REVIEWED CONDENSED CONSOLIDATED ANNUAL RESULTS

for the year ended 31 March

2020

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Commentary

The eMedia Holdings group has had an exceptional year in a very tough economic climate with an adjusted profit from continuing operations of R235.7 million compared to a restated profit of R118.7 million – an increase of 98.6% year-on-year. However, the group accounted for an impairment of goodwill that has been necessitated by the negative impact of the current COVID-19 pandemic. This negative impact which will be felt in the first half of the 2021 financial year, given the continued lockdown and slow restart to economic activity, has been factored into the results being published presently. The impact of the impairment has been forecasted by the loss of advertising in some key industries such as fast foods, alcohol and the motor industry as well as the negative impact on the exchange rate. The value in use calculation took into account the forecasted loss in revenue. Costs remained in line with business expansion, expected inflation and necessary costs savings where applicable and discounted at a pretax rate of 15.66% over a five-year period which resulted in a net impairment of R2 039.9 million. This impairment then impacts the profit from continuing operations in this report, and shows that the group ended the period with a loss for the year from continuing operations of R1 804.2 million (after the impact of goodwill impairment).

Net loss of R1 814.9 million, after adjusting for the impairment of goodwill, amounts to a net profit of R225 million for the year ended 31 March 2020. This is inclusive of the loss of R10.7 million relating to discontinued operations, which are the losses from other operations that the group has considered non-essential and will be exiting or closing in the next financial year.

EBITDA for the group ended on R436.6 million compared to R323.4 million in the prior year, a 35% increase year-on-year. Headline earnings for the group amounted to a profit of R147.8 million compared to a profit of R59.7 million in the prior year, an increase of 147.6%.

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

Tough trading conditions continued for the free-to-air broadcasting industry with advertising revenue under increased pressure. Despite this, the group showed an increase of 4% in television advertising revenue from R1 580 million to R1 645 million while the television advertising market has shown a decrease of 4.1%. The group's television advertising revenue is approximately 9% higher than the market and was in some way assisted by the increase in market share of the group from 24.1% in March 2019 to 24.6% in March 2020.

Cost of sales, which mainly consists of the cost of content, in the case of e.tv, and employee costs in the case of eNCA, increased by 9% from R1 189 million to R1 295 million. The increase in cost of sales is in relation to the launch of the audience-generating news and sports channels during the financial year. The positive impact of the English Premier League, the Bundesliga and the NBA among other sports, will have a long-term impact on the group's revenue. The channel has received some good traction in the market and has helped decoder sales for the Openview platform.

Administrative and other expenses have been well maintained and showed a decrease of 9% year-on-year. While the group continues to invest in the Openview platform which remains loss making, the above factors contributed to the turnaround in the group.

As mentioned above, one of the main contributors to the increased profit has been the increase in market share. The e.tv share in prime-time has remained consistent during the financial year. This was driven by the performances of all our local dailies viz. Imbewu: The Seed, Scandal and Rhythm City. Management will be introducing a new local daily in the new financial year.

There has also been improvement in the ratings of the other six channels produced by e.tv with significant growth shown by eExtra, eMovies Extra and the news and sports channel as mentioned. Management will be looking to launch a few more channels on the Openview platform in the new financial year.

Openview (inclusive of the e.tv multi-channel business) earned advertising revenue of R194.1 million, up from R131.8 million, and incurred content costs of R308.7 million up from R255.7 million the previous year. The increase is attributable to the launch of Sports on the news and sports channel as well as the addition of an Afrikaans block on eExtra. These content changes have increased the market share in other eChannels as mentioned and the group's market share to 24.6%. Operating costs, including retail subsidies of R25.9 million, amounted to R283.3 million compared to R329.5 million in the prior year. The reason for the decrease is the impact of the decreased subsidy of R75 as compared to R150 for part of the previous year. The subsidy has reduced to zero as from 1 February 2020 as well. Despite the reduction in subsidy Openview set-top box, activations continue to grow at an average of 35 000 per month. At the end of the period, a total of 1 992 844 (2019: 1 574 395) boxes have been activated and a total of R25.9 million (R55.3 million in 2019) has been spent on retail subsidies. Subsequent to the end of the financial year, Openview reached an historical achievement of 2 000 000 box activations in less than six years. The new financial year will see the launch of a few more technical initiatives in Platco.

