

- Donations for underprivileged children were made to Santa's Shoe Box.

Caxton local media and newspaper printing division undertook the following:

- Supporting the future of the news industry by investing time and expertise in training students from the Tshwane University of Technology ("TUT") and from the University of the Witwatersrand ("Wits"). The partnership between Caxton Local Newspapers and TUT provides third-year journalism students with the opportunity to gain the necessary six months' practical experience required to complete their third year of university studies. During this time, students learn the skills of covering various beats, photography, and the compilation of video and audio content, under the guidance and mentorship of editors and senior journalists. For Wits, Caxton prints the *Vuvuzela*, a bi-weekly university publication with a print run of 10 000, at no cost to Wits. Students at the Wits School of Journalism receive training on layout, design and printing.
- Caxton Printers supports *Homeless Talk* by printing and delivering the monthly newspaper at no charge. The newspaper supports more than 150 street sellers across Johannesburg. For many, this is their only income and means to support their families.
- Caxton Printers supports Itshepeng, a skills development training centre and NPO, with quarterly donations for grade 10, 11 and 12 learners. Caxton Printers pays for extra classes and textbooks, and towards a soup kitchen. The beneficiaries are from Bosmont and surrounding areas which are close to the Caxton Printers factory. Caxton Printers also hosts two Christmas parties each year for local children and the elderly.
- Eight Caxton East and South publications joined forces with Peermont Emperors Palace for the 2018 Charity Mile. The main race raised one million Rand for 16 charities and schools. Participating Caxton titles were *Benoni City Times, Alberton Record, Southern Courier, Comaro Chronicle, Bedfordview and Edenvale News, Germiston City News, Boksburg Advertiser* and *Kempton Express.*
- *Alberton Record* supported Amcare and Hospice Stepping Stones with the printing of advertisements which aided these charities to host successful fundraisers. The funds raised at these events assist both institutions financially throughout the year.
- After Caxton Local Media and Spar identified the large number of children who take part in the annual Spar Women's Race who had no running shoes and who therefore ran the race barefoot, a project was started by *Rosebank Killarney Gazette* to collect running shoes. This initiative has since received support from all of the Johannesburg Metropolitan publications, and hundreds of pairs of running shoes are collected annually for children from deserving entities such as Realogile Secondary School in Alexandra.
- Johannesburg North newspapers also hosted the #CaxtonPaints4Tata project which saw the Caxton team paint classrooms at Sunshine Centre Craighall after the *Rosebank Killarney Gazette* realised the need to help the centre's children who have various disabilities.
- Johannesburg West newspapers' 67 minutes for Mandela Day project saw the entire West Rand newspapers team visit sick children at the Dr Yusuf Dadoo and Leratong Hospitals where they handed out toys donated by Gladiator Toys.
- *Krugersdorp News* supported the Princess for a Day campaign with the donation of matric farewell outfits for learners from disadvantaged schools.
- The proceeds from the Hearts for Crafts, Caxton Johannesburg West's Readers' Day initiative, went to The Cradle of Hope shelter for abused women and children.
- *Randfontein Herald*'s Handbags of Love Project saw 37 handbags filled with necessities donated to the Riet Family Guidance Centre, a welfare organisation dedicated to the protection of the rights of women and their children.
- Caxton Durban newspapers support of the Robin Hood Foundation's Warrior Women event resulted in R165 000 raised in aid of the Buy a Brick Campaign that focuses on constructing crèches and schools for learners of various communities.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

KING CODE

The Board of Directors endorse the philosophies and principles of King IV and recognise their responsibility to conduct the affairs of the Company with integrity and accountability in accordance with generally accepted corporate practices. This includes steering the Company and setting strategic direction, planning and approving policies, overseeing matters of the Company and ensuring accountability.

The directors have accordingly established procedures and policies appropriate to the Company's business in keeping with its commitment to best practices in corporate governance. Governance is not static, and the directors are proactive in assessing their procedures and policies against prevailing circumstances. Accordingly, procedures and policies will be reviewed by the directors from time to time.

Set out below is an explanation of the measures taken by the Company pursuant to the King Code and the JSE Listings Requirements.

The analysis of the Company's King IV application can be viewed on our website.

The ultimate controlling shareholder of the Company is Mr TD Moolman, who is also the Chief Executive Officer ("CEO") of the Company. The executive directors of the Company advise on, develop and implement the Company's business strategy, in conjunction with the Board. By virtue of Mr Moolman's control of the Company and of him being the CEO, Mr Moolman has a significant influence on the strategic direction of the Company.

While the media industry faces significant challenges and threats to traditional revenue models, the Company has achieved stability and consistency in its approach to business, with a prudent investment and growth strategy, and trust-based relationships with its internal and external stakeholders.

BOARD OF DIRECTORS

The Board

The Board of Directors meets regularly, and discloses the number of meetings held each year in this Annual Report, together with the attendance at the meetings. A formal record is kept of all conclusions reached by the Board on matters referred to it for discussion. The Memorandum of Incorporation of the Company provides for material decisions taken between meetings to be confirmed by way of directors' written resolutions. Should the Board require independent professional advice, such advice will be sought by the Board at the Company's expense.

Directors are expected to maintain their independence when deciding on matters relating to strategy, performance, resources and standards of conduct. On first appointment, all directors are expected to undergo appropriate training as to the Company's business, strategic plans and objectives, and relevant laws and regulations. This is performed on an ongoing basis to ensure that directors remain abreast of changes in regulations and the commercial environment.

The Board is responsible for relations with stakeholders, as well as being accountable to them for the performance of the Company, and reporting thereon in a timely and transparent manner.

Chairman and Chief Executive Officer

The offices of Chairman and Chief Executive Officer are not held by the same person.

Board balance

The Board includes both executive and non-executive directors in order to maintain a balance of power and ensure independent unbiased decisions and that no one individual has unfettered powers of decision-making. The Board of Directors currently comprises eight directors. The majority of these directors are non-executive and, in turn, all of the non-executive directors, including the chairman, are independent.

The Board does not consider that a Nominations Committee is appropriate. If a vacancy arises, the Board will develop the criteria for the required candidate. The Board will ensure that the composition of its members reflects the appropriate mix of skills and experience required by the Company. In filling future vacancies, the Board will apply its gender policy. The Board is appropriately sized for the Company's business.

Attendance at Board meetings				
	Oct 18	Feb 19	May 19	Sep 19
PM Jenkins	P	P	P	P
TD Moolman	P	P	P	P
PG Greyling	P	P	P	P
TJW Holden	P	P	P	P
ACG Molusi	P	P	P	P
NA Nemukula	P	P	P	P
J Phalane	P	P	P	P
T Slabbert	P	P	P	P

A: Apology

P: Present

The Board of Directors has the following committees:

Audit and Risk Committee

The Audit and Risk 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 and Risk Committee members have considered and are of the opinion that they are adequately independent from the Company and group and management thereof.

The independent auditor has unrestricted access to the committee.

The Audit and Risk Committee comprises independent non-executive directors only, in compliance with King IV. The Audit and Risk Committee is separately nominated for appointment by the shareholders in compliance with the Companies Act.

The Audit and Risk Committee has discharged all of those functions delegated to it in terms of its charter and its terms of reference, and as envisaged in terms of the Companies Act.

During the period under review, the Audit and Risk Committee:

- met on three separate occasions to review, *inter alia*, the year-end and interim results of the Company as well as to consider regulatory and accounting standards compliance;
- considered and satisfied itself that the external auditors are independent, satisfied itself that the fees payable to the external auditors were appropriate, and recommended the external auditors for appointment for the following financial year;
- determined the non-audit-related services that the external auditors are permitted to provide to the Company. This included pre-approving all non-audit-related service agreements concluded between the Company and the external auditors;
- confirmed the 2019 financial year audit plan;
- held separate meetings with management and the external auditors to discuss any problems and reservations arising from the year-end audit and any related matters which management and the external auditors wished to discuss;
- reviewed the effectiveness of internal controls in the group with reference to the findings of the internal and external auditors; and
- reviewed and evaluated the risks facing the group and satisfied itself that management has put plans and steps in place for the mitigation of these risks across the group.

The Audit and Risk Committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the Financial Director, Mr TJW Holden.

The committee members are Ms T Slabbert (chairman) and Messrs ACG Molusi and NA Nemukula.

Attendance at Audit and Risk Committee meetings			
	Oct 18	Feb 19	Sep 19
T Slabbert	P	P	P
ACG Molusi	P	P	P
NA Nemukula	P	P	P

A: Apology

P: Present

Remuneration Committee

The Remuneration Committee comprises Messrs TD Moolman and PM Jenkins. The Remuneration Committee reviews senior executive management salaries and performance incentives.

Remuneration policy

The Remuneration Committee continues to apply its historic remuneration policy, and has not changed it on the basis that workplace stability and consistency in the current environment is preferred over volatility and change.

It remains the policy of the Company to remunerate its employees fairly, against the background of ensuring that employees have stable and equitable prospects in the group.

While there is contraction in certain of the group's businesses, particularly the declining print market, the importance of job creation in South Africa requires no explanation. The group seeks to preserve its work force, unless unavoidable downsizing is necessary.

Thus, the Company is committed to the retention of its staff members who serve it well and share the Company's philosophy and commitment to the Company's value systems. The Company, accordingly, aims for a stable and satisfied work force and management team.

The Company continues to review its remuneration strategies and is attentive to concerns by shareholders. Innovative retention and alignment strategies of the Company in relation to its staff are in place. This notwithstanding, traditional balanced remuneration packages have served the Company's and its staff's interests well in the past, and consistent future remuneration strategies will be applied.

The traditional media industry continues to contract. At the same time, the digital environment is a growth area, but revenues and profitability are difficult to achieve, and, where this is not possible, attendant staff reductions are unavoidable. A balance is necessary between the ability to attract and retain top talent and the need to contain the overall cost of employment, without creating a remuneration gap between new and old forms of media and our inherently industrial and manufacturing operations.

At the core of our remuneration philosophy is the training and upskilling of existing staff, wherever possible, and new employment from the market where additional skills are needed. We have managed to maintain the balance of all of the above factors by a careful application of remuneration increases, and the empowering of unit heads with the responsibility for setting reasonable remuneration packages for staff at operating division levels.

In considering remuneration, factors such as the industry benchmarks, the levels of skill, the demand and supply for jobs in the particular sector and employment level, the interests of the employee and the affordability to the Company are all taken into account. The Company's approach to remuneration has not changed. Remuneration must take increases in cost of living into account, but packages remain conservative but competitive.

Attendance at Remuneration Committee meetings		
	May 19	Aug 19
TD Moolman	P	P
PM Jenkins	P	P

P: Present

The fees of non-executive directors and the Chief Executive Officer's remuneration are increased annually by the average baseline percentage increase in remuneration applicable to the Company, subject to adjustments where duties or responsibilities are increased. Such increases, if any, are industry-aligned.

The remuneration of the executive directors is based on applicable industry benchmarking and the financial performance of the Company at operating profit level, and is subject to review by the Remuneration Committee. Short-term bonus schemes based on divisional operating performance are also in place.

If 25% or more votes are cast against the remuneration policy or the implementation of the remuneration policy, the Board undertakes to actively engage with the dissenting shareholders to address all legitimate and reasonable objections and concerns.

Social and Ethics Committee

The Social and Ethics Committee is set up in accordance with section 72 of the Companies Act. It's main function is to assist the Board in overseeing social and ethical matters and to monitor the Company's performance as a responsible corporate citizen. The Board considers that the importance of a strong ethical framework in the context of current South African political and economic issues cannot be underestimated. The social responsibility and related duties of the Company are equally important. It is incumbent on all directors, management and employees to uphold the Company's value system on an ongoing basis, and the Board and management are expected to lead by example.

The committee comprises Mr PM Jenkins (chairman), Mrs J Edwards, Mr TJW Holden and Mr L Witbooi.
The committee met formally once during the year under review. The committee members engaged regularly outside the structure of the formal meeting, as and when required.

In discharging its duties, the committee reviewed and considered the following:

- the Company's code of ethics and compliance with it;
- the Company's Socio-Economic Development initiatives;
- the Company's ongoing commitment to editorial freedom against the background of current challenges;
- the settlement of major litigation with other industry players;
- stakeholder relations;
- Broad-Based Black Economic Empowerment progress made and new initiatives in this regard;
- health and public safety;
- training, bursaries, and skills development;
- labour relations and working conditions;
- global warming and carbon emission reduction; and
- monitoring, managing and improving the group's environmental impact.

The committee also reviewed and approved the report on the application of the King IV principles as published on the Company's website.

A member of the committee also acted in an advisory capacity to the CTP Bursary Program, which has been in place since 2011, and which is primarily aimed at employees from previously disadvantaged communities who are earmarked for further development and promotion and who require academic qualifications to further their career in the group.

Attendance at Social and Ethics Committee meeting	
	Oct 18
PM Jenkins	P
J Edwards	P
TJW Holden	P
L Witbooi	P

P: Present

Promotion of gender diversity

In terms of paragraph 3.84(i) of the JSE Listings Requirements, the Board is required to have a policy on the promotion of gender diversity at Board level. The Company fully supports the inclusion of female members on its Board and has adopted a simple policy that seeks to prefer the appointment of female candidates to the Board and, in the event that two candidates of equal competency or experience are identified for appointment, the female candidate will be nominated.

Race diversity policy

The Board will endeavour to seek skilled professionals in order to promote race diversity in line with the Board-approved race diversity policy as required in terms of section 3.84(j) of the JSE Listings Requirements. Such appointments will be considered as and when a new Board member is required.

Dealing in securities

The Board has established procedures regarding the relevant legislation which regulates insider trading, as well as the closed period from the date of the financial year-end to the earliest publication of the preliminary report, the abridged report or the provisional report in the case of results for a full period and from the date of the interim period end to the date of the publication of the first and second interim results as the case may be. In accordance with the JSE Listings Requirements, no Director or the Company Secretary shall deal in the securities of the Company during a closed or prohibited period as well as while the Company is trading under a cautionary.

All directors and the Company Secretary shall obtain clearance to deal from the chairman of the Company prior to dealing, and the Company Secretary shall keep a register of such clearances in terms of the JSE Listings Requirements.

The Company Secretary (or such person as may be nominated by the Company Secretary from time to time) shall keep a record of all dealings by directors in the securities of the Company.

EXECUTIVE MANAGEMENT

The executive committees of the subsidiary companies and divisions meet monthly with senior management to consider issues relevant to the entity's performance.

INTERNAL CONTROL AND INTERNAL AUDIT

The group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for the assets of the group and its stakeholders. These controls are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties.

All employees are expected to maintain the highest ethical standards in a manner that is above reproach.

The Company has an established internal audit department whose primary function is to ensure the effectiveness of these controls. The Audit and Risk Committee reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit department. It has also considered the reports of the internal auditors and independent auditor on the Company's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems.

Nothing material has come to the attention of the directors or the external auditors, based on their tests of internal controls, to indicate that any breakdown in the functioning of the abovementioned internal controls and systems has occurred during the year under review.

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT

Equitable employment policies are in place throughout the group 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.

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 assure the directors that the business of the group will continue to function as a going concern for the foreseeable future.

COMPANY SECRETARIAL AND PROFESSIONAL ADVICE

A Company Secretary has been appointed to ensure compliance with the Companies Act and JSE Listings Requirements. She is not a Director of the Company. All directors have unlimited access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed. 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 annual certificate by the Company Secretary is reflected on page 22.

As required by the JSE, the Board has considered the skills, qualifications and performance of the Company Secretary, Mrs Jeff Edwards. The Board is satisfied with her continuing suitability for the position.

CODE OF CONDUCT

Ethics

A comprehensive ethics policy is in place and is applicable to all employees and directors of the Company. The policy is enforced and requires adherence to the highest standards of ethical conduct.

Whistleblowing

All employees are required to act honestly at all times and are encouraged to report any harmful or illegal activity they may observe or come across. For this purpose, a dedicated hotline has been set up and all incidents reported are investigated. The Audit and Risk Committee is informed of all substantive matters reported on the hotline.

