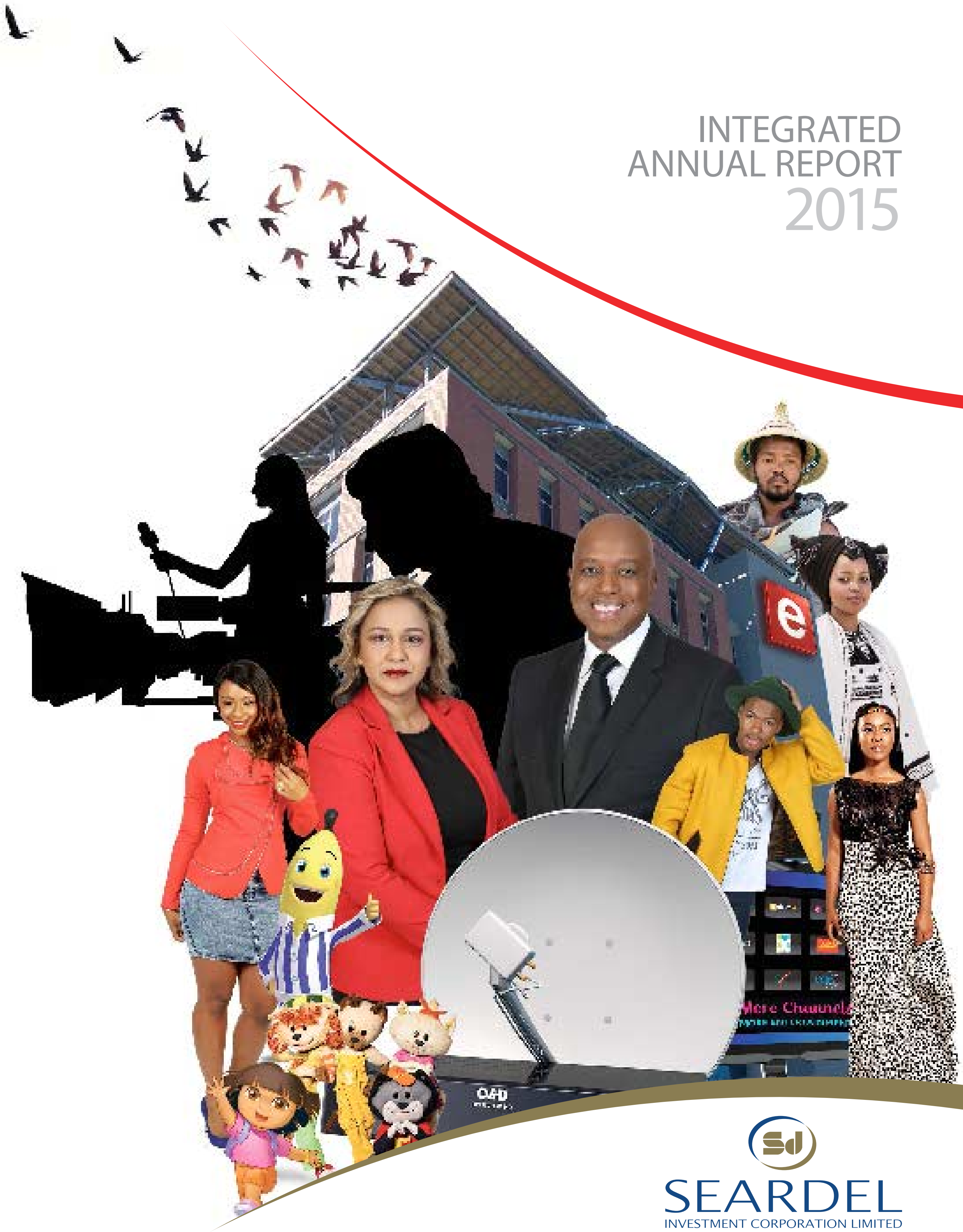
INTEGRATED ANNUAL REPORT 2015



SEARDEL
INVESTMENT CORPORATION LIMITED

CONTENTS

SCOPE OF THE INTEGRATED REPORT AND ASSURANCE

Seardel Investment Corporation Limited ("Seardel") proudly presents its Integrated Report. This provides a summary of the Group's financial, social and environmental performance on matters material to the Group and those of interest to the Group's key stakeholders for the financial year ended 31 March 2015.

This summary of results includes an executive review of our performance as published on the Securities Exchange News Service ("SENS") on 21 May 2015 and in the Business Day on 22 May 2015.

As a JSE-listed company the Group subscribes to the principles of integrated reporting. These strive to provide insight into the business practices which have a material influence on the Group's future sustainability.

BUSINESS PHILOSOPHY

Our approach is to create a long-term value proposition for our stakeholders through focused and ethical business management of media-focused assets. Our mode of operating complies with legal and regulatory requirements with the aim to be good corporate citizens, operating sustainable businesses in a dynamic environment. In line with the requirements of the King Report on Governance ("King III"), Seardel aims to enhance reporting systems and measures so as to provide increased value-added information to stakeholders.

The financial information extracted from the audited Seardel annual financial statement for the year ended 31 March 2015 has been correctly quoted in the Integrated Annual Report.