Despite eNCA only being on some of the premium DStv bouquets while SABC News is on all the bouquets and the DTT platform, eNCA continues to be the most watched 24-hour news channel in the country among LSM 8 to 10 with 47% of the market share. While advertising revenue remains under pressure, costs are being well maintained in light of the reduced DStv contract that is in its third year now.

Certain of the group's other subsidiaries have performed well for the year. These include Sasani Africa, Moonlighting, YFM, Media Film Services and Refinery Cape Town. The impact of COVID-19 will, however, be felt in particular by; Moonlighting, Media Film Services and Refinery Cape Town as they do a large part of their business with international film producers.

The television market is facing numerous technology and viewership challenges which will require the group to continually assess its strategic alternatives. Our investment in Openview provides the group with strategic flexibility and is part of our plan to address the challenges of the impending digital migration transition. We continue to engage government on their DTT and DTH plans. With the sale and our closure of certain non-core assets during the year, the group is now focused on its core businesses of broadcasting, content creation and being a platform and technology provider.

Reviewed consolidated statement of financial position

	Reviewed 31 March 2020 R'000	Audited 31 March 2019 R'000
Assets		
Non-current assets	**3 791 631**	5 766 533
Property, plant and equipment	**925 390**	848 033
Plant and equipment	**194 272**	230 156
Owner-occupied property	**731 118**	617 877
Right-of-use assets	**45 625**	–
Intangible assets	**2 403 010**	2 451 759
Goodwill	**182 143**	2 222 048
Equity-accounted investees	**180 077**	153 845
Long-term receivables	**9 557**	11 273
Deferred tax assets	**45 829**	79 575
Current assets	**1 582 054**	1 373 316
Inventories	**2 881**	14 038
Programming rights	**845 355**	792 611
Foreign exchange contracts	**37 823**	–
Trade and other receivables	**494 963**	465 476
Current tax assets	**9 481**	17 864
Cash and cash equivalents	**191 551**	83 327
Assets of disposal groups	**24 008**	6 342
Total assets	**5 397 693**	7 146 191
Equity and liabilities		
Total equity	**3 693 110**	5 604 947
Stated capital	**6 762 797**	6 762 797
Treasury shares	**(19 861)**	(14 018)
Reserves	**(4 125 316)**	(2 148 156)
Equity attributable to owners of the company	**2 617 620**	4 600 623
Non-controlling interest	**1 075 490**	1 004 324
Non-current liabilities	**874 806**	650 362
Deferred tax liabilities	**525 979**	526 630
Borrowings	**317 860**	123 732
Lease liabilities	**30 967**	–
Current liabilities	**827 881**	887 833
Current tax liabilities	**667**	6 219
Current portion of borrowings	**263 906**	323 092
Trade and other payables	**563 308**	520 639
Bank overdraft	**–**	37 883
Liabilities of disposal groups	**1 896**	3 049
Total liabilities	**1 704 583**	1 541 244
Total equity and liabilities	**5 397 693**	7 146 191
Net asset value	**2 617 620**	4 600 623
Net asset value per share after treasury shares (cents)	**591**	1 038