Conflict of interest

The Company has appropriate policies in place to avoid conflicts of interest, from Board level down. These include divulging of confidential information, carrying on business for the employee's own account, dealing in the Company's shares and the use of price-sensitive information.

Stakeholder engagement

The Company is an active participant in the various industry bodies that govern or affect the sectors in which it operates.

Where appropriate, the Company engages formally and informally with the investment community.

Shareholders are notified of financial results and of the annual general meeting of the Company.

The Company publishes its financial results in the press. Caxton's website is updated from time to time with relevant information.

Staff members receive regular Company and divisional newsletters and communications.

KEY RISKS AND RISK MITIGATION

As part of the Company's risk management processes, an annual review of the risks facing the Company is undertaken and reviewed by the Audit and Risk Committee.

Risk identification is done by each operating unit, including the actions taken to mitigate such risk. This process is then consolidated and reviewed by the Audit and Risk Committee. The key risks and risk mitigations are tabled below.

Key risks	Risk mitigation
• Trading environment with low economic growth, highly competitive markets and some declining markets could impact profitability.	Continued austerity measures through cost reductions and rationalisations of operations, with a focus on acquiring new businesses that can be integrated into existing operations.
• Decline in print media operations.	Implementation of innovative products, pricing matrices and customer relationships. With a strong balance sheet, there is opportunity to find the right acquisition that will further diversify the group away from these markets.
• Exchange rate volatility.	The group hedges itself on a continuing basis against exchange rate fluctuations to provide stable pricing to customers. Some supply agreements have protections against large exchange rate swings.
• Power/water outages.	Monitoring of power consumption at key sites has been rolled out as well as installing generators at key supply-sensitive operations. In the Western Cape, water filtration plants have been installed that can provide the necessary access to potable water. In addition, water saving and awareness programmes have been implemented.
• Information technology failure.	The group has well-established back-up procedures in place, with regular reviews. There is a formal IT risk assessment report that is tabled at the Audit and Risk Committee that addresses disaster recovery, unauthorised access and other technology risks.
• Interruption of supply to customers from destruction of key sites or key plant breakdowns.	Adequate insurance is in place to mitigate loss. Key major operational sites undergo a third party annual risk review to ensure adequate steps are in place to prevent loss. Contingency production sites have been identified. Critical spares are held for key equipment. Well-established preventative maintenance procedures are in place. Equipment is regularly upgraded through the group's capital expenditure programme.
• Labour relations, workforce and retention of key management.	The group adheres to all relevant legislation governing employment practices. There is appropriate interaction to resolve any labour dispute. Skills development strategies are in place, including apprenticeships, learnerships and employee bursaries. The group has adequate key staff retention programmes including short-term bonuses and share bonus incentive schemes that are reviewed on a regular basis.
• Legislation and media regulatory interventions.	The group has continued engagement with government and various industry organisations.
• Disruption of raw material supply.	The group holds comfortable strategic stock. Critical suppliers are insured against disruption of supply. The group has access to alternative suppliers in many instances.
• B-BBEE and transformation.	Strategies are continuously being developed to address changes to the B-BBEE Codes. The transformation report is reviewed and discussed by the Audit and Risk Committee on a regular basis.

CAXTON&CTP publishers & printers LIMITED

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STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE BOARD OF DIRECTORS

The directors of Caxton and CTP Publishers and Printers Limited are responsible, in terms of the Companies Act, 2008 ("the Act"), for the preparation of the annual financial statements in accordance with International Financial Reporting Standards ("IFRS") which fairly present the state of affairs of the Company and the group as at the end of the financial year, and the net income and cash flows for the year. In preparing the accompanying financial statements, suitable accounting policies have been applied and reasonable estimates made.

The directors are required, in terms of the Act, 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 year then ended, in conformity with IFRS, the Act and the Listings Requirements of the Johannesburg Stock Exchange.

The external auditors are engaged to express an independent opinion on the financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group, and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group, and all employees are required to maintain the highest ethical standards in ensuring the 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 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 predetermined 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 Company and the group's cash flow forecast for the year to 30 June 2020 and, in 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 external auditors, BDO South Africa Incorporated, are responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their unqualified report is presented on page 23.

The preparation of the annual financial statements was supervised by the Financial Director, Mr TJW Holden, BCom, CA(SA). The annual financial statements set out on pages 30 to 64, which have been prepared on the going-concern basis, were approved by the Board of Directors and are signed on its behalf by:

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
25 October 2019

DECLARATION BY COMPANY SECRETARY

In terms of sections 88 and 89 of the South African Companies Act 2008 ("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.

J Edwards
Company Secretary

Johannesburg
25 October 2019

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Caxton and CTP Publishers and Printers Limited (the group and Company) set out on pages 30 to 64, which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, 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 Caxton and CTP Publishers and Printers Limited as at 30 June 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 and Company in accordance with the 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.

Key audit matter	How our audit addressed the key audit matter
Consolidated financial statements: **Assessment of Goodwill for impairment** In terms of IAS 36 *Impairment of Assets*, goodwill is required to be reviewed annually for impairment. We identified this area as a key audit matter as significant judgment is required by management in determining the recoverable amount of each cash-generating unit, which could have a significant impact on the financial results. The reduction of goodwill in the current year is due to dilution of ownership in one of the subsidiaries as set out in note 4.	In considering the appropriateness of management's judgement used in the testing of goodwill for impairment, we performed the following audit procedures with the assistance of our internal valuation specialists: • reviewed the cash flow forecast models used for compliance with IAS 36 *Impairment of Assets*; • assessed the Board's determination of the group's cash-generating units. This took into account a review of the group's internal reporting and monitoring process and our understanding of the group; • assessed the reasonability of key inputs and estimations, such as growth rates, discount rates and the period of forecasted cash flows. This took into account a review of approved forecasts and assessing the historical accuracy of the budgeting process. It also took into account a comparison of growth and discount rates to market and industry data; • independently recalculated the value of the cash-generating units at year-end and compared these to their carrying values; and • reviewed the appropriateness of the disclosure in the financial statements for compliance with International Financial Reporting Standards.

Separate and consolidated financial statements: Valuation of unlisted investment

As set out in note 7 to the financial statements, the group and Company have a significant investment in an unlisted investment falling in the level 3 fair value hierarchy category in accordance with IFRS 7 *Financial Instruments: Disclosure*.

The basis for the valuation applied by management is a discounted cash flow model.

The valuation of this investment is considered a key audit matter as it is reliant on key estimations and judgments made by management, which could have a significant impact on the financial results. The value of the investment had a downward adjustment in the current year.

In considering the appropriateness of management's judgement used in the assessment of the valuations of unlisted investment, we performed the following audit procedures with the assistance of our internal valuation specialists:

- reviewed the model used for compliance with IAS 36 *Impairment of Assets*;
- assessed the reasonability of key inputs and estimations, such as growth rates, discount rates and the period of forecast cash flows. This assessment took into account a comparison of growth and discount rates to market and industry data as well as applying sensitivity analysis to key inputs;
- we independently recalculated the investment value at year-end and compared this to the downward adjustment recorded by management; and
- reviewed the appropriateness of the disclosure in the financial statements for compliance with International Financial Reporting Standards.

Other information

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 Caxton and CTP Publishers and Printers Limited for one year.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Paul Badrick
Director
Registered Auditor

25 October 2019

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

NATURE OF BUSINESS

The group is involved in the publishing and printing of newspapers and magazines, and in the manufacturing and distribution of packaging, stationery and labels. Further information is provided in the Managing Director's report.

REVIEW OF BUSINESS OPERATIONS

Revenue for the year decreased by R13.0 million to R6 320.9 million (2018: R6 333.9 million). Profit from operating activities before depreciation and impairment decreased by R105.8 million to R653.7 million (2018: R759.5 million). Net finance income received amounted to R139.1 million (2018: R114.7 million) with capital expenditure during the year totalling R187.3 million (2018: R257.7 million). Cash and cash equivalents amounted to R1 698 million (2018: R1 544 million).

ORDINARY DIVIDEND

An ordinary dividend of 60.00 cents (2018: 60.00 cents) (gross) (net 48.00 cents (2018: net 48.00 cents)) per ordinary share was declared on 19 September 2019, payable to shareholders registered on 15 November 2019.

PREFERENCE DIVIDEND

A preference dividend of 490.00 cents per share (2018: 490.00 cents (gross) (net 392.00 cents (2018: net 392.00 cents)) per share was declared on 19 September 2019, payable to shareholders registered on 15 November 2019.

SHARE CAPITAL

Particulars of the authorised and issued share capital of the Company are set out in note 12 of the annual financial statements.

SUBSIDIARY COMPANIES

Particulars of subsidiary companies are set out on page 65. The aggregate attributable interest of the Company in the after-tax profits and losses of the subsidiaries were:

	2019 R000	2018 R000
Profits	**314 271**	433 537
Losses	**(6 554)**	(3 801)
	307 717	363 242

DIRECTORATE AND COMPANY SECRETARY

The names of the directors and the Company Secretary are set out on pages 3 and 22 of this report. In terms of the memorandum of incorporation of the Company, no fewer than a third of the non-executive directors retire at the forthcoming annual general meeting. Ms T Slabbert and Mr J Phalane retire as directors and, being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDING

At the date of this report, based on the latest register of shareholders, the directors' beneficial shareholding in the Company amounted to:

Directors	**2019 Direct**	2018 Direct	**2019 Indirect**	2018 Indirect
PG Greyling	**1 317 380**	1 317 380	**4 000 000**	4 000 000
TJW Holden	**–**	–	**4 000 000**	4 000 000
TD Moolman*	**–**	–	**3 975 695**	3 912 695
PM Jenkins	**8 000**	–	**–**	–
Total	**1 325 380**	1 317 380	**11 975 695**	11 912 695

Apart from the 8 000 shares inherited by Mr Jenkins in September 2019, there were no changes in directors' shareholdings between the end of the financial year and the date of this report.

* *At the date of this report, the Moolman Coburn Partnership, through various intermediate companies controlled by it, controls Caxton Holdings Proprietary Limited, which holds 42.91% (30 June 2019: 42.84%) of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The Moolman Coburn Partnership and its intermediate companies control an additional 5.32% (30 June 2019: 5.32%), and its associates acting in concert hold a further 3.08% (30 June 2019: 3.07%) of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The partnership therefore controls a total of 51.31% (30 June 2019: 51.23%) of the issued ordinary shares of the Company. The directors do not have any non-beneficial shareholdings in the Company.*

SHAREHOLDER SPREAD

At the date of this report, based on the latest register of shareholders, the beneficial shareholding in the Company amounted to:

	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public shareholders				
Directors of the holding and subsidiary companies	7	0.25	14 852 046	3.84
Shareholders holding more than 5% of the issued ordinary shares				
• Caxton Holdings Proprietary Limited	1	0.04	165 652 708	42.84
• Allan Gray Balanced Fund	1	0.04	27 170 518	7.03
	9	0.33	207 675 272	53.71
Public shareholders	2 805	99.67	179 038 368	46.29
Total	2 814	100.00	386 713 640	100.00

According to the records of the Company, other than as indicated above, no shareholder held five percent or more of the Company's shares at 30 June 2019 or at the date of this report.

SUBSEQUENT EVENTS

The remaining 33% of Highway Mail was acquired for R21.3 million. A further 25% interest in Capital Media was acquired for R17.0 million. Interests of 50.1% in Response24 and 50% in Afristay were acquired.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements, which appear on pages 30 to 64, have been approved by the Board and are signed on its behalf by:

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
25 October 2019

AUDIT AND RISK COMMITTEE'S REPORT

The Audit and Risk Committee ("the committee") is pleased to present this report on its activities during the financial year ended 30 June 2019.

BACKGROUND

The committee was established in line with the requirements of the Companies Act, 2008 ("the Act"). It is an independent statutory committee appointed by the Board of Directors and approved by the shareholders.

TERMS OF REFERENCE

The Audit and Risk Committee has adopted a written charter based on the Act and the Memorandum of Incorporation that has been approved by the Board of Directors.

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

The charter is available on request from the Company Secretary.

OBJECTIVE AND SCOPE

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

MEMBERSHIP

The committee comprises Ms T Slabbert (chairman) and Messrs ACG Molusi and NA Nemukula. All the members are independent non-executive directors.

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

The financial director attends all meetings by standing invitation.

EXTERNAL AUDIT

The committee has evaluated the independence of the external auditors and is satisfied that the external auditors have remained independent as defined in the Act.

Both audit and non-audit services performed by the external auditors were reviewed and approved. There is a formal procedure that governs the process whereby the auditor is considered for non-audit services, and each instruction for such work 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 that was done. Meetings were held with the external auditor and no matters of material concern were raised.

The committee reviewed the performance of the external auditor and nominated and recommended for approval at the annual general meeting of BDO South Africa Incorporated as the external auditor for the 2019 financial year.

FINANCIAL DIRECTOR

As required in terms of the JSE Listings Requirements, the committee has satisfied itself that the Company's financial director, Mr TJW Holden, has the appropriate expertise and experience to meet the responsibilities of his position and confirmed his suitability for the appointment as financial director in terms of the JSE Listings Requirements.

COMMITTEE ACTIVITIES

For the financial year ended 30 June 2019, the committee performed its duties in terms of its charter and a summary of the main activities is set out below:

- Enquired and satisfied itself regarding the auditor's compliance with section 22.15(h) of the JSE Listings Requirements.
- Nominated the appointment and retention of the external auditors, BDO South Africa Incorporated, with the designated partner Mr PR Badrick, after satisfying itself, through enquiry, that BDO South Africa Incorporated is independent.
- Managed the external audit function, including:
  - determining the nature and scope of the audit engagement;
  - determining the fees for the audit; and
  - determining 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 the group.
- Reviewed the annual report and annual financial statements taken as a whole to ensure they fairly present a balanced and understandable assessment of the Company's financial position, performance and prospects.
- Reviewed the external auditors' management letters and management's response to these letters.
- Received and dealt appropriately with any concerns or queries.
- Considered and satisfied itself on the appropriateness of the experience and expertise of the financial director as well as the adequacy of the finance function and its resources.
- Considered the JSE proactive monitoring report of 2018/19 and has taken appropriate action.

RECOMMENDATION OF ANNUAL FINANCIAL STATEMENTS

The committee evaluated the annual financial statements for the year ended 30 June 2019 and considered that they comply, in all material aspects, with the requirements of the Act and International Financial Reporting Standards.

The committee has therefore recommended the approval of the annual financial statements by the Board. The Board has subsequently approved the annual financial statements which will be open for discussion at the forthcoming annual general meeting.

BDO South Africa Incorporated the external auditor, has provided the shareholders with an unqualified independent audit opinion on whether the annual financial statements for the year ended 30 June 2019 fairly present, in all material respects, the financial results for the year and the financial position of the Company and the group as at 30 June 2019.