The reporting principles which have been applied in this Integrated Annual Report are in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act of South Africa 2008 (as amended), the JSE Listings Requirements, King III and the guidance provided in the Integrated Reporting Committee of South Africa's Framework for integrated reporting and the Integrated Report Discussion Paper (framework) 2011. The board, assisted by the audit and risk committee, is responsible for overseeing the integrity of the Integrated Report.

The directors confirm that they have collectively reviewed the content of the Integrated Report and believe it addresses the material issues and is a fair representation of the integrated performance of the Group.

ASSURANCE

Assurance was provided for different aspects of our reporting from a variety of sources. These include:

- The annual financial statements which have been audited by independent auditors, Grant Thornton Johannesburg Partnership.
- The South African broad-based black economic empowerment information was verified by Empowerdex.
- The sustainable development information for the Carbon Disclosure Project was compiled with the assistance of Environmental Resources Management ("ERM").

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements which relate to the financial position and results of the operations of the Group and its underlying investments. These statements by their nature involve risk and uncertainty as they relate to events and depend on circumstances that may occur in the future. These forward-looking statements have not been reviewed or reported on by the Group's independent auditors.

The board approved this Integrated Annual Report on 19 August 2015.

We welcome any feedback on the Integrated Report at info@seardel.co.za

OPERATING STRUCTURE

Seardel Investment Corporation

Sabido Investments Proprietary Limited (64%)

BROADCASTING

- e.tv
- eSat.tv ("eNCA")
- Platco Digital ("OpenView HD")
- Yired ("YFM")
- Afrikaanse Satelliet Televisie
- Global Media Alliance Broadcasting Company
- eBotswana
- eAcademy

CONTENT

- Jacana Media
- Mindset Television
- Strika Entertainment
- Crystal Brook Distribution
- TVPC Media
- Lalela Music
- Coleske Artists
- Afrikaans is Groot

PROPERTIES AND FACILITIES

- Sabido Properties
- Sasani Africa
- Learnthings Africa
- Silverline 360
- Cape Town Film Studios
- Dreamworld Management Company

GROUP FINANCIAL AND PERFORMANCE HIGHLIGHTS

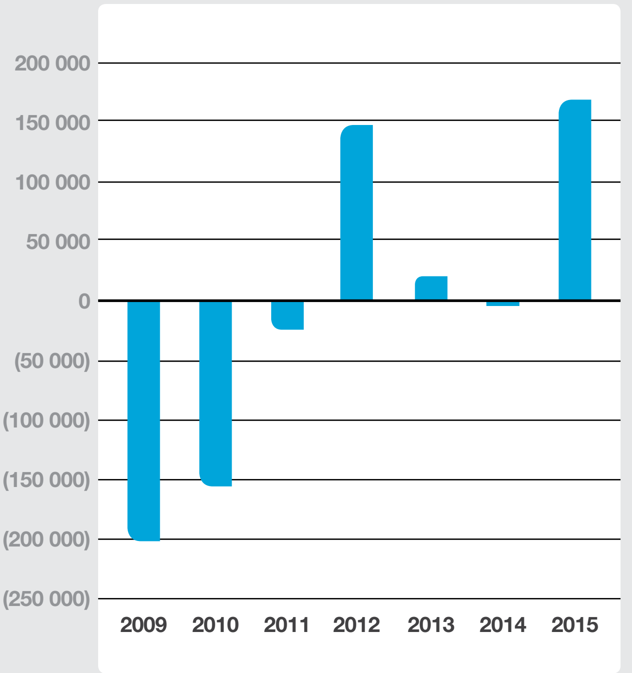
PERFORMANCE HIGHLIGHTS

		2015	% Change	Restated 2014
Revenue	R'000	**2 398 385**	96,0	1 223 603
EBITDA	R'000	**594 581**	74,7	340 416
Profit before tax	R'000	**364 849**	200,2	121 531
Headline earnings/(loss)	R'000	**169 378**	(15 015,9)	(1 077)
Headline earnings per share	Cents	**4,11**	(3 350,0)	(0,12)
Headline earnings per share – continuing operations	Cents	**3,92**	(320,2)	(1,78)
Net asset carrying value per share	Cents	**141**	(35,9)	220