Reviewed consolidated statement of comprehensive income

	Reviewed 31 March 2020 R'000	Restated* 31 March 2019 R'000
Continuing operations		
Revenue	**2 506 160**	2 356 255
Lease income	**14 288**	13 314
Cost of sales	**(1 294 718)**	(1 188 620)
Gross profit	**1 225 730**	1 180 949
Other income	**10 817**	24 975
Administrative and other expenses	**(799 944)**	(882 490)
Earnings before interest, taxation, depreciation, amortisation and impairments	**436 603**	323 434
Depreciation, amortisation and other impairments	**(147 444)**	(139 216)
Impairment of goodwill	**(2 039 905)**	–
Operating (loss)/profit	**(1 750 746)**	184 218
Finance income	**7 776**	5 991
Finance expenses	**(24 026)**	(31 168)
Share of profit of equity-accounted investees, net of taxation	**24 676**	2 774
Surplus on disposal of associate	**–**	14 275
(Loss)/Profit before taxation	**(1 742 320)**	176 090
Taxation	**(61 846)**	(57 410)
(Loss)/Profit for the year from continuing operations	**(1 804 166)**	118 680
Discontinued operations		
Loss for the period from discontinued operations, net of taxation	**(10 702)**	(35 622)
(Loss)/Profit for the year	**(1 814 868)**	83 058
Other comprehensive (loss), net of related taxation		
Items that will be reclassified to profit/(loss)		
Foreign operations – foreign currency translation differences	**(5 013)**	(2 307)
Reclassification of foreign currency differences on disposal	**–**	(1 005)
Other comprehensive loss, net of taxation	**(5 013)**	(3 312)
Total comprehensive (loss)/income for the year	**(1 819 881)**	79 746
(Loss)/Profit attributable to:		
Owners of the company	**(1 887 505)**	48 149
Non-controlling interest	**72 637**	34 909
	(1 814 868)	83 058
Total comprehensive (loss)/income attributable to:		
Owners of the company	**(1 890 898)**	45 907
Non-controlling interest	**71 017**	33 839
	(1 819 881)	79 746
Basic and diluted earnings per share (cents)		
(Loss)/Earnings	**(425.94)**	10.85
Continuing operations	**(424.31)**	16.28
Discontinued operations	**(1.63)**	(5.43)
Headline earnings per share (cents)		
Earnings/(Loss)	**33.34**	13.45
Continuing operations	**34.34**	15.99
Discontinued operations	**(1.00)**	(2.54)

* *Prior year restated for discontinued operations.*

Reviewed consolidated statement of changes in equity

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Accumulated loss R'000
Group				
Balance 31 March 2018	6 762 797	(10 870)	(12 537)	(2 177 423)
Profit	–	–	–	48 149
Other comprehensive loss – foreign currency translation reserve	–	–	(2 242)	–
Share buyback	–	(3 148)	–	–
Common control transaction	–	–	(4 103)	–
Disposal of share interest	–	–	–	–
Balance 31 March 2019	**6 762 797**	**(14 018)**	**(18 882)**	**(2 129 274)**
(Loss)/Profit	**–**	**–**	**–**	**(1 887 505)**
Adoption of IFRS 16	**–**	**–**	**–**	**(6 026)**
Other comprehensive loss – foreign currency translation reserve	**–**	**–**	**(3 393)**	**–**
Share buyback	**–**	**(5 843)**	**–**	**–**
Disposal of share interest	**–**	**–**	**–**	**–**
Dividends	**–**	**–**	**–**	**(80 236)**
Balance 31 March 2020	**6 762 797**	**(19 861)**	**(22 275)**	**(4 103 041)**

	Equity owners R'000	Non-controlling interest R'000	Total reserves R'000
Group			
Balance 31 March 2018	4 561 967	996 994	5 558 961
Profit	48 149	34 909	83 058
Other comprehensive loss – foreign currency translation reserve	(2 242)	(1 070)	(3 312)
Share buyback	(3 148)	–	(3 148)
Common control transaction	(4 103)	–	(4 103)
Disposal of share interest	–	(26 509)	(26 509)
Balance 31 March 2019	**4 600 623**	**1 004 324**	**5 604 947**
(Loss)/Profit	**(1 887 505)**	**72 637**	**(1 814 868)**
Adoption of IFRS 16	**(6 026)**	**–**	**(6 026)**
Other comprehensive loss – foreign currency translation reserve	**(3 393)**	**(1 620)**	**(5 013)**
Share buyback	**(5 843)**	**–**	**(5 843)**
Disposal of share interest	**–**	**149**	**149**
Dividends	**(80 236)**	**–**	**(80 236)**
Balance 31 March 2020	**2 617 620**	**1 075 490**	**3 693 110**