T Slabbert
Chairman

Audit committee
25 October 2019

STATEMENTS OF FINANCIAL POSITION

at 30 June 2019

COMPANY Restated* 2017 R000	Restated* 2018 R000	2019 R000	Notes		GROUP 2019 R000	Restated* 2018 R000	Restated* 2017 R000
				ASSETS			
				Non-current assets			
–	–	**–**	2	Property, plant and equipment	**2 494 612**	2 650 717	2 703 216
–	–	**–**	3	Other intangible assets	**13 325**	–	–
–	–	**–**	4	Goodwill	**148 753**	174 463	78 167
1 370 123	1 356 202	**1 356 202**	5	Interest in subsidiaries	**–**	–	–
126 446	117 648	**87 270**	6	Interest in associates	**370 383**	427 052	354 926
166 075	286 778	**258 839**	7	Investments	**258 839**	286 778	166 075
–	–	**–**	15	Deferred taxation	**16 427**	17 112	11 363
80 332	84 269	**88 609**	42	Loans to directors	**88 609**	84 269	80 332
1 742 976	1 844 897	**1 790 920**			**3 390 948**	3 640 391	3 394 079
				Current assets			
–	–	**–**	8	Inventories	**938 924**	951 140	833 410
14 788	6 015	**5 925**	9	Trade and other receivables	**1 217 109**	1 089 852	1 093 663
14 456	–	**3 550**	5	Amounts owed by group companies	**–**	–	–
–	1 193	**375**		Taxation	**3 256**	1 989	1 512
1 050 000	800 000	**800 000**	10	Cash equivalents	**800 000**	800 000	1 050 000
183 179	–	**–**	11	Cash	**897 650**	743 933	835 725
13 632	–	**–**		Total assets held for sale	**–**	–	20 358
1 276 055	807 208	**809 850**			**3 856 939**	3 586 914	3 834 668
3 019 031	2 652 105	**2 600 770**		**TOTAL ASSETS**	**7 247 887**	7 227 305	7 228 747
				EQUITY AND LIABILITIES			
				Equity			
9 890	9 725	**9 668**	12	Ordinary share capital	**9 668**	9 725	9 890
361 967	282 489	**261 814**		Ordinary share premium	**261 814**	282 489	361 967
313 461	293 960	**268 462**		Non-distributable reserves	**506 960**	533 689	553 803
662 667	515 894	**1 564 369**		Retained Income	**4 961 453**	4 870 411	4 756 318
1 347 985	1 102 068	**2 104 313**		**Equity attributable to owners of the parent**	**5 739 895**	5 696 314	5 681 978
–	–	**–**	14	Non-controlling interest	**104 130**	48 560	47 045
100	100	**100**	12	Preference share capital	**100**	100	100
1 348 085	1 102 168	**2 104 413**		**TOTAL EQUITY**	**5 844 125**	5 744 974	5 729 123
				Non-current liabilities			
17 678	12 048	**4 688**	15	Deferred taxation	**360 716**	381 994	377 390
17 678	12 048	**4 688**			**360 716**	381 994	377 390
				Current liabilities			
9 096	9 480	**9 773**	16	Trade and other payables	**803 268**	863 861	873 461
–	–	**–**	17	Provisions	**222 110**	209 781	219 088
1 565 357	1 407 266	**362 112**	18	Amounts owed to group companies	**–**	–	–
78 159	121 143	**119 784**		Bank overdraft	**–**	–	-
656	–	**–**		Taxation	**17 668**	26 695	24 043
–	–	**–**		Total liabilities held for sale	**–**	–	5 642
1 653 268	1 537 889	**491 669**			**1 043 046**	1 100 337	1 122 234
3 019 031	2 652 105	**2 600 770**		**TOTAL EQUITY AND LIABILITIES**	**7 247 887**	7 227 305	7 228 747

** Correction of error: As the listed preference shares do not meet the definition of cash equivalents, they have been reclassified from listed preference shares under current assets to investments under non-current assets. The prior year carrying value of investments has accordingly increased by R55.3 million (2017: R58.1 million), and the prior year current assets have decreased by R55.3 million (2017: R58.1 million).*

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2019

COMPANY Restated* 2018 R000	COMPANY 2019 R000	Notes		GROUP 2019 R000	GROUP 2018 R000
–	–	21	Revenue	6 320 895	6 333 921
–	–		Other operating income	114 306	120 288
–	–		Total operating income	6 435 201	6 454 209
–	–		Changes in inventories of finished goods and work in progress	67 075	74 293
–	–		Raw materials and consumables used	2 860 826	2 676 178
–	–	22	Staff costs	1 505 151	1 541 741
1 710	2 953	23	Other operating expenses	1 348 489	1 402 522
1 710	2 953		**Total operating expenses**	5 781 541	5 694 734
(1 710)	(2 953)		Profit/(loss) from operating activities before depreciation and amortisation	653 660	759 475
–	–	24	Depreciation and amortisation	288 560	293 669
(1 710)	(2 953)		**Profit/(loss) from operating activities after depreciation and amortisation**	365 100	465 806
–	–		Impairment of goodwill	1 182	12 076
2 945	26 318		Impairment of interests in subsidiaries and associates	–	24 635
–	–		Loss on step acquisition of Cognition Holdings	37 212	–
–	3 324		Impairment of loans	2 105	22 682
(7 170)	–		Profit on disposal of subsidiaries	–	(7 835)
–	–		Impairment of plant	26 136	18 701
2 515	(32 595)		**Profit/(loss) from operating activities**	298 465	395 547
120 171	1 310 247	26	Finance income	140 455	124 041
–	–	27	Finance costs	1 338	9 299
–	–	28	Loss on foreign exchange	10 204	4 021
3 936	4 340	42	Deemed interest on loans to directors	4 340	3 936
–	–		Income from associates	20 214	31 111
126 622	1 281 992		**Profit before taxation**	451 932	541 315
(138)	–	29	Taxation	96 602	135 565
126 760	1 281 992		**Profit for the year**	355 330	405 750
(19 502)	(25 497)		**Other comprehensive loss**	(25 497)	(18 935)
			Items that will not be reclassified subsequently to profit or loss		
–	(25 497)	13	Fair value adjustments – investments	(25 497)	–
			Items that will be reclassified subsequently to profit or loss		
(19 502)	–	13	Fair value adjustments – investments	–	(18 935)
107 258	1 256 495		**Total comprehensive income for the year**	329 833	386 815
			Profit attributable to:		
–	–		Non–controlling interest	19 323	19 303
126 760	1 281 992		Equity holders of the parent	336 007	386 447
126 760	1 281 992			355 330	405 750
			Total comprehensive income attributable to:		
–	–		Non–controlling interest	19 323	19 303
107 258	1 256 495		Equity holders of the parent	310 510	367 512
107 258	1 256 495			329 833	386 815
		30	Earnings per ordinary share (cents)	86.7	98.5
70.0	60.0	31	Ordinary dividend paid per share in respect of the previous year (cents)	60.0	70.0
570.0	490.0	32	Preference dividend paid per share in respect of the previous year (cents)	490.0	570.0

* Upon the adoption of IFRS 15, dividends received by the Company from subsidiaries have been reclassified from revenue to finance income.

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2019

COMPANY Restated* 2018 R000	COMPANY 2019 R000	Notes		GROUP 2019 R000	GROUP Restated* 2018 R000
			CASH FLOWS FROM OPERATING ACTIVITIES		
34 004	**(2 953)**	38.1	Cash generated by operations	**661 638**	740 064
9 157	**383**	38.2	Changes in working capital	**(183 981)**	(113 105)
43 161	**(2 570)**		Cash generated by operating activities	**477 657**	626 959
(1 711)	**818**	38.3	Taxation (paid)/refunded	**(124 091)**	(128 429)
41 450	**(1 752)**		Cash flows from operating activities	**353 566**	498 530
			CASH FLOWS FROM INVESTING ACTIVITIES		
			Property, plant, equipment and intangibles		
–	**–**	2	- additions to maintain operations	**(180 868)**	(257 695)
–	**–**		- additions to expand operations	**(6 478)**	–
–	**–**		- proceeds from disposals	**30 418**	32 754
–	**–**			**(156 928)**	(224 941)
			Investments		
13 921	**–**	38.5	Acquisition of subsidiaries	**95 498**	(122 939)
(119 181)	**(4 182)**	38.6	Associates, investments and loans	**(10 626)**	(228 363)
–	**–**	38.9	Disposal of businesses	**–**	(2 057)
3 490	**284**		Interest received	**65 859**	54 394
–	**–**		Interest paid	**(1 338)**	(9 299)
80 967	**109 963**		Dividends received	**74 596**	69 647
(20 803)	**106 065**			**223 989**	(238 617)
(20 803)	**106 065**		Cash flows from investing activities	**67 061**	(463 558)
			CASH FLOWS FROM FINANCING ACTIVITIES		
(143 635)	**151 296**	38.10	Receipts from/(payments to) group companies	**–**	–
(79 643)	**(20 732)**		Own shares acquired	**(20 732)**	(79 643)
(273 532)	**(233 518)**	38.4	Dividends paid	**(246 178)**	(299 178)
(496 810)	**(102 954)**		Cash flows from financing activities	**(266 910)**	(378 821)
(476 163)	**1 359**		Net increase/(decrease) in cash and cash equivalents	**153 717**	(343 849)
1 155 020	**678 857**		Cash and cash equivalents at beginning of year	**1 543 933**	1 887 782
678 857	**680 216**	38.7	Cash and cash equivalents at end of year	**1 697 650**	1 543 933

* Correction of error: As the listed preference shares do not meet the definition of cash equivalents, they have been reclassified from cash equivalents to investments under non-current assets. The prior year opening balance of cash and cash equivalents has accordingly reduced by R58,1 million, and the prior year closing balance of cash and cash equivalents has reduced by R55,3 million.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2019

R000	Notes	Ordinary share capital	Ordinary share premium	Preference share capital	Non-distributable reserves	Marked to market reserves	Distri-butable reserves	Non-controlling interest	Total
Group									
Balance at 1 July 2017		9 890	361 967	100	202 012	351 791	4 756 318	47 045	5 729 123
Total comprehensive income for the year		–	–	–	–	(18 935)	386 447	19 303	386 815
Non-controlling interest acquired		–	–	–	–	–	–	18 812	18 812
Non-controlling interest disposed		–	–	–	–	–	–	(10 956)	(10 956)
Own shares acquired		(165)	(79 478)	–	–	–	–	–	(79 643)
Ordinary dividends paid	31	–	–	–	–	–	(273 247)	(25 645)	(298 893)
Preference dividends paid	32	–	–	–	–	–	(285)	–	(285)
Realisation of land and buildings revaluation reserve		–	–	–	(1 178)	–	1 178	–	–
Balance at 30 June 2018		**9 725**	**282 489**	**100**	**200 834**	**332 855**	**4 870 411**	**48 560**	**5 744 974**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**(25 497)**	**336 007**	**19 323**	**329 833**
Dilution of interest in Private Property South Africa		**–**	**–**	**–**	**–**	**–**	**(12 679)**	**4 451**	**(8 228)**
Non-controlling interest arising on acquisition of Cognition Holdings		**–**	**–**	**–**	**–**	**–**	**–**	**44 456**	**44 456**
Own shares acquired		**(57)**	**(20 675)**	**–**	**–**	**–**	**–**	**–**	**(20 732)**
Ordinary dividends paid	31	**–**	**–**	**–**	**–**	**–**	**(233 273)**	**(12 660)**	**(245 933)**
Preference dividends paid	32	**–**	**–**	**–**	**–**	**–**	**(245)**	**–**	**(245)**
Realisation of land and buildings revaluation reserve		**–**	**–**	**–**	**(1 232)**	**–**	**1 232**	**–**	**–**
Balance at 30 June 2019		**9 668**	**261 814**	**100**	**199 602**	**307 358**	**4 961 453**	**104 130**	**5 844 125**
Company									
Balance at 1 July 2017		9 890	361 967	100	4 469	308 992	662 667	–	1 348 085
Total comprehensive income for the year		–	–	–	–	(19 502)	126 760	–	107 258
Own shares acquired		(165)	(79 478)	–	–	–	–	–	(79 643)
Ordinary dividends paid	31	–	–	–	–	–	(273 247)	–	(273 247)
Preference dividends paid	32	–	–	–	–	–	(285)	–	(285)
Balance at 30 June 2018		**9 725**	**282 489**	**100**	**4 469**	**289 490**	**515 895**	**–**	**1 102 168**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**(25 497)**	**1 281 992**	**–**	**1 256 495**
Own shares acquired		**(57)**	**(20 675)**	**–**	**–**	**–**	**–**	**–**	**(20 732)**
Ordinary dividends paid	31	**–**	**–**	**–**	**–**	**–**	**(233 273)**	**–**	**(233 273)**
Preference dividends paid	32	**–**	**–**	**–**	**–**	**–**	**(245)**	**–**	**(245)**
Balance at 30 June 2019		**9 668**	**261 814**	**100**	**4 469**	**263 993**	**1 564 369**	**–**	**2 104 413**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

Caxton and CTP Publishers and Printers Limited ("the Company") is a South African-registered company. The consolidated financial statements of the group for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as "the group") and the group's interest in associates and jointly-controlled entities.

The annual financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), the JSE Limited's Listings Requirements, the financial reporting pronouncements issued by the Financial Reporting Standards Council, SAICA's financial reporting guides as issued by the Accounting Practices Committee and the Companies Act of South Africa.

The financial statements are prepared under the supervision of the financial director, Mr TJW Holden CA(SA).

The financial statements are prepared in thousands of South African Rands (R000) under the historical cost convention except for investments classified as at fair value through other comprehensive income, derivative instruments, and certain property, plant and equipment carried at fair value.

Except as noted below, the accounting policies applied in the preparation of these annual financial statements are consistent with those applied in the prior year.

The Company adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on 1 July 2018. Further information on the adoption of these new standards is set out in note 1.22.

1.2 Basis of consolidation

The group financial statements consolidate those of the parent Company and all of the entities over which it has control. All subsidiaries have a reporting date of 30 June.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement 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.

1.3 Property, plant and equipment

The group's properties are all owner-occupied. Land and buildings are stated at acquisition cost and revalued on an open-market value-in-use basis when there is an indicator that the fair value is materially different from the carrying value, but at least every five years. Freehold buildings are depreciated on the straight-line basis to their expected residual value over their estimated useful life to the group. Land is not depreciated.

Plant and equipment is carried at cost less accumulated depreciation and impairment losses. Impairment losses and reversal of impairment losses are recognised in profit or loss for those assets carried at cost, and other comprehensive income for those assets carried at revalued amounts.

Depreciation is calculated on the straight-line method to write off the cost of assets 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	50 years
Plant and machinery	2 – 20 years
Vehicles	5 years
Furniture and equipment	3 – 6 years
Leasehold improvements	shorter of useful life or remaining period of the lease

1.4 Goodwill

Goodwill is measured as the excess of cost over the net fair value of the identifiable assets and liabilities acquired.

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Publication titles and intangible assets other than goodwill

Newspaper and magazine publication titles arise on acquisition of newspapers and magazines and are generally considered to have an indefinite life. Active publication titles are initially and subsequently measured at cost less accumulated impairment. The useful lives of publication titles are reviewed on an annual basis to determine whether events and circumstances continue to support the indefinite useful life assessment. Non-active publication titles are written off in the year the newspaper or magazine ceases publication.

Publication titles that are not considered to have an indefinite life are depreciated over three to eight years.

Intangible assets other than publication titles and goodwill are assessed annually regarding estimated economic useful life and impairment.

1.6 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairments.

1.7 Investments in associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements and are recognised at cost less impairments in the holding company's separate financial statements.

1.8 Investments in jointly controlled entities

Investments in jointly-controlled entities are accounted for using the equity method in the consolidated financial statements, and at cost less impairment in the holding company's separate financial statements. The accounting policies of the joint ventures are the same as those of the group in all material respects.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any costs of completion and disposal. Cost is determined on the following bases:

- Raw materials are valued on a first-in-first-out or average cost basis.
- Work in progress and finished goods are valued at raw material cost, direct labour and a proportion of manufacturing overhead expenses, based on normal capacity.

1.10 Share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid and the directly attributable costs, are recognised as a deduction from equity. Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from equity. Preference shares with participation rights which are non-redeemable are classified as equity.

1.11 Deferred taxation

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit or loss, and are accounted for using the comprehensive liability method.

Deferred tax liabilities are recognised on taxable temporary differences, and deferred tax assets are recognised in respect of deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.12 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the increases specific to the liability. The increase in the provision due to the passage of time is recognised as a finance expense.

1.13 Financial instruments

Financial instruments recognised on the statement of financial position include investments, accounts receivable, cash and cash equivalents, loans receivable and payable to group companies, loans to directors and accounts payable. All financial instruments are recognised at the time the group becomes party to the contractual provisions of the instruments. All financial instruments are initially measured at fair value.