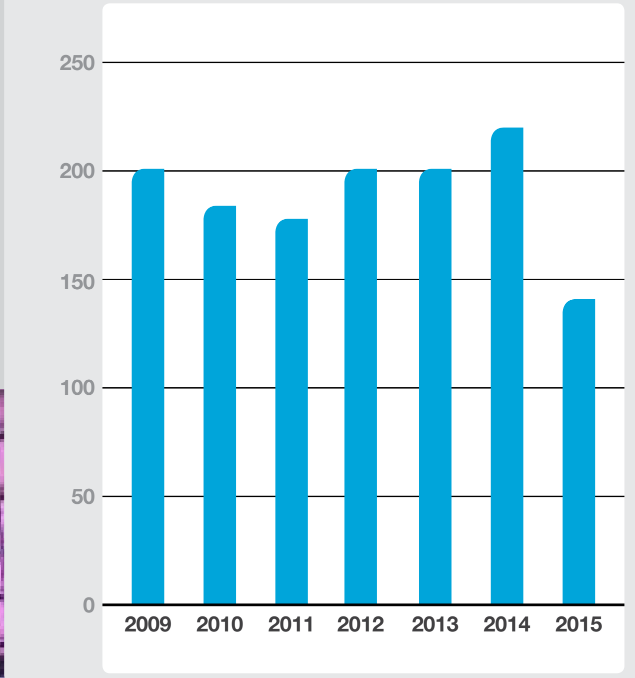
SEVEN-YEAR REVIEW

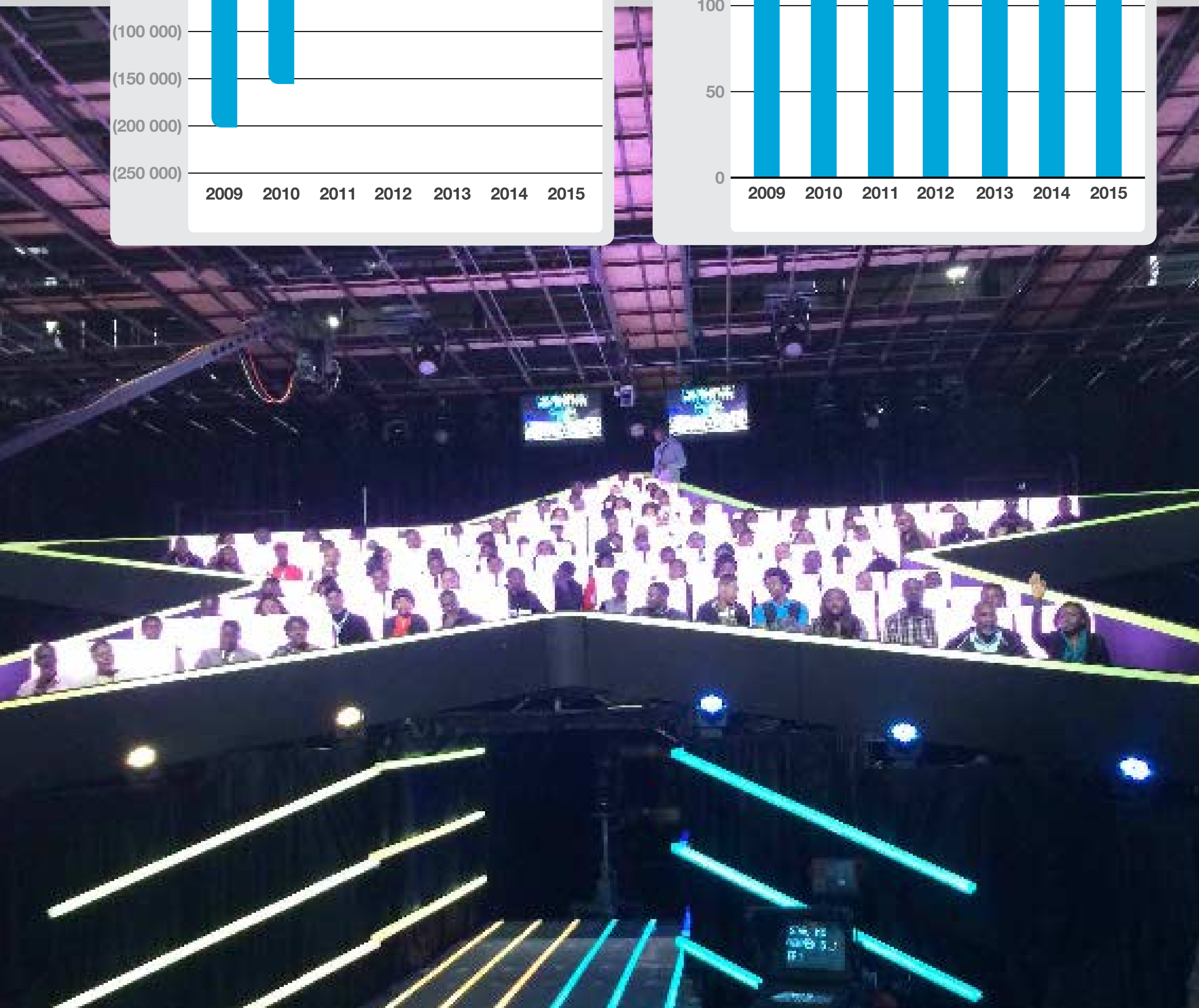
	2015	Restated 2014	Restated 2013	2012	2011	2010	2009
Headline earnings/(loss)							
– Per share (cents)	**4,1**	(0,1)	2,9	20,9	(3,5)	(22,2)	(45,6)
– R'000	**169 378**	(1 077)	20 040	146 736	(24 752)	(156 002)	(201 920)
Net asset carrying value per share after treasury shares (cents)	**141**	220	201	201	178	184	201
Dividend per share (cents)	**–**	–	–	–	–	–	–
Share price per share (cents)							
Ordinary shares							
– High	**230**	320	154	120	100	50	350
– Low	**121**	116	86	71	32	33	33
– At year-end	**145**	200	120	119	85	36	38
N ordinary shares							
– High	**235**	315	145	115	90	60	330
– Low	**100**	120	96	72	31	30	32
– At year-end	**109**	174	120	111	83	31	42
Shares in issue (net of treasury) ('000)							
– Average	**4 123 996**	884 013	685 310	703 398	702 946	702 946	443 253
– At year-end	**4 318 212**	1 186 936	682 892	703 711	702 946	702 946	702 946

Headline earnings
(R'000)



Net asset carrying value per share
(cents)





DIRECTORS' PROFILE

JOHN ANTHONY COPELYN [65]

(Chairman)
BA Hons, BProc
Non-executive chairman

John Copelyn joined Hosken Consolidated Investments Limited ("HCI") as chief executive officer in 1997. From 1974 he was general secretary of various unions in the clothing and textiles industries before becoming a member of parliament in 1994. He is chairperson of Tsogo Sun Holdings Limited ("Tsogo"), Deneb Investments Limited ("Deneb") and Niveus Investments Limited ("Niveus"). He was appointed to the Seardel board in May 2005.