Reviewed consolidated statement of cash flows

	Reviewed 31 March 2020 R'000	Audited 31 March 2019 R'000
Cash from operating activities		
Cash flows from operating activities	**373 549**	293 772
Net finance costs	**(24 026)**	(24 290)
Taxes paid	**(30 100)**	(64 334)
Dividend paid	**(80 236)**	–
Net cash inflow from operating activities	**239 187**	205 148
Cash used in investing activities		
Acquisition/development of property, plant and equipment	**(184 722)**	(99 561)
Development of owner-occupied properties	**(121 507)**	–
Acquisition of property, plant and equipment	**(63 215)**	(99 561)
Proceeds from sale of property, plant and equipment	**330**	6 222
Book value of assets disposed	**656**	8 753
Deficit on disposal	**(326)**	(2 531)
Movement in financial assets	**–**	(3 198)
Acquisition of subsidiary, net of cash acquired	**–**	(4 996)
Cash outflow from disposal of subsidiary	**–**	(8 751)
Proceeds on disposal of investment	**3 930**	14 275
Additions to intangible assets	**(2 675)**	(6 013)
Loans advanced to equity accounting investees	**(1 558)**	(7 576)
Net cash used in investing activities	**(184 695)**	(109 598)
Cash from/(used in) financing activities		
Repayment of borrowings	**(213 836)**	(267 180)
Borrowings raised	**325 000**	100 000
Principal paid on lease liabilities	**(15 377)**	–
Net cash from/(used in) financing activities	**95 787**	(167 180)
Net change in cash and cash equivalents	**150 279**	(71 630)
Cash and cash equivalents at the beginning of the year	**45 444**	116 656
Effect of movements in exchange rates on cash held	**(4 068)**	418
Cash and cash equivalents at the end of the year	**191 655**	45 444
Cash and cash equivalents comprise the following:		
Cash and cash equivalents	**191 655**	83 327
Bank balances	**191 551**	83 327
Cash in disposal group assets held for sale	**104**	–
Bank overdrafts	**–**	(37 883)
	191 655	45 444

Headline earnings

For the year ended 31 March 2020	Reviewed Gross R'000	Reviewed Net R'000
Earnings attributable to equity owners of the parent		(1 887 505)
IAS 16 loss on disposal of plant and equipment	326	159
IAS 16 impairment of plant and equipment	2 361	1 151
IFRS 3 impairment of goodwill	2 039 905	2 039 905
IFRS 10 loss on the change of control of subsidiary	4 187	2 834
IAS 28 Remeasurements included in equity accounted earnings	(16 725)	(8 785)
Headline earnings		147 759

For the year ended 31 March 2019	Restated Gross R'000	Restated Net* R'000
Earnings attributable to equity owners of the parent		48 149
IAS 16 gains on disposal of plant and equipment	2 531	1 233
IAS 16 impairment of plant and equipment	3 605	1 757
IAS 21 foreign currency translation reserve reclassified to profit or loss	(1 005)	(680)
IAS 28 impairment of associates and joint ventures	(14 275)	(9 663)
IAS 38 impairment of intangible assets	14 579	7 378
IFRS 3 impairment of goodwill	16 604	11 239
IFRS 10 gain on the loss of control of a subsidiary	386	262
Headline earnings		59 675

* *Prior year restated for discontinued operations.*

Statistics per share

	Reviewed 31 March 2020	Restated* 31 March 2019
Basic earnings (R'000)		
(Loss)/Earnings	**(1 887 505)**	48 149
Continuing operations	**(1 880 261)**	72 260
Discontinued operations	**(7 244)**	(24 111)
Headline earnings	**147 759**	59 675
Continuing operations	**152 169**	70 952
Discontinued operations	**(4 410)**	(11 277)
Basic and diluted earnings per share (cents)		
(Loss)/Earnings	**(425.94)**	10.85
Continuing operations	**(424.31)**	16.28
Discontinued operations	**(1.63)**	(5.43)
Headline earnings per share (cents)		
Earnings/(Loss)	**33.34**	13.45
Continuing operations	**34.34**	15.99
Discontinued operations	**(1.00)**	(2.54)
Weighted average number of shares in issue – 31 March (000)	**443 138**	443 675
Issued shares as at 1 April (000)	**443 354**	444 153
Effect of own shares held (000)	**(216)**	(478)
Net number of shares in issue – 31 March (000)	**443 114**	443 354
Number of shares in issue – 31 March (000)	**445 738**	445 738
Number of treasury shares in issue – 31 March (000)	**(2 624)**	(2 384)

* *Prior year restated for discontinued operations.*

During the year, the company entered into a share buyback from group employees who resigned, resulting in the buyback of 239 465 (2019: 799 162) N ordinary shares. The share buyback transaction is accounted for as treasury shares in the statement of changes in equity.