Financial assets, or a portion of financial assets, are derecognised when the group loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when they are extinguished – that is, when the obligation specified in the contract is discharged, cancelled or expires.

The following accounting policies applied for 2018 in terms of IAS 39:

The financial instruments were measured as follows:

Investments

Investments are subsequently measured at fair value, with fair value adjustments recognised as other comprehensive income in respect of investments classified as available for sale.

When assets classified as available for sale are disposed of, or if they are impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified subsequently from the equity reserve to profit or loss.

Accounts and loans receivable

Accounts and loans receivable are subsequently measured on the amortised cost basis using the effective rate of interest. Accounts and loans receivable that are of long-term nature are discounted where the time value of money is significant and are classified as receivables.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when objective evidence exists that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in banks, short-term deposits, bank overdrafts and unlisted preference shares, and are measured at amortised cost using the effective rate of interest.

Accounts and loans payable

Accounts and loans payable are measured on the amortised cost basis using the effective rate of interest.

The following accounting policies apply for 2019 in terms of IFRS 9:

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVOCI").

The Company and the group do not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

1.13 **Financial instruments** continued

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's cash, trade and other receivables and loans receivable fall into this category of financial instruments.

Upon adoption of IFRS 9 on 1 July 2018, the Company elected that the financial assets classified as available for sale were to be reclassified as FVOCI.

When assets classified as FVOCI are disposed of, or if they are impaired, the cumulative gains or loss recognised in other comprehensive income is not reclassified subsequently from the equity reserve to profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'.

Recognition of credit losses is no longer dependent on first identifying a credit loss event. Instead, a broader range of information is considered 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'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' covers 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 category.

For loans, lifetime expected credit losses represent the expected credit losses that are expected to result from all possible default events over the expected life of the loans. In contrast, 12-month expected credit losses represent the portion of lifetime expected credit losses that are expected to result from default events within 12 months after the reporting date.

In order to assess whether to apply lifetime expected credit losses or 12-month expected credit losses, in other words, whether there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

A loan is 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. This is assessed based on a number of factors including various solvency and liquidity ratios.

A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Trade receivables

For the current year, the group makes use of a simplified approach in accounting for trade 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. The group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a probability-weighted provision matrix.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.13 Financial instruments continued

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the group's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless designated as a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Company and the group do not apply hedge accounting.

1.14 Foreign currency transactions

Foreign currency transactions are recorded on initial recognition in South African Rand, by applying to the foreign currency amount the exchange rate between the Rand and the relevant foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are reported using the closing rate;
- non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and
- non-monetary items, which are carried at fair value denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised in profit or loss in the period in which they arise.

1.15 Foreign exchange contracts

Foreign exchange contracts are entered into in order to hedge foreign exchange exposure. Upon initial recognition, the contracts are measured at fair value. Subsequent measurement is at fair value through profit or loss with gains or losses on fair value measurements recorded in profit or loss.

1.16 Revenue

Revenue arises from the sale of newspapers, magazines, packaging and stationery, from the supply of printing work, from the sale of advertising and from the distribution of media product.

To determine whether to recognise revenue, a 5-step process is followed:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when performance obligations are satisfied.

1.16 Revenue continued

Transactions involving a range of the group's products and services, for example printing and distribution, are often entered into. The total transaction price for a contract is allocated amongst the various performance obligations base on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

All of the group's revenue is recognised at a point in time when performance obligations are satisfied by transferring the goods or services to the customer.

1.17 Other operating income

Other operating income comprises income derived from non-core activities, for example rental received from non-group companies and proceeds from the sale of waste products.

1.18 Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical aid), 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 the 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.

1.19 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards of ownership to the lessee.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual lease payments are recognised as an operating lease asset or liability.

1.20 Operating segments

The group's operating segments are determined by the chief operating decision-maker who regularly reviews the available financial information regarding the operating results of the identified operating segments in order to make decisions about resource allocations and performances.

1.21 Key management assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption

Impairment of assets

Basis for determining value assigned to key assumption:

Where the group has an asset for which there is limited operational use, it is impaired to its recoverable amount. Recoverable amount is determined with reference to the asset's value in use and realisable value on sale.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.21 Key management assumptions continued

Key assumption

Expected credit losses under IFRS 9

Basis for determining value assigned to key assumption:

Assumptions made by management in determining expected credit losses under IFRS 9 determine the carrying value of financial instruments.

Key assumption

Revaluation of property

Basis for determining value assigned to key assumption:

The group revalues its properties every five years using an independent professional valuer. The basis applied by the valuer is determined with reference to an open-market value. Fair value is reviewed in the other years by the directors in order to determine any changes in circumstances or significant changes to fair value.

Key assumption

Asset lives and residual values

Basis for determining value assigned to key assumption:

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

Key assumption

Valuation of unlisted investments

Basis for determining value assigned to key assumption:

The basis used for the valuation of unlisted investments is the present value of future cash flows discounted at an appropriate pre-tax rate taking into account relevant risk factors.

Key assumption

Goodwill

Basis for determining value assigned to key assumption:

Goodwill is tested for impairment on an annual basis. Kindly refer to note 4 for more information on estimates and assumptions used.

1.22 New standards adopted on 1 July 2018

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaced IAS 18 Revenue. The new standard has been applied retrospectively to each prior reporting period presented. There was no effect of initial application, apart from disclosure, with dividends received by the Company from subsidiaries in the prior year being reclassified from revenue to finance income.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

When adopting IFRS 9, the group applied transitional relief and opted not to restate prior periods. There were no differences arising from the adoption of IFRS 9 in relation to measurement and impairment.

While IFRS 9 also contains new requirements on the application of hedge accounting, the group does not apply hedge accounting.

The adoption of IFRS 9 has impacted the following areas:

- the Company elected that the financial assets classified as available for sale were to be reclassified as at fair value through other comprehensive income ("FVOCI").

1.22 New standards adopted on 1 July 2018 continued

– the impairment of financial assets by applying the expected credit loss model. This affects trade receivables and investments in debt-type assets measured at amortised cost. For trade receivables, a simplified model of recognising lifetime expected credit losses has been applied as these items do not have a significant financing component. In the prior year, the impairment of trade receivables was based on the incurred loss model. Trade receivables were considered for impairment when they were past due or when other objective evidence was received that a specific counterparty would default.

On the date of initial application, 1 July 2018, the financial instruments were reclassified as follows:

	Measurement category		Closing balance 30 June 2018 (IAS 39) R000	Effect of adoption of IFRS 9 R000	Opening balance 1 July 2018 (IFRS 9) R000
	Original IAS 39 category	New IFRS 9 category			
Investments	Available for sale	FVOCI	231 517	–	231 517
Preference shares	Available for sale	FVOCI	855 261	–	855 261
Loans to directors	Loans and receivables	At amortised cost	84 269	–	84 269
Trade and other receivables	Loans and receivables	At amortised cost	1 062 276	–	1 062 276
Cash	Loans and receivables	At amortised cost	743 933	–	743 933
Total			**2 977 256**	**–**	**2 977 256**

There have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9.

1.23 Significant standards and interpretations not yet effective and expected to be applicable

The following new and amended IFRS standards that were in issue but not yet effective at the Company's year-end, will be adopted by the Company as they become effective:

Standard		Details of amendments	Annual periods beginning on
IFRS 16	*Leases*	• Assets (the right to use a leased item) and liabilities (the obligation to pay the future lease rentals) are recognised in respect of certain leases. The asset is depreciated, and an interest expense arises in respect of the liability. As most of the group's premises and plant and machinery are owned and not leased, the group's exposure to third parties as a lessee is not material. IFRS 16 will not be applied to short-term leases and leases for which the underlying asset is of low value. The group is not applying IFRS 16 using the full transition approach. Accordingly, comparative amounts will not be restated. The group expects to recognise right-of-use assets of approximately R19 million and lease liabilities of approximately R19 million. Interest of approximately R2 million and depreciation of approximately R7 million are expected to be charged to profit or loss in the 2020 financial year.	1 July 2019
IAS 28	*Investments in Associates and Joint Ventures*	• The loans that form part of investments in associates and joint ventures to first be considered for impairment under IFRS 9.	1 July 2019
IAS 1	*Presentation of Financial Statements*	• Amendments clarifying the definition of "material" to improve consistency in the application of that concept where it is used in IFRS statements.	1 July 2020

2. PROPERTY, PLANT AND EQUIPMENT (GROUP)

COST OR VALUATION

GROUP R000	Freehold land and buildings	Leasehold improve-ments	Plant and machinery	Vehicles	Furniture and equipment	Titles	Total
Year ended 30 June 2019							
Opening net book value	**1 013 425**	**1 015**	**1 559 298**	**18 969**	**39 555**	**18 455**	**2 650 717**
Additions	**14 441**	**–**	**122 261**	**12 731**	**21 213**	**–**	**170 646**
Disposals	**–**	**–**	**(25 453)**	**(5 252)**	**(815)**	**–**	**(31 520)**
Impairment	**–**	**–**	**(26 136)**	**–**	**–**	**–**	**(26 136)**
Business combination	**14 155**	**–**	**78**	**–**	**3 006**	**–**	**17 239**
Depreciation	**(9 072)**	**–**	**(246 710)**	**(7 824)**	**(21 916)**	**(812)**	**(286 334)**
Closing net book value	**1 032 949**	**1 015**	**1 383 338**	**18 624**	**41 043**	**17 643**	**2 494 612**
Summary							
Cost	**144 880**	**4 477**	**4 216 549**	**99 109**	**309 520**	**48 523**	**4 823 058**
Cumulative fair value adjustment	**951 684**	**–**	**–**	**–**	**–**	**–**	**951 684**
	1 096 564	**4 477**	**4 216 549**	**99 109**	**309 520**	**48 523**	**5 774 742**
Accumulated depreciation and impairment	**(63 615)**	**(3 462)**	**(2 833 211)**	**(80 485)**	**(268 477)**	**(30 880)**	**(3 280 130)**
Net carrying amount	**1 032 949**	**1 015**	**1 383 338**	**18 624**	**41 043**	**17 643**	**2 494 612**

GROUP R000	Freehold land and buildings	Leasehold improve-ments	Plant and machinery	Vehicles	Furniture and equipment	Titles	Total
Year ended 30 June 2018							
Opening net book value	1 000 369	1 015	1 605 927	18 772	55 870	21 263	2 703 216
Additions	40 183	–	193 074	8 221	16 171	46	257 695
Disposals	(18 788)	–	(1 431)	(487)	(8 571)	(1 707)	(30 984)
Impairment	–	–	(18 701)	–	–	–	(18 701)
Business combination	–	–	31 920	430	811	–	33 161
Depreciation	(8 339)	–	(251 490)	(7 967)	(24 726)	(1 147)	(293 669)
Closing net book value	1 013 425	1 015	1 559 299	18 969	39 555	18 455	2 650 717
Summary							
Cost	116 284	4 477	4 119 664	91 630	286 116	48 523	4 666 694
Valuation	951 684	–	–	–	–	–	951 684
	1 067 968	4 477	4 119 664	91 630	286 116	48 523	5 618 377
Accumulated depreciation and impairment	(54 543)	(3 462)	(2 560 365)	(72 660)	(246 562)	(30 068)	(2 967 660)
Net carrying amount	1 013 425	1 015	1 559 299	18 969	39 554	18 455	2 650 717

The register of fixed property is available for inspection at the registered office of the Company.

The fair values of the group's main fixed property assets are based on June 2016 appraisals performed by the independent valuers Balme van Wyk and Tugman Proprietary Limited. The fair values of the properties were determined on an open market valuation basis. The key assumptions in the valuations were gross monthly rental income adjusted by a cost ratio, and yields of between 10.75% and 12.25%. These fair values are still considered to be reasonable.

A printing press that became obsolete during the year in the publishing, printing and distribution segment was impaired by R26.1 million to fair value less costs of disposal. The fair value was obtained from an expert in the field. The input is a Level 2 input in the fair value hierarchy.

In the prior year, printing, replication and ancillary equipment was impaired due to obsolescence, restructuring and carrying amounts exceeding recoverable amounts. The impairment totalled R18.7 million, R13.9 million in the publishing, printing and distribution segment and R4.8 million in the packaging and stationery segment. The recoverable amount was considered to be Rnil.

Certain titles have no foreseeable limit to the period over which they are expected to be available for use. Accordingly, they are assessed as having indefinite useful lives, and are not amortised.

The remaining estimated useful lives for titles that do not have indefinite useful lives is less than one year.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		3. OTHER INTANGIBLE ASSETS		
		Opening net book value	**–**	–
		Additions for the year	**6 478**	–
		Recognised on acquisition of business	**9 073**	–
		Amortisation charged for the year	**(2 226)**	–
–	**–**	Closing net book value	**13 325**	–
		Summary		
		Gross carrying amount	**15 551**	–
		Amortisation	**(2 226)**	–
–	**–**	Closing net book value	**13 325**	–

The intangible assets comprise income-generating software applications, whose remaining useful lives range up to three years.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		4. GOODWILL		
		Opening net book value	**174 463**	78 167
		Recognised on acquisition of business	**13 665**	108 372
		Dilution of interest in Private Property South Africa	**(38 193)**	–
		Impairment	**(1 182)**	(12 076)
–	**–**	Closing net book value	**148 753**	174 463
		Summary		
		Gross carrying amount	**290 945**	315 473
		Impairment	**(142 192)**	(141 010)
–	**–**	Closing net book value	**148 753**	174 463
		Goodwill is allocated to the operating segments as follows:		
		Publishing, printing and distribution	**84 053**	109 763
		Packaging and stationery	**64 700**	64 700
–	**–**	Closing net book value	**148 753**	174 463

The cash flows used in the value-in-use impairment testing of the goodwill were the forecasts for five years and extrapolations of expected cash flows for the remaining life using long-term growth rates. The following key assumptions were applied by management:

- Long-term growth rates of between 3% and 6%
- Pre-tax discount rates of between 15% and 25%

The impairment testing indicated an impairment of R1.2 million (2018: R12.1 million)

The values assigned to key assumptions represent management's assessment of the businesses and are based on both external and internal sources of data.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		5. INTEREST IN SUBSIDIARIES		
1 356 202	**1 356 202**	Shares at cost	**–**	–
–	**3 550**	Owing by subsidiaries	**–**	–
1 356 202	**1 359 752**		**–**	–
1 356 202	**1 356 202**	Shown as non-current assets	**–**	–
–	**3 550**	Shown as current assets	**–**	–

The amounts owing by the subsidiaries are unsecured, bear interest at market-related rates determined from time to time, and have various repayment terms. All terms are considered to be short-term.
Subsidiary company details are set out on page 65.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		6. INTEREST IN ASSOCIATES		
130 284	**130 284**	Shares at cost – opening balance	**233 890**	213 868
–	**–**	Acquired in the current year	**24 306**	20 022
(32 269)	**(58 587)**	Less: accumulated impairment	**(58 518)**	(58 518)
–	**–**	Deemed disposal on step up from associate to subsidiary	**(71 142)**	–
98 015	**71 697**		**128 536**	175 372
–	**–**	Share of post-acquisition reserves	**80 248**	81 914
98 015	**71 697**	Total carrying value	**208 784**	257 286
19 634	**15 573**	Loans	**161 599**	169 767
117 649	**87 270**		**370 383**	427 053

Information relating to associates is set out on page 66.

The investments in various associates were impaired as a result of reduced profitability and an ongoing difficult trading environment.

The Company's share of losses in associates exceeded the related interest by R7.5 million in 2019 (2018: R5.5 million) and these losses were not recognised.

The Company has not incurred legal or constructive obligations on behalf of those associates.

The current year losses not recognised amounted to Rnil (2018: R3.9 million).

Loans to associates

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.

The group's exposure to credit risk with regard to loans is the maximum amount reflected in the carrying value of the loans.

Interest rate risk refers to the risk that the fair value of future cash flows of the loans will fluctuate because of changes in market-related interest rates charged on loan accounts.