KEVIN GOVENDER [44]

(Acting chief executive officer)
BCom Hons, BCompt Hons
Executive

Kevin Govender is the acting chief executive officer of Seardel and Sabido. He joined HCI in 1997 and was appointed to chief financial officer in 2001. He also serves on the board of Deneb. He was appointed to the Seardel board in October 2008.

ANTONIO SERGIO LEE [42]

(Financial director)
BCom (Acc), PGDA, CA (SA)
Executive

Antonio Lee is the financial director of Seardel and chief financial officer of Sabido. He has over 15 years' post article experience including 10 years' experience in the media business. He was appointed to the Seardel board in December 2014.

LOGANATHAN GOVENDER [67]

BCom, CTA, CA (SA)

Lead independent non-executive

Loganathan Govender manages his own auditing practice in Durban which is the oldest Black auditing practice in South Africa. He also serves on the board of Deneb. He was appointed to the Seardel board in April 2015 and serves on the audit and risk committee.

VELAPHI ELIAS MPHANDE [57]

Elec Eng (Dip)

Independent non-executive

Velaphi Mphande is a businessman. He was employed as national organising secretary of the Southern African Clothing and Textile Workers Union, is the chief executive officer of Vukani Gaming and chairperson of Golden Arrow Bus Services. He is the lead independent director for HCI and also serves on the boards of Tsogo and Sabido. He was appointed to the Seardel board in December 2014 and serves on the audit and risk committee.

RACHEL WATSON [56]

Independent non-executive

Rachel Watson has 33 years' operational experience within the clothing industry as a trade union representative and national media officer. She currently holds a position as station manager at a community broadcaster. She also serves on the boards of Deneb and HCI. She was appointed to the Seardel board in August 2009 and serves on the audit and risk committee.

ACTING CHIEF EXECUTIVE OFFICER'S REPORT

The Group reports income attributable to ordinary shareholders of R152,7 million and total comprehensive income of R174,9 million for the year ended 31 March 2015. The results are not comparable with the prior year as the previous year only accounted for the inclusion of the media assets from 1 October 2013. The industrial assets were unbundled and separately listed under Deneb Investments Limited ("Deneb") on 1 December 2014 and have been shown as discontinued operations in the financial statements, leaving only the media assets as the reporting activities for this financial year.

Group turnover for the year was R2,396 billion. The 2015 fiscal was the most difficult in the last 12 years for the media division. This was predominantly driven by the general economic climate for e.tv attributable to a range of factors. These included significantly increased investment in local content by competitor broadcasters, a drop in market share and increased market fragmentation. Furthermore, the 2014 FIFA World Cup drew viewers away from normal appointment viewing. The difficulty of broadcasting as a single terrestrial channel against a strong DStv and three SABC channels meant that our programmers, schedulers and sales personnel had their work cut out for them given the downturn in the economy. These factors all impacted negatively on our flagship entertainment channel, e.tv.

In the last month of the financial year we launched a new, prime time schedule which has been constantly updated, refreshed and promoted. We saw a turn in ratings which has continued to build and we are confident that the 2016 fiscal will see renewed confidence in the channel.

eNews Channel Africa ("eNCA"), Seardel's 24-hour news channel, had a good year achieving a net profit of R147,2 million compared to the prior year's profit of R125,3 million. Licence fee revenue also reflected an increase year-on-year. The news channel achieved 46% of the total news audience share in the 24-hour segment. As a news business it delivered the eNuus service to kykNET, the eNews Prime Time bulletin to e.tv, a Zulu bulletin to OpenView HD ("OVHD") and an African bulletin. Its online service, eNCA Online, reached and surpassed one million unique news browsers. The introduction of video content online saw spikes in users where breaking stories featured. While revenue in the online space was immaterial during the building phase of the service we look forward to a revenue uptick in the 2016 financial year.

The challenge taken up during the year was to try to get traction in the market of the multi-channel offering, OVHD. This is a direct-to-home ("DTH") satellite offering where viewers buy a set-top box and, if they do not have one, a dish. Thereafter they receive free, multi-channel television with no monthly subscription. The market aim of this service falls within the LSM 4 – 8 sector of economically active South Africans. The offer of free, multi-channel television beyond the limited terrestrial services currently available, is a first in South Africa. This service comprises two business units. The first is Platco Digital Proprietary Limited ("Platco") which provides the infrastructure, engineering and retail elements to the business, while the second, e.tv Multichannel, is the entity responsible for producing a channel line-up from within its own resources and through the addition of third-party channels to the offering.