Notes to the reviewed condensed consolidated results

1. Basis of preparation and accounting policies

The results for the year ended 31 March 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS), the disclosure requirements of IAS 34, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the South African Companies Act, 71 of 2008, as amended , and the JSE Limited Listings Requirements. The accounting policies applied by the group in the preparation of the reviewed condensed consolidated financial information are consistent with those applied by the group in its consolidated financial statements for the year ended 31 March 2019, except for the policies disclosed below. The impact identified on the financial results is presented below, based on management's assessment of the new standards adopted. As required by the JSE Limited Listings Requirements, the group reports headline earnings in accordance with Circular 1/2019: Headline Earnings as issued by SAICA. The financial information was prepared under the supervision of the financial director, AS Lee, (CA)SA.

2. Significant accounting policies

Except as described below, the accounting policies applied in the condensed consolidated financial statements are the same as those applied in the group's consolidated financial statements as at and for the year ended 31 March 2019.

The changes in accounting policies are also expected to be reflected in the group's consolidated financial statements as at and for the year ended 31 March 2020.

Intangible assets

During the year the estimated total useful life for owned intangible assets has been revised. Management has revised the economic useful life for these items to 10 years as this best reflects the benefits that would be generated from the intangible assets. These intangibles were previously amortised based on sales. The net effect of the changes in the current financial year was an increase in amortisation expense of R10.5 million.

Leases

The group adopted IFRS 16 from 1 April 2019 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application. Right-of-use assets were measured at the carrying value that would have resulted from IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients noted. The group elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

The group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

The group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of IFRS 16, the group recognised right-of-use assets and lease liabilities in relation to leases of property (office space), which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate of 9% as at 1 April 2019. The group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 April 2019:

	R'000
Right-of-use assets	**43 820**
Lease liabilities	**(52 284)**
Lease smoothing accrual reversal	**2 438**
Restatement of retained earnings as at 1 April 2019	**(6 026)**

2. Significant accounting policies continued

Included in profit or loss for the period is R13.8 million of depreciation on right-of-use assets and R3 million of finance costs on lease liabilities. Short-term leases included in other operating expenses and income for the period were R6.1 million.

The following table reconciles the minimum lease commitments disclosed in the group's 31 March 2019 annual financial statements to the amount of lease liabilities recognised on 1 April 2019:

	R'000
Minimum operating lease commitment at 31 March 2019	**42 702**
Revised additional lease commitments	**34 902**
Less: short-term leases not recognised under IFRS 16	**(19 212)**
Undiscounted lease payments	**58 392**
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	**(6 108)**
Lease liabilities recognised at 1 April 2019	**52 284**

3. Segment report

The group only has one operating segment, i.e. the media segment. The chief operating decision-maker, identified as the executive member of the board, considers the operations of the group at year-end as those of media only and therefore no separate disclosure for operating segments is required.

4. Discontinued operations

During the year ended 31 March 2020, a decision was made to close Crystal Brook Distribution and Niveus 13. Management decided to dispose of Jacana Media on 31 July 2019. The results of the operations were reclassified to discontinued operations in the statement of comprehensive income and in assets and liabilities of disposal groups held for sale in the statement of financial position.