Management assesses the recoverability of the loans on an ongoing basis. The loans are unsecured, bear interest at market-related rates agreed upon from time to time, have various repayment terms, and are considered to be long-term.

At 30 June 2019, if interest rates had been 1% higher with all other variables held constant, group post-tax profit for the year would have increased by approximately R1.2 million (2018: R0.9 million).

If interest rates had been 1% lower, group post-tax profit would have decreased by approximately R1.2 million (2018: R0.9 million).

COMPANY 2018 R000	COMPANY 2019 R000			GROUP 2019 R000	GROUP 2018 R000
		7.	**INVESTMENTS (2018 restated*)**		
			Listed Investments		
6 121	**10 547**		Mpact Limited	**10 547**	6 121
10 931	**7 215**		African Media Entertainment Limited	**7 215**	10 931
74 465	**83 185**		Novus Holdings Limited	**83 185**	74 465
49 806	**53 930**		FirstRand Limited – B Preference shares earning a dividend of between 52.19% and 52.65% of prime	**53 930**	49 806
5 455	**6 524**		Investec Bank Limited – Preference shares earning a dividend of 72% of prime	**6 524**	5 455
146 778	**161 401**			**161 401**	146 778
			Unlisted investments		
140 000	**97 438**		Thebe Convergent Technology Holdings Proprietary Limited	**97 438**	140 000
286 778	**258 839**		**Total investments**	**258 839**	286 778
286 778	**258 839**		Fair value of investments	**258 839**	286 778

*The preference shares have been reclassified to investments from last year's classification as cash equivalents as the listed preference shares do not meet the definition of cash equivalents.

Equity price risk refers to the risk that the fair value of the future cash flows of the equity investments will fluctuate because of changes in market prices.

The investments are valued using fair market value at the reporting date using the following hierarchy:

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

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

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

The level of each investment is determined as follows:

– Listed investments are categorised as Level 1.

– Thebe Convergent Technology Holdings is categorised as Level 3.

For the Level 3 valuation of the investment in Thebe Convergent Technology Holdings, a discounted cash flow model was applied using cash flows forecast for five years and an extrapolation of expected cash flows using a long-term growth rate, with the following key assumptions applied by management:

– Long-term growth rate of 4%

– Pre-tax discount rate of 15%

COMPANY 2018 R000	COMPANY 2019 R000			GROUP 2019 R000	GROUP 2018 R000
		8.	**INVENTORIES**		
			Raw materials	**676 512**	681 508
			Work in progress	**79 980**	86 049
			Finished goods	**182 432**	183 583
–	**–**			**938 924**	951 140
			Comprising:		
			Inventory at cost	**937 601**	942 020
			Inventory at net realisable value	**1 323**	9 119
–	**–**			**938 924**	951 140
–	**–**		Write-down of inventories to fair value less costs to sell as an expense	**4 295**	3 063

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019 continued

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		9. TRADE AND OTHER RECEIVABLES		
–	**–**	Trade accounts receivable	**1 135 704**	1 044 489
–	**–**	Allowance for impairments	**(53 574)**	(63 012)
–	**–**	Prepayments	**45 970**	27 576
6 015	**5 925**	Other accounts receivable	**89 009**	80 799
6 015	**5 925**		**1 217 109**	1 089 852
		Trade accounts receivable		
		Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.		
		Trade accounts receivable (before allowance for impairments) represents the maximum exposure to credit risk.		
–	**–**	Maximum exposure to credit risk at the reporting date:	**1 135 704**	1 044 489
		The maximum exposure to credit risk for trade accounts receivable (before allowance for impairments) at the reporting date by type of customer was:		

	Average debtors terms (days)	GROUP 2019 R000	GROUP 2018 R000
Parastatals/government	60	**11 036**	21 197
Corporates	30 – 60	**1 004 187**	891 201
SMMEs	30	**111 676**	127 148
Individuals	30	**8 805**	4 943
Total (Company 2018: –; Company 2019: **–**)		**1 135 704**	1 044 489

The group has a large diversity of customers and thus has a limited exposure to any one customer.

Credit risk is minimised through an initial new client acceptance procedure whereby potential customers are individually assessed before an appropriate credit limit is allocated to the new client. The group uses credit vetting agencies who maintain current credit data on most companies in South Africa.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		Trade receivables		
		Within terms		1 016 223
		Current		385 145
		Due 30 days and less		361 760
		Due 30 to 60 days		179 774
		Due 60 to 90 days		66 771
		Due 90 days +		22 774
		Past due		28 266
		Due 60 to 90 days		3 696
		Due 90 days +		24 570
–				1 044 489
–		Amounts past due and not impaired		–
		Listings of overdue customer balances are reviewed monthly 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.		
		Allowance for impairments for trade accounts receivable		
		Opening balance	**63 012**	52 150
		Movement in loss allowance	**(9 438)**	10 862
–	**–**		**53 574**	63 012

COMPANY 2018 R000	2019 R000		GROUP 2019 R000	2018 R000
		9. TRADE AND OTHER RECEIVABLES continued		
		The movement in the loss allowance comprises:		
		Financial difficulties/bankruptcy	**(11 426)**	7 678
		Abscondments	**189**	(3)
		Disputes	**1 799**	3 187
–	**–**		**(9 438)**	10 862

Trade receivables

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables that have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach prescribed by IFRS 9. In accordance with the approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a probability-weighted provision matrix, plus specifically identified credit losses. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information, in particular general economic conditions including economic growth rates and business confidence levels, as at the reporting date. The application of IFRS 9 did not result in a movement in the opening balance of the trade receivables loss allowance.

The probability-weighted provision matrix is set out below for the current and prior years:

2019	**Current**	**30 days**	**60 days**	**90 days**	**120 days and over**	**Total**
Gross carrying value of trade accounts receivable	**525 293**	**299 049**	**163 189**	**66 906**	**81 267**	**1 135 704**
Less: Specific allowance	**–**	**–**	**9 355**	**14 033**	**23 390**	**46 778**
	525 293	**299 049**	**153 834**	**52 873**	**57 877**	**1 088 926**
Expected credit loss rate	**0.21%**	**0.43%**	**0.82%**	**2.65%**	**2.96%**	
Lifetime expected credit loss	**1 127**	**1 301**	**1 258**	**1 399**	**1 711**	**6 796**
Total expected credit loss (including specific allowance)						**53 574**
2018						
Gross carrying value of trade accounts receivable	574 518	226 938	151 704	58 385	32 944	1 044 489
Less: Specific allowance	–	–	11 400	17 100	28 499	56 999
	574 518	226 938	140 304	41 285	4 445	987 490
Expected credit loss rate	0.24%	0.49%	0.95%	3.35%	17.68%	
Lifetime expected credit loss	1 397	1 119	1 326	1 385	786	6 013
Total expected credit loss (including specific allowance)						63 012

COMPANY 2018 R000	COMPANY 2019 R000			GROUP 2019 R000	GROUP 2018 R000
		9.	**TRADE AND OTHER RECEIVABLES** continued		
			Other receivables		
			The carrying amount of the following financial assets represents the maximum credit exposure:		
6 015	**5 925**		Other accounts receivable	**89 009**	80 799

Listings of other receivables are reviewed on a monthly basis. Other receivables are only raised when there is a contractual obligation due to the group, e.g. rebates receivable, interest receivable or insurance claims due to the Company. The credit risk associated with these are considered to be minimal.

Management evaluated the expected credit losses for other receivables on an item by item basis, and determined that there are no expected credit losses.

COMPANY 2018 R000	COMPANY 2019 R000			GROUP 2019 R000	GROUP 2018 R000
		10.	**CASH EQUIVALENTS**		
800 000	**800 000**		Unlisted preference shares earning a dividend of between 60% and 61% of prime	**800 000**	800 000

The group is exposed to interest rate risk as the dividend yield on the preference shares is linked to fixed percentages of the prime rate of interest, which is subject to fluctuations.
Management does not consider the preference shares to have any associated credit risk as the instruments are those of reputable counterparties that have credit ratings of at least A1 by Standard & Poor's.
At 30 June 2019, if the dividend rate had been 1% higher with all other variables held constant, group post-tax profit for the year would have increased by approximately R8.0 million (2018: R8.5 million).
If the dividend rate had been 1% lower, group post-tax profit for the year would have decreased by approximately R8.0 million (2018: R8.5 million).

COMPANY 2018 R000	COMPANY 2019 R000			GROUP 2019 R000	GROUP 2018 R000
		11.	**CASH**		
			Cash at bank	**564 194**	378 193
			Cash on call and deposit	**333 456**	365 740
–	**–**			**897 650**	743 933

The group's cash at bank and on call and deposit is placed with financial institutions that have high credit ratings. As a result, the group has insignificant credit risk with respect to its cash. The group's cash deposits are for short periods at fluctuating market-related rates, and exposure to interest rate risk therefore exists.
At 30 June 2019, if interest rates had been 1% higher with all other variables held constant, group post-tax profit for the year would have increased by approximately R5.9 million (2018: R5.6 million).
If interest rates had been 1% lower group post-tax profit for the year would have decreased by approximately R5.9 million (2018: R5.6 million).

COMPANY 2018 R000	2019 R000			GROUP 2019 R000	2018 R000
		12.	**SHARE CAPITAL**		
			AUTHORISED		
			Ordinary shares		
30 000	**30 000**		1 200 000 000 ordinary shares of 2.5 cents each	**30 000**	30 000
			Preference shares		
200	**200**		100 000 6% cumulative participating preference shares of R2 each	**200**	200
			ISSUED		
			Ordinary shares		
9 725	**9 668**		386 713 640 (2018: 389 686 374) ordinary shares of 2.5 cents each	**9 668**	9 725
395 597 460	**389 686 374**		Opening balance of ordinary shares in issue	**389 686 374**	395 597 460
(5 911 086)	**(2 972 734)**		Shares repurchased	**(2 972 734)**	(5 911 086)
389 686 374	**386 713 640**		Closing balance of ordinary shares in issue	**386 713 640**	389 686 374
			Preference shares		
100	**100**		50 000 6% cumulative participating preference shares of R2 each	**100**	100
			The unissued shares are under the control of the directors until the next annual general meeting.		
		13.	**FAIR VALUE ADJUSTMENTS**		
(25 092)	**(32 857)**		Fair value adjustments before tax	**(32 857)**	(24 525)
5 590	**7 360**		Deferred tax	**7 360**	5 590
(19 502)	**(25 497)**		Fair value adjustments after tax	**(25 497)**	(18 935)
		14.	**NON-CONTROLLING INTEREST**		
			Balance at beginning of the year	**48 560**	47 045
			Effect of acquisitions and disposals	**48 907**	7 857
			Share of earnings	**19 323**	19 303
			Dividends paid	**(12 660)**	(25 645)
–	**–**		Balance at end of year	**104 130**	48 560
		15.	**DEFERRED TAXATION**		
17 678	**12 048**		Balance at beginning of year	**364 882**	366 027
–	**–**		Profit or loss transfer	**(13 362)**	4 962
(5 630)	**(7 360)**		Non-distributable reserves transfer – revaluations	**(7 360)**	(5 630)
–	**–**		Acquisition/(disposal) of business	**129**	(478)
12 048	**4 688**		Balance at end of year	**344 289**	364 882
			Comprising		
12 048	**4 688**		Credit balances	**360 716**	381 994
–	**–**		Debit balances	**(16 427)**	(17 112)
12 048	**4 688**			**344 289**	364 882
			Deferred taxation comprises temporary differences arising on:		
–	**–**		– property, plant and equipment	**425 497**	433 042
12 048	**4 688**		– investments	**4 688**	12 048
–	**–**		– allowance for debtors impairment	**(11 237)**	(9 974)
–	**–**		– provisions	**(63 198)**	(64 906)
–	**–**		– assessed losses	**(9 557)**	(205)
–	**–**		– other	**(1 904)**	(5 124)
12 048	**4 688**			**344 289**	364 882

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		16. TRADE AND OTHER PAYABLES		
–	**–**	Trade accounts payable	**507 338**	499 850
9 480	**9 773**	Sundry accounts payable and accruals	**295 930**	364 011
9 480	**9 773**		**803 268**	863 861

Trade accounts payable

Liquidity risk

The group has negotiated favourable credit terms with suppliers that enables the group to utilise its operating cash flow to full effect. The suppliers' age-analysis is reviewed by management on a regular basis to ensure that credit terms are adhered to and that suppliers are paid when due.

Currency risk

The group has clearly defined policies for the management of foreign currency risks. Transactions that give rise to foreign currency cash flows are hedged with forward exchange contracts. Hedge accounting is not applied. There are no other foreign currency risks.

Interest rate risk

The group has no material exposure to interest rate risk as suppliers do not charge interest.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		17. PROVISIONS		
		Bonus		
		Opening balance	**95 874**	96 518
		Additional provisions	**80 506**	73 555
		Utilised	**(79 014)**	(74 199)
–	**–**	Closing balance	**97 366**	95 874
		Leave pay		
		Opening balance	**35 941**	35 348
		Additional provisions	**28 843**	36 161
		Acquired	**1 866**	–
		Utilised	**(29 225)**	(35 568)
–	**–**	Closing balance	**37 425**	35 941
		Volume discount allowed		
		Opening balance	**18 513**	12 436
		Additional provisions	**56 992**	32 991
		Utilised	**(48 898)**	(26 914)
–	**–**	Closing balance	**26 607**	18 513
		Retrenchments		
		Opening balance	**12 117**	19 143
		Additional provisions	**7 996**	14 002
		Utilised	**(17 544)**	(21 029)
–	**–**	Closing balance	**2 569**	12 117
		Other		
		Opening balance	**47 336**	55 643
		Additional provisions	**94 004**	68 173
		Utilised	**(83 197)**	(76 480)
–	**–**	Closing balance	**58 143**	47 336
		Total provisions		
		Opening balance	**209 781**	219 088
		Additional provisions	**268 341**	224 882
		Acquired	**1 866**	–
		Utilised	**(257 878)**	(234 189)
–	**–**	Closing balance	**222 110**	209 781

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000

17. PROVISIONS continued

Bonuses are generally paid in December and, for management, upon approval by the Board of the annual financial statements. The bonus provision also includes the cash-settled share-based payments liability.

The timing of the leave pay provision is uncertain as leave pay is only payable when an employee leaves the employ of the group or is utilised when an employee takes leave.

Volume discounts are paid after the financial year-end.

The retrenchment provision is for costs relating to the termination of employees' services as a result of restructuring. The payments are made when the employees' services are terminated.

The other provisions will be utilised after the financial year-end.