The multi-channel operation achieved a net loss of R189,1 million, but these figures must be contextualised within a framework of a high investment, slow take-up, and start-up business. The offering debut was 15 channels which soon rose to 18. Further channels will be added during the 2016 fiscal. The channel's investment must be viewed against an expected, relatively slow uptake of OVHD set-top boxes in its first year of operation.

The satellite business required some re-engineering during the year as it became apparent that the price point was a barrier to entry. During the Christmas period a box subsidy was introduced, which saw an immediate increase in box take-up. Significant restructuring will take place in relation to the availability and pricing of boxes in the 2016 financial year and we foresee a much better year ahead. At the end of March 2015, 112 715 boxes had been activated. At the time of preparing this report activations had increased to over 190 000.

Our radio segment, driven by YFM, continued to deliver value to the Group, achieving net profits of R7,4 million for the year. In the Properties and Facilities segments Sasani Africa ("Sasani") continued its excellent trend of profitability, delivering R23,2 million net profit for the financial year. A fire at one studio saw revenue diminish slightly below forecast and this will continue into the next year. However, the development of two new studios on the site where one was located previously will see improved revenues thereafter.

The Group continues to nurture facilities group Silverline 360, which turned a corner in the last quarter and retains its interest in the Cape Town Film Studios which have become part of the wineland's landmarks as the pirate ship set permeates the skyline off the N2. The Group also retains its interest in the land surrounding the studios and it is intended to begin to develop or sell at least part of this land in the next year.

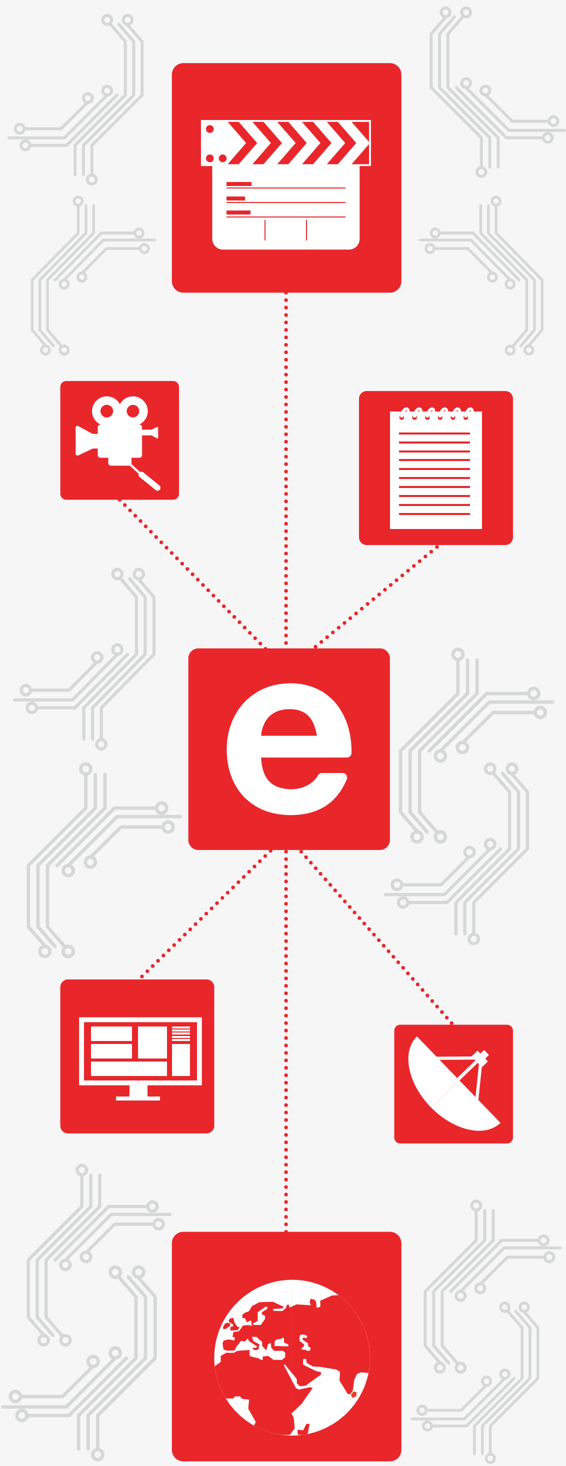
The last period of the fiscal saw a change in strategic direction in relation to underperforming and non-performing entities and a number of these assets were targeted for disposal or rationalisation during the forthcoming fiscal. This will enable management to focus on the core strengths of the Group.

The highly regulated environment saw the media business having to deal with numerous challenges, particularly in relation to the failure to launch multi-channel digital terrestrial television ("DTT"). While the multi-channel business of the Group is currently growing on OVHD, it is poised to broadcast on this DTT service when it launches too. However, the future of DTT and its path is still the subject of litigation. We face regulation regarding attempts to ban alcohol advertising on our channels and regulated and limited advertising on unhealthy foods. These will form part of the Group's challenges in the year ahead.

Finally, I would like to take this opportunity to thank all management and staff for their concerted efforts and focus during the past financial year.