Discontinued operations as disclosed in the statement of comprehensive income consist of the following:

	Reviewed 31 March 2020 R'000	Restated* 31 March 2019 R'000
Revenue		
Longkloof Limited Group	**–**	–
Silverline Three Sixty Proprietary Limited	**–**	22 096
Coleske Artists Proprietary Limited	**–**	1 312
Afrikaans is Groot Show Proprietary Limited	**–**	777
Strika Entertainment Proprietary Limited	**–**	39 542
Crystal Brook Distribution Proprietary Limited	**706**	4 268
Jacana Media Proprietary Limited	**9 791**	29 425
Niveus 13 Proprietary Limited	**561**	2 285
Total revenue	**11 058**	99 705
Loss from discontinued operations		
Longkloof Limited Group	**(5 489)**	(1 392)
Silverline Three Sixty Proprietary Limited	**–**	(42 342)
Coleske Artists Proprietary Limited	**–**	(608)
Afrikaans is Groot Show Proprietary Limited	**–**	2 392
Strika Entertainment Proprietary Limited	**–**	7 392
Crystal Brook Distribution Limited	**(4 103)**	(2 000)
Jacana Media Proprietary Limited	**(1 508)**	13
Niveus 13 Proprietary Limited	**398**	923
Total loss	**(10 702)**	(35 622)

* *Prior year restated for discontinued operations.*

Notes to the reviewed condensed consolidated results continued

4. Discontinued operations continued

Disposal group held for sale as disclosed in the statement of financial position consist of the following

	Property, plant and equipment R'000	Intangible assets and goodwill R'000	Other assets R'000	Total assets R'000
Assets				
31 March 2020, reviewed				
Longkloof Limited Group	–	–	20 521	20 521
Niveus 13 Proprietary Limited	–	–	81	81
Crystal Brook Distribution Limited	4	1 418	1 984	3 406
Total assets	4	1 418	22 586	24 008
Assets				
31 March 2019, audited				
Longkloof Limited Group	–	–	6 342	6 342
Total assets	–	–	6 342	6 342

	Financial liabilities R'000	Other liabilities R'000	Total liabilities R'000
Liabilities			
31 March 2020, reviewed			
Longkloof Limited Group	–	1 385	1 385
Niveus 13 Proprietary Limited	–	25	25
Crystal Brook Distribution Limited	–	486	486
Total liabilities	–	1 896	1 896
Liabilities			
31 March 2019, audited			
Longkloof Limited Group	–	3 049	3 049
Total liabilities	–	3 049	3 049

Notes to the reviewed condensed consolidated results continued

4. Discontinued operations continued

	Reviewed 31 March 2020 R'000
Sale of Jacana Media Proprietary Limited	
Property, plant and equipment	**(1 385)**
Other non-current assets	**(2 247)**
Trade and other receivables	**(9 057)**
Inventory	**(7 519)**
Current income tax assets	**(25)**
Cash and cash equivalents	**–**
Trade and other payables	**6 269**
Bank overdrafts	**1 699**
Other current liabilities	**3 996**
Total net assets sold	**(8 269)**
Non-controlling interests	**(149)**
Deferred disposal proceeds	**2 000**
(Gain)/loss on disposal of subsidiary	**4 187**
Cash and cash equivalents disposed of	**(1 699)**
Net cash inflow on disposal	**(3 930)**

5. Revenue disaggregation

	Reviewed 31 March 2020 R'000	Restated* 31 March 2019 R'000
Advertising revenue	**1 735 497**	1 649 345
Content sales	**33 286**	15 132
Facility income	**325 478**	294 967
Licence fees	**411 899**	396 811
Total revenue	**2 506 160**	2 356 255

* *Prior year restated for discontinued operations.*

6. Changes in comparatives

The results of discontinued operations have been separately disclosed on the face of the statement of comprehensive income.

7. Subsequent events

The group has seen a significant reduction in revenue as a result of the negative impact of the current COVID-19 pandemic. Collections, however, has remained significantly within terms and no additional losses recorded to date. The impact at this stage is being felt in the first half of the 2021 financial year, due to the continued lockdown and slow restart to economic activity. This is due to the loss of advertising in some key industries such as fast foods, alcohol and the motor industry as well as the negative impact on the exchange rate. The direct result is the impairment of goodwill as at 31 March 2020. Management has implemented significant cost-saving strategies across the group and this yielded satisfactory results subsequent to year-end, with the business slowly recuperating lost revenue as economic activity restarts.