18. AMOUNTS OWED TO GROUP COMPANIES

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
1 407 266	**362 112**	The amounts owed are unsecured, interest-free and repayable on demand. All terms are considered to be short-term.	**–**	–

19. FINANCIAL ASSETS BY CATEGORY

R000	At amortised cost	Non-financial assets	At fair value through other comprehensive income	Total
GROUP				
2019				
Property, plant and equipment	**–**	**2 494 612**	**–**	**2 494 612**
Intangible assets	**–**	**13 325**	**–**	**13 325**
Goodwill	**–**	**148 753**	**–**	**148 753**
Interest in associates	**–**	**370 383**	**–**	**370 383**
Investments	**–**	**–**	**258 839**	**258 839**
Deferred taxation	**–**	**16 427**	**–**	**16 427**
Loans to directors	**88 609**	**–**	**–**	**88 609**
Inventories	**–**	**938 924**	**–**	**938 924**
Trade and other receivables	**1 171 139**	**45 970**	**–**	**1 217 109**
Taxation	**–**	**3 256**	**–**	**3 256**
Cash equivalents	**800 000**	**–**	**–**	**800 000**
Cash	**897 650**	**–**	**–**	**897 650**
	2 957 398	**4 031 650**	**258 839**	**7 247 887**
	Loans and receivables	Non-financial assets	Available for sale	Total
2018				
Property, plant and equipment	–	2 650 717	–	2 650 717
Goodwill	–	174 463	–	174 463
Interest in associates	–	427 052	–	427 052
Investments	–	–	286 778	286 778
Deferred taxation	–	17 112	–	17 112
Loans to directors	84 269	–	–	84 269
Inventories	–	951 140	–	951 140
Trade and other receivables	1 062 276	27 576	–	1 089 852
Taxation	–	1 989	–	1 989
Cash equivalents	800 000	–	–	800 000
Cash	743 933	–	–	743 933
	2 690 478	4 250 049	286 778	7 227 305

R000	At amortised cost	Non-financial assets	At fair value through other comprehensive income	Total
19. FINANCIAL ASSETS BY CATEGORY continued				
COMPANY				
2019				
Interest in subsidiaries	**–**	**1 356 202**	**–**	**1 356 202**
Interest in associates	**–**	**87 270**	**–**	**87 270**
Investments	**–**	**–**	**258 839**	**258 839**
Loans to directors	**88 609**	**–**	**–**	**88 609**
Trade and other receivables	**5 925**	**–**	**–**	**5 925**
Amounts owed by group companies	**3 550**	**–**	**–**	**3 550**
Taxation	**–**	**375**	**–**	**375**
Cash equivalents	**800 000**	**–**	**–**	**800 000**
	898 084	**1 443 847**	**258 839**	**2 600 770**

	Loans and receivables	Non-financial assets	Available for sale	Total
2018				
Interest in subsidiaries	–	1 356 202	–	1 356 202
Interest in associates	–	117 648	–	117 648
Investments	–	–	286 778	286 778
Loans to directors	84 269	–	–	84 269
Trade and other receivables	6 015	–	–	6 015
Taxation	–	1 193	–	1 193
Cash equivalents	800 000	–	–	800 000
	890 284	1 475 043	286 778	2 652 105

Upon the adoption of IFRS 9 Financial Instruments on 1 July 2018, the Company elected that the financial assets classified as available for sale were to be reclassified as at fair value through other comprehensive income, and loans and receivables were reclassified as at amortised cost. This reclassification has no impact on the financial position or on the profit or loss for the current and prior years.

20. FINANCIAL LIABILITIES BY CATEGORY

R000	Non-financial liabilities	At amortised cost	Total
GROUP			
2019			
Deferred taxation	**360 716**	**–**	**360 716**
Trade and other payables	**–**	**803 268**	**803 268**
Provisions	**222 110**	**–**	**222 110**
Taxation	**17 668**	**–**	**17 668**
	600 494	**803 268**	**1 403 762**
2018			
Deferred taxation	381 994	–	381 994
Trade and other payables	–	863 861	863 861
Provisions	209 781	–	209 781
Taxation	26 695	–	26 695
	618 470	863 861	1 482 331
COMPANY			
2019			
Deferred taxation	**4 688**	**–**	**4 688**
Trade and other payables	**–**	**9 773**	**9 773**
Amounts owed to group companies	**–**	**362 112**	**362 112**
Bank overdraft	**–**	**119 784**	**119 784**
	4 688	**491 669**	**496 357**
2018			
Deferred taxation	12 048	–	12 048
Trade and other payables	–	9 480	9 480
Amounts owed to group companies	–	1 407 266	1 407 266
Bank overdraft	–	121 143	121 143
	12 048	1 537 889	1 549 937

COMPANY 2018 R000	2019 R000		GROUP 2019 R000	2018 R000
		21. REVENUE (2018 Company restated*)		
–	**–**	Contracts with customers are all fixed-price contracts. The group's operations are based in South Africa, with almost all revenue being generated in South Africa. Revenue is therefore subject to a stagnant economy, a retail sector currently in decline, and a highly competitive media business environment. Revenue disaggregated by reporting segment is shown in the Segmental Reporting (note 39).	**6 320 895**	6 333 921
		*Upon the adoption of IFRS 15, which has been applied retrospectively to each prior reporting period presented, dividends received by the Company from subsidiaries have been reclassified from revenue to finance income.		
		22. STAFF COSTS		
		Salaries, wages and bonuses	**1 441 127**	1 475 939
		Retirement benefit costs	**64 024**	65 802
–	**–**		**1 505 151**	1 541 741
		23. OTHER OPERATING EXPENSES		
		Includes the following items:		
–	**–**	Loss/(profit) on sale of property, plant and equipment (net)	**351**	(3 805)
		Operating leases:		
		– buildings	**16 710**	17 618
		– equipment	**435**	1 006
–	**–**		**17 145**	18 624
		24. DEPRECIATION AND AMORTISATION		
		– buildings	**9 072**	8 339
		– plant and machinery	**246 710**	251 490
		– motor vehicles	**7 824**	7 967
		– furniture and equipment	**21 916**	24 726
		– titles	**812**	1 147
		– other intangible assets	**2 226**	–
–	**–**		**288 560**	293 669

25. DIRECTORS' EMOLUMENTS

R000	Executive directors TD Moolman	PG Greyling	TJW Holden	Non-executive directors PM Jenkins	ACG Molusi	NA Nemukula	J Phalane	T Slabbert	Total
2019									
Directors' fees				**1 306**	**186**	**186**	**196**	**275**	**2 149**
Fees for services									**–**
Salary	**3 780**	**2 216**	**2 897**						**8 893**
Bonus		**5 000**	**2 000**						**7 000**
Travel allowance		**–**	**56**						**56**
Medical funding		**12**	**16**						**28**
Retirement funding		**161**	**210**						**371**
	3 780	**7 389**	**5 179**	**1 306**	**186**	**186**	**196**	**275**	**18 497**
Paid by subsidiaries									**18 497**
2018									
Directors' fees				1 220	179	179	186	254	2 017
Fees for services									–
Salary	3 780	2 216	2 734						8 730
Bonus		5 000	2 000						7 000
Travel allowance		–	28						28
Medical funding		12	16						28
Retirement funding		161	198						359
	3 780	7 389	4 976	1 220	179	179	186	254	18 162
Paid by subsidiaries									18 162

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		26. FINANCE INCOME (2018 Company restated*)		
3 490	**284**	– interest	**65 859**	54 394
5 593	**17 876**	– dividends: listed companies	**17 876**	5 593
75 375	**63 907**	– dividends: unlisted companies	**56 720**	64 054
35 714	**1 228 180**	– dividends: subsidiary	**–**	–
120 171	**1 310 247**		**140 455**	124 041
		*Upon the adoption of IFRS 15, dividends received by the Company have been reclassified from revenue to finance income.		
		27. FINANCE COSTS		
		– interest on bank overdraft	**5**	6
		– other interest	**1 333**	9 293
–	**–**		**1 338**	9 299
		28. PROFIT/(LOSS) ON FOREIGN EXCHANGE		
–	**–**	Resulting from the fair value of forward exchange contracts outstanding at year-end	**(10 204)**	(4 021)
		29. TAXATION		
		South African normal tax		
750	**–**	– current	**114 950**	134 760
(888)	**–**	– prior year	**(4 986)**	(4 156)
		Deferred tax		
–	**–**	– current	**(2 679)**	8 211
–	**–**	– prior year	**(10 683)**	(3 249)
(138)	**–**	Total tax	**96 602**	135 565
35 454	**358 958**	Tax at the standard rate of 28% on profit before taxation (2018: 28%)	**126 541**	151 568
35 592	**358 958**	Difference	**29 939**	16 003
		The difference is reconciled as follows:		
35 984	**366 753**	– dividend income	**20 887**	19 501
1 102	**1 215**	– not subject to tax	**2 112**	933
–	**–**	– loss on step acquisition of Cognition Holdings	**(10 419)**	–
(825)	**(8 300)**	– impairments	**(920)**	(16 630)
2 008	**–**	– profit on disposal of subsidiaries	**–**	2 194
(3 565)	**(552)**	– disallowable expenses	**(3 449)**	(4 351)
–	**–**	– deferred tax asset raised on assessed losses	**11 411**	–
888	**–**	– overprovision of tax	**4 735**	7 406
–	**–**	– associates	**5 660**	8 711
–	**(158)**	– tax losses not utilised	**(627)**	(2 024)
–	**–**	– other	**549**	263
35 592	**358 958**		**29 939**	16 003
		Estimated tax losses included in deferred tax		
		– at beginning of year	**205**	3 337
		– raised during year	**11 411**	–
		– utilised during year	**(2 059)**	(3 132)
–	**–**	– at end of year	**9 557**	205
		The group has estimated tax losses of R48.0 million available for set-off against future taxable income which has not been recognised as deferred tax assets (2018: R55.4 million).		

30. EARNINGS PER ORDINARY SHARE

Reconciliation between earnings and headline earnings

	2019 R000 Gross	2019 R000 Net of tax	2018 R000 Gross	2018 R000 Net of tax
Earnings attributable to equity holders of the parent		**336 007**		386 447
Adjustments				
– impairment of plant	**26 136**	**18 818**	18 701	13 465
– loss/(profit) on disposal of property, plant and equipment	**351**	**253**	(3 805)	(2 740)
– impairment of interests in subsidiaries and associates	**–**	**–**	24 635	24 635
– impairment of goodwill	**1 182**	**1 182**	12 076	12 076
– profit on disposal of subsidiaries	**–**	**–**	(7 835)	(6 080)
– loss on step acquisition of Cognition Holdings	**37 212**	**37 212**	–	–
Headline earnings		**393 472**		427 803
Earnings per ordinary share (cents)		**86.7**		98.5
Headline earnings per ordinary share (cents)		**101.6**		109.0

	2019 Number of shares	2018 Number of shares
Weighted average number of ordinary shares in issue	**387 422 175**	392 426 737

Earnings per ordinary share is calculated by dividing the earnings attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

Headline earnings per ordinary share is calculated by dividing the headline earnings by the weighted average number of ordinary shares in issue during the year.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		31. ORDINARY DIVIDENDS		
273 247	**233 273**	Paid	**233 273**	273 247
		32. PREFERENCE DIVIDENDS		
285	**245**	Paid	**245**	285

The preference dividend consists of a fixed cumulative dividend of 6% per annum together with an additional dividend. An additional dividend is payable only if the value of the ordinary dividend declared exceeds 10% of the nominal value of the ordinary share. In such cases the additional dividend is calculated as follows:

- The nominal value of the ordinary share is calculated as a percentage of the amount by which the ordinary dividend declared exceeds 10% of the nominal value of the ordinary share.
- For every completed 5% calculated, a 1/2% is added to the preference share dividend as an additional dividend.

COMPANY 2018 R000	COMPANY 2019 R000		GROUP 2019 R000	GROUP 2018 R000
		33. COMMITMENTS		
		Capital expenditure on plant and machinery		
–	**–**	Approved but not contracted	**70 000**	50 000
		The capital expenditure will be financed from existing resources.		
		Operating lease commitments		
		Future minimum rentals under non-cancellable leases are as follows:		
		Within one year	**14 541**	11 980
		After one year, but not more than five years	**17 172**	6 859
–	**–**		**31 713**	18 839
		The lease commitments relate substantially to land and buildings.		

34. FOREIGN EXCHANGE EXPOSURE

Currency risk

The group incurs currency risk as a result of transactions that are denominated in a currency other than the group's functional currency.

The currencies in which the group primarily deals that give rise to currency risk are Pound Sterling, US Dollars and Euros.

The group hedges its foreign-denominated trade creditors and trade debtors. The settlement of these transactions takes place within a normal business cycle.

The group has clearly defined policies for the management of foreign currency risks. Transactions that create foreign currency cash flows are hedged with forward exchange contracts. No uncovered foreign exchange commitments exist at the statement of financial position date. Speculative use of financial instruments or derivatives is not permitted and none has occurred during the periods presented.

Foreign currency contracts

The principal or contract amounts of foreign exchange contracts (in South African Rands) outstanding at the reporting date were:

COMPANY 2018 R000	COMPANY 2019 R000		Average rate of exchange 2019	Average rate of exchange 2018	GROUP 2019 R000	GROUP 2018 R000
		Euro	16.2743	15.7415	**104 637**	71 426
		US Dollar	14.4742	12.5010	**6 038**	6 436
–	**–**				**110 675**	77 862

At year-end, there were no material foreign currency-denominated assets or liabilities not covered by forward exchange contracts. Accordingly, there was no material sensitivity to exchange rate fluctuations.

COMPANY			GROUP	
2018	2019		2019	2018
R000	R000		R000	R000

35. BORROWING POWERS

In terms of its memorandum of incorporation, the Company's and group's borrowing powers are unlimited.

36. RELATED PARTIES

During the year, the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with fellow subsidiaries. These transactions occurred under terms that are no more or less favourable than those arranged with third parties.

Directors

Certain members of senior management are executive directors. Details relating to directors' emoluments and shareholdings in the Company are disclosed in note 25 and in the directors' report respectively.

Controlling shareholders

Mr TD Moolman is a member of The Moolman Coburn Partnership, together with a number of other parties. In terms of an agreement concluded in 1985, the partnership receives a commission on the group's advertising revenue which in 2019 amounted to R42.2 million (2018: R47.9 million).
The balance owing to the partnership at the year-end amounted to R3.8 million (2018: R5.5 million).

Subsidiaries

Details of investments in subsidiaries and jointly-controlled entities are disclosed in in the annexure on page 65.

Associates

Details of income from associates are disclosed in the statement of profit or loss and other comprehensive income, in note 6 and in the annexure on page 66.

Shareholders

The principal shareholders of the Company are detailed in the shareholders' analysis in the directors' report.

37. RETIREMENT BENEFIT PLANS

The group's main retirement benefit plans, the Hortors Group Pension and Provident Funds, are governed by the Pension Funds Act. The plans are structured as defined contribution plans as opposed to defined benefit plans. 5 130 (2018: 5 098) of the group's employees are covered by the plans.

COMPANY 2018 R000	2019 R000		GROUP 2019 R000	2018 R000
		38. NOTES TO THE STATEMENTS OF CASH FLOWS		
		38.1 Cash generated by/(utilised in) operations		
126 621	**1 281 992**	Profit before taxation	**451 932**	541 315
–	**–**	Associate income	**(20 214)**	(31 111)
(3 490)	**(284)**	Interest received (net)	**(64 521)**	(45 095)
(80 967)	**(1 309 963)**	Dividends received	**(74 596)**	(69 647)
		Adjustment for non-cash items:		
–	**–**	– depreciation and amortisation	**288 560**	293 669
–	**29 642**	– impairments	**66 635**	78 094
–	**–**	– loss/(profit) on disposal of property, plant and equipment	**351**	(3 805)
(4 225)	**–**	– loss/(profit) on disposal of subsidiaries	**–**	(7 835)
–	**–**	– unrealised foreign currency profit	**(2 836)**	(6 299)
–	**–**	– loss/(profit) on foreign exchange contracts	**10 204**	4 021
–	**–**	– movement in provisions	**10 463**	(9 307)
(3 936)	**(4 340)**	– deemed interest on loans to directors	**(4 340)**	(3 936)
34 004	**(2 953)**		**661 638**	740 064
		38.2 Changes in working capital		
–	**–**	Decrease/(increase) in inventories	**12 216**	(117 729)
8 773	**90**	(Increase)/decrease in trade and other receivables	**(127 257)**	16 035
385	**293**	Increase/(decrease) in trade and other payables	**(69 363)**	(5 663)
–	**–**	Working capital acquired	**423**	(1 534)
–	**–**	Working capital disposed	**–**	(4 214)
9 157	**383**		**(183 981)**	(113 105)
		38.3 Taxation paid		
(656)	**1 193**	Opening tax	**(24 706)**	(22 531)
138	**–**	Charged in profit or loss	**(109 964)**	(130 604)
–	**–**	Taxation acquired	**(3 833)**	–
(1 193)	**(375)**	Closing tax payable/(receivable)	**14 412**	24 706
(1 711)	**818**		**(124 091)**	(128 429)
		38.4 Dividends paid		
(273 532)	**(233 518)**	Charged to reserves	**(233 518)**	(273 532)
–	**–**	Dividends of non-controlling interests	**(12 660)**	(25 645)
(273 532)	**(233 518)**		**(246 178)**	299 178
		38.5 Investments – subsidiaries		
–	**–**	Acquisitions	**95 498**	(122 939)
13 921	**–**	Advances to group companies	**–**	–
13 921	**–**		**95 498**	(122 939)
		38.6 Investments – associates, investments and loans		
(125 030)	**(4 918)**	Acquisitions	**18 397**	(147 782)
–	**–**	Disposals	**–**	30 167
5 849	**736**	Loans (raised)/repaid	**(7 771)**	(110 748)
(119 181)	**(4 182)**		**10 626**	(228 363)
		38.7 Cash and cash equivalents		
(121 143)	**(119 784)**	Cash and bank overdraft	**897 650**	743 933
800 000	**800 000**	Cash equivalents	**800 000**	800 000
678 857	**680 216**	Cash and cash equivalents	**1 697 650**	1 543 933

	COMPANY			GROUP	
	2018 R000	2019 R000		2019 R000	2018 R000

38. NOTES TO THE STATEMENTS OF CASH FLOWS continued

38.8 Acquisition of businesses

Current year

The group acquired an additional investment in Cognition Holdings (which, together with the 34% interest already held, yielded a 63% stake) in exchange for Private Property South Africa shares, with effect from 1 February 2019. This transaction gave the group control of Cognition Holdings and has been accounted for as a business combination during the year. The acquired business contributed revenue of R115.9 million and a net profit after tax of R5.2 million. The acquired business would have contributed revenue of R212.4 million and a net profit after tax of R17.1 million had the group acquired this business for the full year. As at the reporting date, the group still holds a 63% interest in Cognition Holdings.