Kevin Govender
Acting Chief Executive Officer

Cape Town
19 August 2015



OPERATIONAL OVERVIEW

Seardel is the owner of 64% of Sabido Investments Proprietary Limited ("Sabido") which will change its name to E Media Investments ("E Media") in the current fiscal. Sabido is a media group owned by JSE-listed Seardel and Remgro Limited. Seardel is majority owned by JSE-listed Hosken Consolidated Investments Limited ("HCI"). The Group grew out of the success of e.tv, South Africa's first and only private commercial free-to-air television channel launched in 1998 and broadcasting to 80,5% of the South African population. The channel is wholly owned by Sabido.

The success of e.tv's eNews Prime Time bulletin led to Sabido launching South Africa's first and most-watched 24-hour television news channel, the eNews Channel, now branded eNCA, broadcast on DStv Channel 403 in 2008.

Sabido also operates the pan-African entertainment channel, eAfrica. This broadcasts in 49 countries across the continent and has direct investments in broadcasting businesses in Botswana and Ghana. The Group continues to consolidate its media business with investments in content production and distribution.

BROADCASTING

The broadcasting companies of Seardel include two of South Africa's most well-known television channels, e.tv and eNCA. In October 2013 e.tv launched its free DTH multi-channel offering, OVHD through its sister company Platco. Consumers across South Africa can acquire the channels for a once-off cost for the set-top box and a satellite dish, where required, with no further monthly subscription fees. OVHD provided 15 channels at launch.

Free your imagination

e.tv

e.tv has established itself as a strong independent entertainment and current affairs television channel, producing a number of local shows that have captivated South African audiences. The channel has consistently exceeded its local production licence obligations of 45%. e.tv has also become well known for its range of international content. Realising that South African audiences want to enjoy the best blockbusters and series, the channel often fills certain prime time slots with Hollywood films.

e.tv recorded a net profit of R169 million, with advertising revenue amounting to R1,387 billion (2014: R1,453 billion), a 5% decrease year-on-year. Included in the net profit after tax are losses of R189 million for the e.tv Multichannel business. These channels include: eKasi+, eMovies+, eToonz+, eAfrica+ and Beatlab.tv and are broadcast on the OVHD platform. This is not comparable to the prior year as the multi-channel operations started halfway through the 2014 financial year.

This was a challenging period, with the channel suffering a decrease in audience ratings due to a major shift in the television market. The multi-channel, multi-platform market has led to the fragmentation of audiences with viewers having a wider range of options.

The loss in audience share has been addressed through a strategic programme schedule change which focuses on a new, local content strategy which was implemented in March 2015. The core entertainment block of *Rhythm City, Scandal!* and *Ashes to Ashes* (back-to-back soaps plus telenovela) from 19:00 to 20:30 saw an audience share increase of 31% from February to March. This is an encouraging indication that the new strategy is building steadily in the right direction. The prime time band from 18:00 to 22:00 saw an overall increase of 8,6%. The 24-hour audience share was up by 2,5%.

OPERATIONAL OVERVIEW (CONTINUED)

eSat.tv (branded as "eNCA")

eNCA supplies television, mobile and online news to various channels in South Africa. The company provided live news bulletins to nearly three million viewers each night on e.tv in English, Zulu and Sotho, on eKasi+ in Zulu (available on OVHD) and on kykNET through eNuus in Afrikaans (available on DStv).

eSat.tv continued to grow its profits in the news broadcast sector with a net profit for the year of R147,2 million (2014: R125,3 million). This represents an increase of 17% year-on-year and is driven by increases in both DStv licence fee and advertising revenue. EBITDA for eSat.tv ended the financial year on R216,5 million (2014: R190,7 million), an increase of 14%.

Despite downward pressure in advertising revenue in the television sector, eSat.tv's 24-hour news channel, eNCA, continues to receive the largest share of investment within the news category, followed by CNN. It also attracts the highest market share of viewers on the DStv platform, averaging an approximate share of 46% and a cumulative daily audience in excess of one million viewers.

In 2012 eNCA launched its digital division which continues to successfully aggregate content across all its platforms including live streaming, mobile and online. Digital audiences have grown to over one million unique browsers and over half a million active social media followers of the brand. While digital advertising revenues remain modest, these are increasing as eNCA's digital properties increase their market share in this sector.

Platco Digital

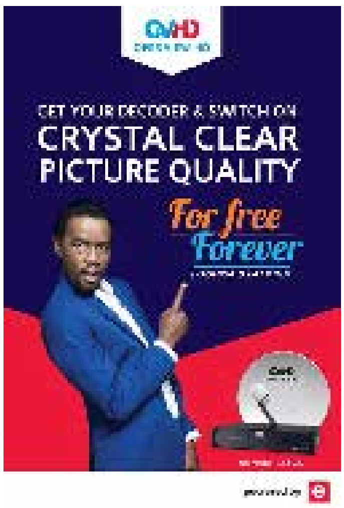
Platco Digital is a free DTH satellite television platform company. Their main objective is to provide multi-channel carriage to broadcasters in South Africa. They offer the opportunity to broadcast both standard and high definition television channels.

Platco Digital's key differentiator in the satellite market is that it offers premium high definition ("HD") quality entertainment (television) with no monthly subscription fees. The platform offers 100% signal coverage across sub-Saharan Africa, meaning that all South Africans can access free, quality television.