Notes to the reviewed condensed consolidated results continued

8. Related party transactions

During the year, in the ordinary course of business, certain companies within the group entered into transactions with one another. These intra-group transactions have been eliminated on consolidation. Transactions with Hosken Consolidated Investments Limited (HCI) (ultimate holding company), entities in which HCI has an interest, Remgro Limited (Remgro) (shareholder in eMedia Investments Proprietary Limited), and Venfin Media Investments Proprietary Limited (Venfin) (a wholly owned subsidiary of Remgro) are included in the following table:

	Reviewed 31 March 2020 R'000	Restated 31 March 2019 R'000
Income/(expense) transaction values with related parties		
HCI – management fees paid	**(17 741)**	(20 429)
Remgro – management fees paid	**(2 102)**	(2 002)
GRIPP Advisory – internal audit service fee	**(2 851)**	(2 538)
Balances owing (to)/by related parties		
HCI – working capital loan	**(8 602)**	(8 602)
HCI Managerial Services Proprietary Limited	**(1 701)**	(1 747)
Venfin – loan relating to the acquisition of Longkloof Limited	**(118 315)**	(156 605)
Cape Town Film Studios – associate loan	**119 926**	118 728
Dreamworld Management Company – associate loan	**12 700**	12 340
Employees of the group – loans relating to company shares held by employees	**3 020**	9 351

9. Changes in directorate

No changes during the period.

Auditor’s review report

The condensed consolidated financial information for the year ended 31 March 2020 has been reviewed by BDO South Africa Incorporated, who expressed an unmodified review conclusion. The auditor’s review report does not necessarily report on all the information contained in this announcement of the financial results. Shareholders are therefore advised that, in order to obtain a full understanding of the engagement, they should obtain a copy of the auditor’s review report together with the accompanying financial information from the issuer’s registered office. A copy of the auditor’s review report is available for inspection at the company’s registered office together with the financial information identified in the auditor’s review report.

Dividend to shareholders

The directors of eMedia Holdings have resolved to declare a final dividend for the year ended 31 March 2020 of 11 cents per share (2019: 8 cents). The dividend to shareholders relates to the ordinary shares (share code: EMH) and N ordinary shares (share code: EMN). The dividend will be subject to a local dividend withholding tax at a rate of 20%, which will result in a net interim dividend to those shareholders not exempt from paying dividend withholding tax of 8.80 cents per ordinary share and 11 cents per ordinary share for those shareholders who are exempt from dividend withholding tax. In terms of dividend withholding tax legislation, any dividend withholding tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (collectively “regulated intermediary”) on behalf of shareholders. All shareholders should declare their status to their regulated intermediary as they may qualify for a reduced dividend withholding tax rate or exemption. The salient dates for the payment of the dividend are as follows:

Last day to trade cum dividend	Monday, 15 June 2020
Commence trading ex dividend	Wednesday, 17 June 2020
Record date	Friday, 19 June 2020
Payment date	Monday, 22 June 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 June 2020 and Friday, 19 June 2020, both dates inclusive.

eMedia Holdings’ tax reference number is 9650/144/71/1.

Signed for and on behalf of the board on 29 May 2020 by:

MKI Sherrif
Chief executive officer

AS Lee
Financial director

Corporate information

eMEDIA HOLDINGS LIMITED
The company's shares are listed under the Media sector of the JSE Limited

COMPANY REGISTRATION NUMBER
1968/011249/06
(Incorporated in the Republic of South Africa)

JSE SHARE CODES
Ordinary shares: EMH IZIN: ZAE000208898
N ordinary shares: EMN IZIN: ZAE000209524

REGISTERED OFFICE
5 Summit Road
Dunkeld West
Hyde Park
Johannesburg, 2196

Private Bag X9944
Sandton, 2146

DIRECTORS
JA Copelyn* (chairman)
MKI Sherrif (chief executive officer)
AS Lee (financial director)
TG Govender*
Y Shaik*
VE Mphande*^
L Govender*^
RD Watson*^

**Non-executive ^Independent*

COMPANY SECRETARY
HCI Managerial Services Proprietary Limited

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

PO Box 61051
Marshalltown, 2107

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

Private Bag X10046
Sandton, 2146

BANKERS
Standard Bank of South Africa

SPONSOR
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100 Grayston Drive
Sandton
Sandown, 2196

WEBSITE
www.emediaholdings.co.za

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eMEDIA HOLDINGS

www.emediaholdings.co.za