Details of the assets and liabilities acquired are:

	Company 2018 R000	Company 2019 R000	Group 2019 R000	Group 2018 R000
Non-current assets			**30 717**	
Current assets			**50 844**	
Non-current liabilities			**(1 178)**	
Current liabilities			**(54 915)**	
Cash and cash equivalents			**95 498**	
Total net assets			**120 966**	
Attributable to non-controlling interest			**(44 456)**	
Net assets acquired			**76 510**	
Consideration – dilution of interest in Private Property South Africa			**(40 717)**	
Consideration – Cognition Holdings investment prior to acquisition of control			**(49 458)**	
Goodwill arising on acquisition			**(13 665)**	
Cash inflow arising on acquisition			**95 498**	

The excess of the consideration over the net assets acquired has been provisionally allocated to goodwill.

The required IFRS 3 accounting will be finalised within 12 months of the date of acquisition, once the purchase price allocation has been finalised.

Prior year

A 52.65% investment in Private Property South Africa was acquired with effect from 1 July 2017 for a purchase price of R122.9 million.

The business of Tricolor, a self-adhesive labelling business in the Western Cape, was acquired with effect from 1 August 2017 for a purchase price of R11.1 million

The business of Boxes 4 Africa, a corrugated box plant in the Western Cape, was acquired with effect from 1 June 2018 for a purchase price of R25 million.

The acquired businesses contributed revenue of R157.5 million and a net profit after tax of R23.2 million. The acquired businesses would have contributed revenue of R206.5 million and net profit after tax of R28.5 million had the group acquired these businesses for the full year.

COMPANY 2018 R000	COMPANY 2019 R000			GROUP 2019 R000	GROUP 2018 R000
		38.8	**Acquisition of businesses (continued)**		
			Details of the assets and liabilities acquired are:		
			Non-current assets		33 161
			Current assets		7 817
			Non-current liabilities		–
			Current liabilities		(9 351)
			Cash and cash equivalents		36 093
			Total net assets		67 720
			Attributable to non-controlling interest		(17 040)
			Net assets acquired		50 680
			Total consideration		(159 032)
			Goodwill arising on acquisitions		(108 352)
			Total consideration		159 032
			Less: cash and cash equivalents acquired		(36 093)
			Cash outflow arising on acquisition		122 939
		38.9	**Disposal of businesses**		
			Current year		
			There were no business disposals during the year.		
			Prior year		
			The Company accepted the offer made by African Media Entertainment Limited ("AME") to acquire 100% of the issued share capital of Moneyweb Holdings Limited ("Moneyweb") that AME did not already own, resulting in the Company disposing of its 50.72% interest in Moneyweb in exchange for 218 627 ordinary shares in AME at an issue price of 7 000 cents per share. The actual issue price was 8 168 cents per share. At 30 June 2017 the directors classified the Moneyweb investment as held for sale. The net asset value of the disposal consisted of the following:		
			Non-current assets		12 152
			Current assets		6 149
			Non-current liabilities		(397)
			Current liabilities		(5 245)
			Cash and cash equivalents		2 057
			Total net assets		14 716
			Non-controlling interest disposed		11 250
			There were no cash proceeds from the disposal.		–
			Cash outflow arising on disposal		(2 057)
		38.10	**Receipts from/(payments to) group companies**		
(143 635)	**(1 048 704)**		Net decrease in amounts owed by group companies	**–**	–
–	**1 200 000**		Add back: non-cash dividends received	**–**	–
(143 635)	**151 296**			**–**	–

39. SEGMENTAL

	GROUP			
	2019 R000	%	2018 R000	%
Revenue				
Publishing, printing and distribution	**3 898 163**	**62**	4 005 143	63
Packaging and stationery	**2 367 392**	**37**	2 243 823	35
Other	**55 340**	**1**	84 955	2
	6 320 895	**100**	6 333 921	100
Profit from operating activities before depreciation and amortisation				
Publishing, printing and distribution	**347 246**	**53**	453 241	59
Packaging and stationery	**257 607**	**39**	275 527	38
Other	**48 807**	**8**	30 707	3
	653 660	**100**	759 475	100
Profit from operating activities after depreciation and amortisation				
Publishing, printing and distribution	**184 309**	**50**	276 968	59
Packaging and stationery	**148 269**	**41**	176 131	38
Other	**32 522**	**9**	12 707	3
	365 100	**100**	465 806	100
Total assets				
Publishing, printing and distribution	**2 879 849**	**40**	2 796 258	39
Packaging and stationery	**1 784 497**	**25**	1 771 042	25
Other	**2 583 541**	**35**	266 005	36
	7 247 887	**100**	7 227 305	100
Total liabilities				
Publishing, printing and distribution	**707 673**	**51**	792 164	53
Packaging and stationery	**437 823**	**31**	437 442	30
Other	**258 266**	**18**	252 725	17
	1 403 762	**100**	1 482 331	100
Capital expenditure on property, plant and equipment				
Publishing, printing and distribution	**59 342**	**35**	88 774	30
Packaging and stationery	**108 218**	**63**	136 908	57
Other	**3 086**	**2**	32 013	13
	170 646	**100**	257 695	100
Depreciation and amortisation				
Publishing, printing and distribution	**162 938**	**56**	176 273	59
Packaging and stationery	**109 338**	**38**	99 396	38
Other	**16 284**	**6**	18 000	3
	288 560	**100**	293 669	100

The group operates in South Africa.

40. CAPITAL AND RISK MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure, and makes adjustments to it in light of changes in economic conditions.
To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2019 and 30 June 2018. The Company had no debt during the years under review, other than the bank overdraft.

The group's activities expose it to a variety of financial risks, namely currency risk, credit risk, liquidity risk and interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by local management under policies approved by the Board of Directors.

(a) Currency risk

Exposure to currency risk arises in the normal course of the group's business. The group incurs currency risk as a result of transactions that are denominated in a currency other than South African Rands. These transactions, mainly for the import of capital equipment and inventory are substantially hedged by using forward exchange contracts. Further information regarding currency risk is provided in the trade and other payables note (note 16) and in the foreign exchange exposure note (note 34).

(b) Credit risk

The group has no significant concentrations of credit risk due to the diversity of its customers. Policies are in place to ensure that sales are made to customers with appropriate credit records. The credit risk on liquid funds is limited because the counterparties are financial institutions with high credit ratings. Further information regarding credit risk is provided in the interest in associates note (note 6), in the trade and other receivables note (note 9) and in the cash note (note 11).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Company aims to maintain flexibility in funding by keeping committed credit lines available. Further information regarding liquidity risk is provided in the trade and other payables note (note 16).

(d) Interest rate risk

The group has significant interest-bearing assets, and interest is earned at competitive market-related rates. Further information regarding interest rate risk is provided in the interest in associates note (note 6) and in the cash equivalents note (note 10).

41. CASH-SETTLED SHARE-BASED PAYMENTS

In the 2015 financial year, the group implemented a staff share incentive scheme whereby share appreciation rights were allocated to selected employees.

R21.3 million was charged to income in 2015. The current year charge is Rnil (2018: Rnil). The cash-settled share-based payment liability is carried in the bonus provision.

This scheme operates as a cash bonus scheme with the bonus calculated with reference to the share price based on share appreciation rights in issue.

The number of share appreciation rights in issue at year-end decreased to 12 800 000 rights (2018: 15 600 000 rights) as a result of employees leaving the group and thereby forfeiting their share appreciation rights.

The share appreciation rights will be redeemed at the 30-day weighted average Caxton share price on the JSE at the redemption date subject to a maximum redemption price of R13.33. The maximum gain equates to the difference between the redemption price of R13.33 and the weighted average issue price of R11.42.

The vesting of the share appreciation rights is as follows:

- The one-third that was scheduled to vest on 30 June 2019 lapsed as the market price on that date was below the R11.42 issue price.
- One-third vests on 30 June 2020.
- The final third vests on 30 June 2021.

The value of the share appreciation rights was determined using the Black-Scholes-Merton option valuation model for cash-settled instruments. The model inputs were:

	2019	2018
Share price at reporting date	**R7.99**	R10.00
Exercise price	**R11.42**	R11.42
Mark-to-market value	**(R3.43)**	(R1.42)
Expected volatility	**56.55%**	33.58%
Risk-free rate	**8.10%**	8.78%
Dividend yield	**7.51%**	7.00%
Fair value per share appreciation right (Rand)	**R0.18**	R0.42
Total value (R000)	**R2 341**	R9 107

42. EQUITY-SETTLED SHARE-BASED PAYMENTS

In 2015 the Company entered into share subscription agreements with the Greyling Family Trust and the Holden Family Trust.

The salient features of these agreements are summarised as follows:

- TJW Holden and PG Greyling (collectively referred to as the directors) will each set up a trust which will each subscribe for 4 000 000 Caxton shares at a subscription price of R15 per share.
- The directors will loan each of the respective trusts R3 million while Caxton will loan each trust R57 million to facilitate the above purchase of shares.
- The loans between the trusts and Company will be interest-free and are only repayable on the basis that if the trusts sell any portion of the Caxton shares, the trusts will be required to repay a portion of the loans with the Company equivalent to R14.25 per Caxton share sold.
- The loans will be repayable 25 years after advance date, or 10 years after the termination of the directors' employment contracts, whichever is the earliest.

The IFRS 2 charge was calculated as the difference between 95% of the fair value of the shares and the present value of the loans on the effective date of the transaction, with the present value of the loan being calculated using an assumed repayment period.

The following assumptions were applied in calculating the IFRS 2 charge:

- Fair value of the shares: R14.79, being the share price at 10 November 2014.
- Repayment term of loans: 10 years.
- Discount rate: 5%, being the opportunity cost of lost interest to the Company as a result of the loans advanced to the trusts.

In 2015, the value of the IFRS 2 charge amounted to R43 187 641.

With the loans unwinding over the 10-year period, interest income of R4.3 million (2018: R3.9 million) has been credited to the statement of profit or loss and other comprehensive income during the year. The loans do not meet the definition of defaulted loans, and are therefore not considered to be credit impaired.

43. EVENTS AFTER THE REPORTING PERIOD

The remaining 33% of *Highway Mail* was acquired for R21.3 million. A further 25% interest in Capital Media was acquired for R17.0 million. Interests of 50.1% in Response24 and 50% in Afristay were acquired.

INFORMATION RELATING TO SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Name	Nature of operations	Holding 2019 %	Holding 2018 %	Cost less impairment 2019 R000	Cost less impairment 2018 R000	Owing 2019 R000	Owing 2018 R000
Directly held							
Caxton Publishers and Printers	Holding company	**100**	100	**1 351 490**	1 351 490		
Caxton Share Investments	Investments	**100**	100				
Capricorn Books	Printing	**90**	90	**565**	565		
Cognition Holdings (Public)	Digital & telecommunication solutions	**20**	34				
Darwain Investments	Printing	**60**	60	**494**	494		
Highway Mail	Publishing	**67**	67	**471**	471		
Noordwes Koerante	Publishing	**90**	90				
Northwest Web Printers	Printing	**90**	90				
Ridge Times	Publishing	**67**	67	**512**	512		
Saxton Investments	Investments	**100**	100				
Ukhozi Press	Printing	**86**	86	**173**	173		
Zululand Observer	Publishing	**60**	60	**2 497**	2 497		
Indirectly held							
Bucket Full	Packaging	**100**	100				
Cognition Holdings	Digital & telecommunication solutions	**43**	–				
CTP Digital Services	CD and DVD replication	**100**	100				
CTP Limited	Publishing & printing	**100**	100				
Deliwise	Printing	**75**	75				
Erfrad 13	Property owning	**100**	100				
Flipfile	Stationery manufacturer	**100**	100				
Fusion Digital	Printing	**50**	50				
Habari Media	Publishing	**–**	100				
Health Spa's Guide	Digital Publishing	**70**	70				
Highway Printers	Printing	**100**	100				
Hozi Holdings	Publishing	**100**	100				
Impala Stationery Manufacturers	Stationery manufacturer	**100**	100				
Kagiso Publishers	Printing	**100**	100				
Magscene	Magazine distributors	**–**	100				
Mega Digital	Printing	**–**	100				
Perskor News Agency	Magazine distributors	**100**	100				
Private Property	Property portal	**32**	50				
Project Northwards	Property owning	**100**	100				
The Citizen (1978)	Publishing	**100**	100				
The Citizen Limited	Holding company	**100**	100				
Thornbird Trade and Invest 100	Printing	**67**	67				
Tight Lines	Publishing	**100**	100				
Umlingo	Stationery Distributors	**100**	100				
				1 356 202	1 356 202	**–**	–
Jointly-controlled							
Guzzle Media	Digital retail advertising	**50**	50			**–**	–
Levain	Publishing	**50**	50			**2 000**	–
Mahareng Publishing	Publishing	**50**	50			**1 050**	–
MCS Caxton International Press	Distribution	**50**	50			**–**	–
Remade Publishing	Recycling	**50**	50			**–**	–
Safeway Publishing	Publishing	**50**	50			**500**	–
				–	–	**3 550**	–
				1 356 202	1 356 202	**3 550**	–

All entities are private companies unless otherwise stated, and all entities are incorporated in the Republic of South Africa.

20% of the group's 63% interest in Cognition Holdings is directly held by the Company, with the 43% balance indirectly held through CTP Limited.