Platco Digital launched OVHD in October 2013 offering 15 channels on the SES-5 satellite with some in HD. The platform increased the number of channels to 18 across genres covering general entertainment, culture and lifestyle, children and education, religion, and music.

In September 2014 OVHD launched its services on the IS-20 satellite. This enabled households who already have IS-20 dishes installed to simply buy a box to enjoy the OVHD offering. This, together with a subsidy, has seen set-top box activations increase. Management is also looking at adding to the offering to make it more compelling.

OVHD ended the 2015 financial year with 112 715 active decoders. At the time of preparing this report activations had increased to over 190 000.



Yired Proprietary Limited ("YFM")

YFM is the Group's only radio asset. The station broadcasts on FM 99.2 frequency in the Gauteng region, in accordance with the terms and conditions imposed by its licence, and it is predominantly skewed towards a youth audience.

Despite strained market conditions and reduced marketing budgets across the national spectrum, the 2014/2015 financial year produced the highest revenue figures since YFM's inception and closed at R64 million, 4% growth from the 2013/2014 financial period.

YFM's overall financial performance in the 2014/2015 period produced a 2% growth from the previous year. Growth would have been higher were it not for the provision for new music royalties. This is a result of a July 2014 Supreme Court of Appeal judgment in the decade long "Needletime" legal battle, which sought to formulate the manner in which royalties payable to music performers are quantified. Payments of such royalties became effective from 14 March 2014.

Training and development

YFM continues to uphold its "training-ground" reputation and is forging pathways for young ambitious individuals. The Y Academy is now an accredited programme at NQF 5 under the Media Information and Communication Technologies Sector Education and Training Authority ("MICT SETA"). The Y Academy has the reputation of being the radio industry's source of young talent and trains 12 young candidates on six-monthly cycles. The students who successfully complete the course are highly sought after by the industry.

Programming and audience measurement

As measured by RAMS, during the period under review, YFM yielded an average of 1 350 000 listeners per seven-day period. This figure has been reasonably stable year-on-year since 2012. YFM's success is largely dependent on the content and quality of the broadcast service. This has been hampered to some extent by uncertainty in the reliability of information provided by the South African Advertising Research Foundation in the form of the current radio research currency – Radio Audience Measurement Survey ("RAMS"). During 2015 the RAMS contract was terminated with a view to gear up the new research currency "takeover" in 2016.

The appointment of the new radio currency service provider, TNS Research Surveys, is expected to make significant changes in the audience measurement figures directly translating into positive revenue adjustments from 2016.

OPERATIONAL OVERVIEW (CONTINUED)

PROPERTIES AND FACILITIES

Seardel holds a number of property assets across South Africa which are predominantly occupied by companies within the Group as well as film and media facility assets across South Africa. Services offered by this segment include broadcast and television studios, post-production facilities, equipment rental and sales.

Sabido owns a 42,48% stake in Cape Town Film Studios, the first custom-built Hollywood-style film studio complex of its kind in Africa, with state-of-the-art support services.

Sabido Properties

Sabido Properties is the property investment company of the Group.

Sabido Properties added two new buildings in the year ended 31 March 2015 in Umhlanga Durban and Gardens Cape Town, increasing its carrying value from R377 million to R553 million.

These new premises were custom-built for e.tv and eNCA. As broadcasting hubs the buildings required a high level of technical specification in their design and fit-out. The Durban building took occupancy in September 2014 with the Cape Town staff occupying their new building in September and October 2015.

The new Cape Town head office is a four-star green-rated building incorporating a number of eco-friendly features. For details see page 33 in the sustainability report.

Other properties include the e.tv, YFM, eAcademy and Platco Digital buildings in Dunkeld West, Johannesburg.

Major expenditure was incurred on renovations to the Dunkeld Crescent buildings in Johannesburg to allow for tenancy by the Group-owned companies including eAcademy, the new e.tv and eNCA Commercial Sales Team offices and Platco Digital. The quality of the portfolio has been enhanced overall by the addition of new tenants including The Broadcast Research Council of South Africa and The Video Production Company.

Sasani Studios

As a facilities company, Sasani Studios offer television and film studio hire, live broadcast facilities, HD and standard definition ("SD") post-production facilities and production office rental. The company services all major television broadcasters in the country, housing the production of some of the country's more popular soaps – *Rhythm City* (e.tv), *Scandal!* (e.tv), *7de Laan* (SABC 2) and *Isidingo* (SABC 3). More recently Sasani has secured M-NET's newest flagship production, *The Voice*.

2015 was a challenging year for the Sasani group, albeit showing a successful financial performance.