INFORMATION RELATING TO ASSOCIATES

Name	Nature of operations	Holding 2019 %	Holding 2018 %	Cost less impairment 2019 R000	Cost less impairment 2018 R000	Owing 2019 R000	Owing 2018 R000
Directly held							
Capital Media (Feb)	Newspaper publisher	**50**	50	**–**	–	**–**	–
Carpe Diem	Magazine publisher	**30**	30	**–**	–	**–**	–
Cognition Holdings	Digital & telecommunication solutions	**–**	34	**–**	71 143	**–**	–
FBC Properties	Property owning	**50**	50	**–**	–	**–**	–
Fordsburg Mayfair Media	Newspaper publisher	**50**	50	**–**	–	**–**	–
Heraut Publiseerders	Newspaper publisher	**50**	50	**189**	189	**683**	1 281
Hutton Trading	Advert delivery	**50**	50	**250**	250	**2 650**	2 650
Ince Holdings	Printer	**26**	26	**2 181**	2 181	**–**	–
Leo Kantoor Meubels	Property owning	**50**	50	**–**	–	**–**	–
Lincroft Books (March)	Newspaper publisher	**49**	49	**8 381**	8 381	**733**	733
Lonehill Trading (March)	Magazine publisher	**50**	50	**–**	–	**(62)**	–
Mooivaal Media (March)	Newspaper publisher	**50**	50	**1 565**	1 565	**–**	–
Overdrive Publishing	Magazine publisher	**25**	25	**–**	–	**1 965**	2 050
Rising Sun Community Newspapers	Newspaper publisher	**45**	45	**–**	–	**(8 483)**	(7 923)
Ronain Investments	Property owning	**50**	50	**33**	33	**11 042**	11 919
Rowaga Properties	Property owning	**50**	50	**1 175**	1 175	**–**	–
Sentrale Makelaars	Dormant	**50**	50	**56**	56	**–**	–
Tambuti Brits	Property owning	**50**	50	**–**	–	**–**	–
Tambuti Enterprise	Property owning	**50**	50	**143**	143	**–**	–
Tambuti Upington	Property owning	**50**	50	**–**	–	**–**	–
Tambuti Vryburg	Property owning	**50**	50	**–**	–	**–**	–
Wordsmiths	Newspaper publisher	**50**	50	**3 750**	3 750	**–**	–
Indirectly held							
Afritrip Group	Web-based travel agency	**50**	–	**23 000**	–	**–**	–
BM Management	Consumable supplier	**30**	30	**–**	–	**–**	–
Capital Newspapers	Newspaper publisher	**45**	45	**–**	–	**2 763**	2 763
Die Pos	Newspaper publisher	**40**	40	**2 400**	2 400	**–**	–
Highbury Media	Magazine publisher	**49**	49	**–**	–	**1 790**	–
Kathorus Media	Newspaper publisher	**49**	49	**550**	550	**–**	–
Octotel (Feb)	Fibre to the home	**23**	23	**–**	–	**100 539**	92 983
RSA Web (Feb)	Internet service provider	**23**	23	**20 090**	20 090	**–**	14 674
Shumani Mills Communication	Printer	**71**	71	**21 159**	21 159	**5 304**	4 870
Tysflo	Video channel development	**34**	34	**3 614**	2 307	**7 800**	4 912
Universal Labels	Label printing	**30**	30	**40 000**	40 000	**34 418**	38 855
Vehicle Traders Limited Edition	Digital subscription sales	**50**	50	**–**	–	**457**	–
				128 536	175 372	**161 599**	169 767

All associates are private companies, and all are incorporated in the Republic of South Africa.

The financial year ends are June unless otherwise stated.

The holding in Shumani Mills Communication is equity-accounted as an associate as the Company and its subsidiaries exercise significant influence, but not control.

The group's proportional share of interest in associates and jointly controlled entities is:

	Associates		Jointly controlled entities	
	2019	2018	**2019**	2018
Statement of Financial Position	**R000**	R000	**R000**	R000
Property, plant and equipment	**139 481**	131 782	**2 501**	1 809
Investments and long-term receivables	**34 184**	80 349	**–**	–
Current assets	**183 671**	135 325	**12 153**	10 974
Total assets	**357 336**	347 456	**14 654**	12 783
Long-term liabilities	**39 393**	31 486	**2 432**	2 834
Deferred taxation	**12 669**	12 784	**37**	48
Current liabilities	**85 376**	95 479	**6 905**	5 036
Total liabilities	**137 438**	139 748	**9 374**	7 918
Attributable net asset value	**219 898**	207 708	**5 280**	4 865
Statement of profit or loss and other comprehensive income				
Revenue	**419 366**	464 291	**29 823**	27 922
Income before taxation	**26 297**	40 193	**6 641**	5 223
Taxation	**(6 083)**	(9 082)	**(1 840)**	(1 537)
Net income for the year	**20 214**	31 111	**4 801**	3 686

NOTICE OF ANNUAL GENERAL MEETING

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1947/026616/06)
Share code: CAT ISIN: ZAE000043345
Preference share code: CATP ISIN: ZAE000043352
("Caxton" or "the Company")

NOTICE OF MEETING

Notice is hereby given that the annual general meeting of shareholders of the Company will be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg, at 10:00 on Monday, 9 December 2019.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 25 October 2019 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 29 November 2019. The last day to trade in order to be eligible to vote at the meeting is accordingly Tuesday, 26 November 2019.

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares:

- you may attend the meeting in person;
- alternatively, you may appoint a proxy to represent you at the meeting by completing the enclosed form of proxy in accordance with the instructions it contains and returning it to Computershare Investor Services Proprietary Limited, Rosebank Towers,15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107) ("transfer secretaries") to be received no later than 48 (forty-eight) hours (excluding Saturdays, Sundays and gazetted South African public holidays) prior to the meeting for administrative purposes or thereafter to the Company by hand no later than 09:30 on Monday, 9 December 2019; alternatively, it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting.

If you hold dematerialised shares which are not registered in your name:

- and wish to attend the meeting, you must obtain the necessary letter of representation from your Central Securities Depository Participant ("CSDP") or broker;
- and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the enclosed form of proxy.

A shareholder who is entitled to attend and vote at the meeting is entitled, by completing the enclosed form of proxy and delivering it to the Company in accordance with the instructions on that form of proxy, to appoint a proxy to attend, participate in and vote at the meeting in that shareholder's place. A proxy need not be a shareholder of the Company.

All meeting participants (including shareholders and proxies) may be required to provide satisfactory identification to the chairman of the meeting. Forms of identification include valid identity documents, passports and driver's licences.

PURPOSE OF MEETING

The purpose of this meeting is to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.

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

Voting requirement: 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 the meeting. The quorum for the meeting is 25% of the issued share capital of the Company.

1. ORDINARY RESOLUTION NUMBER 1: ADOPTION OF ANNUAL FINANCIAL STATEMENTS

"Resolved that:

The annual financial statements of the Company and the group for the year ended 30 June 2019 be and are hereby approved."

Explanation: The reason for and effect of ordinary resolution number 1 is to receive and approve the annual financial statements for the Company and the group for the year ended 30 June 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 the Company as a general authority in terms of the Companies Act, No 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 and subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("the JSE")."

Explanation: In terms of the general authority to issue shares in terms of the Act, the authority given at the previous annual general meeting needs to be renewed.

3. ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF DIRECTORS

"Resolved that:

3.1 Mr J Phalane, who retires by rotation in terms of the Memorandum of Incorporation of the Company and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company.

3.2 Ms T Slabbert, who retires by rotation in terms of the Memorandum of Incorporation of the Company and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

Explanation: The reason for ordinary resolution number 3 is that the Memorandum of Incorporation requires that no fewer than a third of the Company's non-executive directors retire at the annual general meeting. A retiring director, if eligible, may be re-elected.

Brief biographies of these directors appear on page 3 of the Integrated Annual Report. The ordinary resolutions number 3.1 and 3.2 will be considered separately.

4. ORDINARY RESOLUTION NUMBER 4: REAPPOINTMENT OF INDEPENDENT AUDITORS

"Resolved that:

BDO South Africa Incorporated be and is hereby reappointed as independent auditors of the Company and Mr PR Badrick is appointed as the designated auditor, from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company."

Explanation: The reason for ordinary resolution number 4 is that the Company, being a listed public company, must appoint independent auditors and have its annual financial statements audited.

5. ORDINARY RESOLUTION NUMBER 5: ELECTION OF THE AUDIT AND RISK COMMITTEE CHAIRMAN AND MEMBERS

"Resolved that:

5.1 Mr J Phalane be and is hereby elected as a member and chairman of the Audit and Risk Committee until the conclusion of the next annual general meeting.

5.2 Mr ACG Molusi be and is hereby re-elected as a member of the Audit and Risk Committee until the conclusion of the next annual general meeting.

5.3 Mr NA Nemukula be and is hereby re-elected as a member of the Audit and Risk Committee until the conclusion of the next annual general meeting."

Explanation: To elect Ms T Slabbert, Mr ACG Molusi and Mr NA Nemukula who are recommended by the Board and whose appointments automatically terminate on the day of the meeting. The reason for ordinary resolution number 5 is that at each annual general meeting a public company must elect an Audit and Risk Committee comprising at least three members, all of whom must be independent non-executive directors.

Brief biographies of these directors appear on page 3.

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

6. ORDINARY RESOLUTION NUMBER 6: AUTHORITY TO SIGN DOCUMENTATION

"Resolved that:

Any director of the Company or the Company Secretary be and is hereby authorised to take all actions necessary and sign all documentation required to give effect to the ordinary and special resolutions which have been passed at the meeting.".

Special resolutions

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

Voting requirement: 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 the meeting. The quorum for the meeting is 25% of the issued share capital of the Company.

7. 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 or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

- the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- at any point in time the Company may only appoint one agent to effect any repurchases on the Company's behalf;
- the Company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 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:

- the Company and the group will be able in the ordinary course of business to pay its debts;
- the assets of the Company 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 for a period of 12 (twelve) months after the date of this notice of annual general meeting; and
- the ordinary capital and reserves of the Company and the group will be adequate for the purposes of the Company's and the group's businesses, respectively; and the working capital of the Company and the group will be adequate for their requirements.

Explanation: The reason for and effect of special resolution number 1 is to give a mandate to the directors to repurchase or purchase ordinary shares issued by the Company.

8. SPECIAL RESOLUTION NUMBER 2: APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES

"Resolved that:

The remuneration of the non-executive directors for the year 1 January 2020 to 31 December 2020 to be as follows:

PM Jenkins	R1 390 000
ACG Molusi	R225 000
NA Nemukula	R225 000
J Phalane	R290 000
T Slabbert	R205 000."

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

9. SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED ENTITIES OF THE COMPANY

"Resolved that:

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

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

10. SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE FOR SUBSCRIPTION FOR OR PURCHASE OF SECURITIES BY RELATED AND INTER-RELATED ENTITIES OF THE COMPANY

"Resolved that:

The Board of Directors is authorised, in terms of and subject to the provisions of section 44 of the Act, to cause the Company to provide financial assistance to any company or corporation that is related or inter-related to the Company for the subscription for or purchase of securities in the Company or in any company or corporation that is related or inter-related to the Company."

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

11. NON-BINDING ADVISORY RESOLUTION NUMBER 1: APPROVAL OF REMUNERATION POLICY

"Resolved that:

The Company's remuneration policy as set out in the corporate governance and risk management report be and is hereby approved."

Explanation: The remuneration policy is tabled to enable shareholders to express their views on the remuneration policy adopted. This resolution is advisory in nature, but will be taken into consideration when considering the Company's remuneration policy in the future.

12. NON-BINDING ADVISORY RESOLUTION NUMBER 2: APPROVAL OF IMPLEMENTATION OF THE REMUNERATION POLICY

"Resolved that:

The implementation of the Company's remuneration policy for the year ended 30 June 2019 be and is hereby approved."

Explanation: The resolution is tabled to enable shareholders to express their views on the implementation of the remuneration policy adopted. This resolution is advisory in nature, but will be taken into consideration when considering the Company's remuneration policy in the future.

Shareholders are reminded that, in terms of King IV, the passing of this advisory resolution is by way of a non-binding vote. Should 25% or more of the votes be cast against this resolution, the Company undertakes to engage with shareholders as to the reasons therefor.

ADDITIONAL DISCLOSURE REQUIREMENTS IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE

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

- Details of directors on page 3;
- Directors' interests in securities on page 26 (there are no non-beneficial interests);
- Major shareholders on page 27; and
- The share capital note 12 on page 49.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on page 3 of the Integrated Annual Report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolution number 1 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 resolution number 1.

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.

By order of the Board

J Edwards
Company Secretary
25 October 2019

Registered office
28 Wright Street
Industria West
Johannesburg, 2093
PO Box 43587
Industria, 2042

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
Johannesburg
PO Box 61051, Marshalltown, 2107

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, NO 71 OF 2008 ("COMPANIES ACT"), AS REQUIRED IN TERMS OF SUBSECTION 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 expressly 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 a 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 shareholder must be delivered by the company to the shareholder (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 a 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

CAXTON&CTP publishers & printers LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1947/026616/06)
Share code: CAT ISIN: ZAE000043345
Preference share code: CATP ISIN: ZAE000043352
("Caxton" or "the Company")

For use by certificated shareholders and dematerialised shareholders with own name registration at the annual general meeting of the holders of ordinary shares in the Company ("Caxton shareholders") to be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10:00 on Monday, 9 December 2019

I/We (full names)

of (address)

being the registered holder/s of ordinary shares in the capital of the Company, hereby appoint (see note 1):

1. or failing him/her,

2. or failing him/her,

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 ordinary and special resolutions to be proposed thereat, and at each adjournment thereof, and to vote for or against such 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):

		For	Against	Abstain
	Ordinary resolutions			
1.	To adopt the annual financial statements for the year ended 30 June 2019			
2.	To place the unissued ordinary shares of the Company under the control of the directors			
3.1	To re-elect Mr J Phalane as a director of the Company			
3.2	To re-elect Ms T Slabbert as a director of the Company			
4.	To re-appoint BDO South Africa Incorporated as the independent auditors and to register Mr PR Badrick as the designated auditor			
5.1	To elect Mr J Phalane as member and chairman of the Audit and Risk Committee			
5.2	To re-elect Mr ACG Molusi as member of the Audit and Risk Committee			
5.3	To re-elect Mr NA Nemukula as member of the Audit and Risk Committee			
6.	To authorise any director or the Company Secretary to sign documentation to effect the ordinary and special resolutions passed			
	Special resolutions			
1.	To approve the general authority for the Company and/or 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 companies			
4.	To approve financial assistance for subscription for or purchase of securities			
	Non-binding advisory resolutions			
1.	To approve the remuneration policy as set out in the corporate governance and risk management report			
2.	To approve the implementation of the remuneration policy as set out in the corporate governance and risk management report			

Signed at on 2019

Signature

Assisted by (where applicable)

Each Caxton 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/her stead at the annual general meeting.

Please read the notes on the reverse hereof.

NOTES

1. A Caxton 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 shareholder concerned. The person whose name appears first on this 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. The shareholder's instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that 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 shareholder's votes exercisable thereat.
3. A Caxton shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of any resolution proposed at the annual general meeting or any other proxy to vote or abstain from voting at the annual general meeting as he/she 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, Johannesburg, 2196 or PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Thursday, 5 December 2019 for administrative purposes or thereafter to the Company by hand no later than 09:30 on Monday, 9 December 2019; alternatively, it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting.
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 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 Company Secretary by no later than 10:00 on Thursday, 5 December 2019 for administrative purposes or thereafter to the Company by hand no later than 9:30 on Monday, 9 December 2019; alternatively, it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting. Only registered certificated shareholders recorded in the main register of members of the Company or under own names in the dematerialised register, may complete a form of proxy or alternatively, attend the annual general meeting.
8. 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.
9. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in compliance with the Memorandum of Incorporation of the Company or these notes.

CORPORATE INFORMATION

Caxton and CTP Publishers and Printers Limited
(Incorporated in the Republic of South Africa)
(Registration number 1947/026616/06)
Share code: CAT ISIN: ZAE000043345
Preference share code: CATP ISIN: ZAE000043352

Registered address
28 Wright Street
Industria West
Johannesburg, 2093
PO Box 43587
Industria, 2042

Company Secretary
J Edwards

Auditors
BDO South Africa Incorporated
The Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg, 2196

Attorneys
Fluxmans Inc.
30 Jellicoe Avenue
Rosebank
Johannesburg, 2196

Bankers
First National Bank
Bank City, Johannesburg, 2001

Sponsor
Arbor Capital Sponsors Proprietary Limited
Registration number 2006/033725/07
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead, 2191
Suite #439, Private Bag X29, Gallo Manor, 2052

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
PO Box 61051, Marshalltown, 2107
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CAXTON&CTP publishers & printers LIMITED