Overall Sasani achieved turnover of R108 million for the year (2014: R82 million). The healthy growth can be attributed to the following projects:

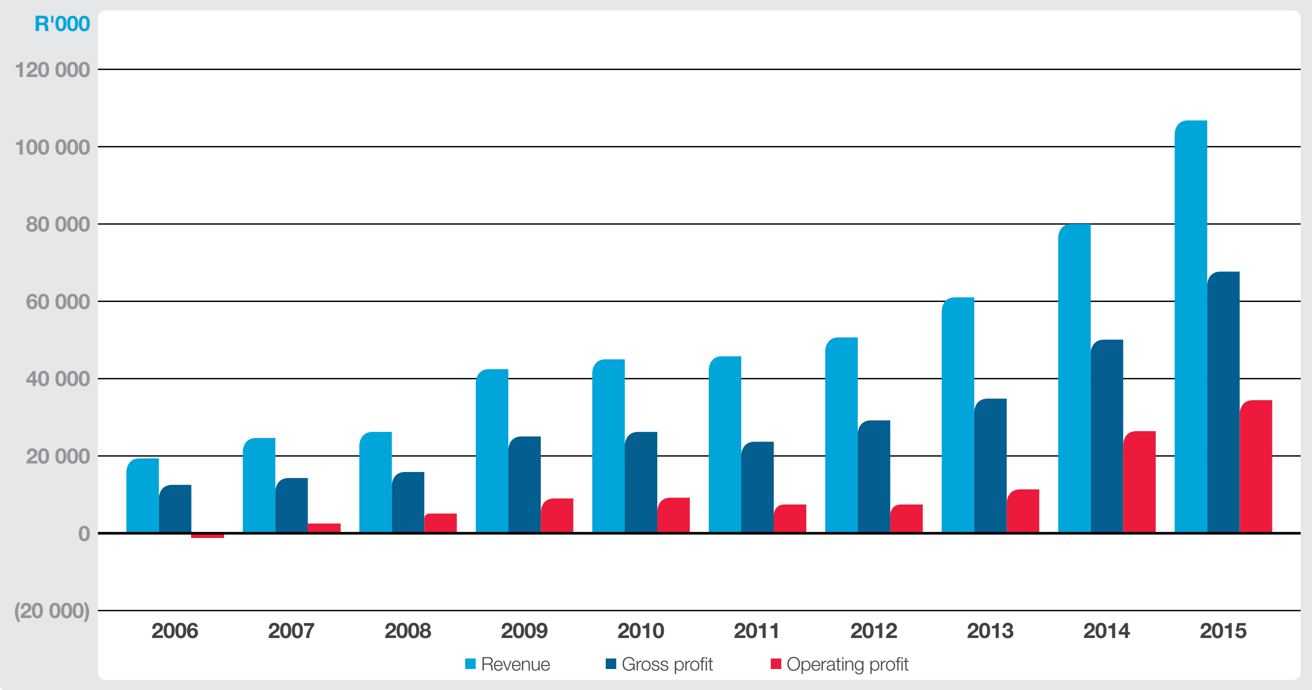
- *I Love South Africa* broadcast on e.tv
- *The Winner Is* – an M-NET production
- *Skeem Saam* (a new resident soap) broadcast on SABC 1
- *Big Brother Angola* and *Big Brother Mzansi* broadcast on DStv

Sasani Studios recently completed a studio complex, Stage 8, of 2 337m².

Stage 1 underwent reconstruction following a fire on 2 September 2014. The building is expected to be complete by 31 October 2015, though the company expects to start trading with this portion of the property during September 2015.

As a result of the reduction in available facilities due to the fire the 2016 financial year will be the most challenging year for Sasani Studios under its current ownership. The Sasani team is making every effort to mitigate any potential negative effects. Management is confident that the business will continue to trade successfully in 2016.

Year-on-year growth since the Sabido purchase of Sasani Africa in 2007/2008



OPERATIONAL OVERVIEW (CONTINUED)

Silverline 360

Silverline 360 is a group of companies which bring world-class film, commercial and broadcast services to clients in South Africa and other parts of Africa. This includes equipment rental, post production, professional film equipment sales, extensive creative services and financing options.

The Silverline 360 Group delivered improved results for the year under review and delivered its first profit after tax. The strong results look set to continue into the new financial year.

The current strong demand is driven by international film companies, commercial production companies and television companies shooting their productions in South Africa. The current Rand weakness as well as the excellent government rebate programmes make South Africa an extremely attractive filming destination.

Equipment rental segment

This segment saw revenue up by 4,2% due to strong demand by international film, television and commercial production companies in Cape Town as well as Johannesburg. The operating results showed a 16% improvement year-on-year. This positive trend is set to continue.

The business within this segment has an intensive capital investment plan to replace outdated technology on a continuous basis. This allows the business to be at the cutting edge of technology that gives it a competitive edge in this market segment. The continued weakness of the Rand to the Dollar and Euro however increases the cost of the capital equipment.

Post-production segment

The companies in this segment faced extremely tough trading conditions. Revenue was down 20,9% year-on-year and was mainly due to the cancellation of two major international projects and a reduction in the local advertising revenue. Despite the reduction in revenue, the segment delivered improved operating profits. A once-off impairment cost in closing down the Film Lab was included in the prior year's operating expenses.

Significant restructuring has taken place over the past twelve months and the business has been refocused to take advantage of the increased foreign productions in South Africa due to the devaluation of the Rand against the Dollar and Euro. The government's film incentives for foreign productions also provide further opportunities to grow this segment.

Professional film equipment sales segment

This segment has shown significant growth over the past 12 months with a 16% increase in revenue year-on-year. The company has grown revenue to R20 million in just under two years. The business is only in its second year of operation and should move into a profit-making position this coming financial year.

CONTENT

The content companies of Seardel produce and acquire content to license and sell to third parties. These companies include music licensing, book publishing and television production. Each company has carved a niche for itself in the content environment and specialises in providing the highest quality content in its respective field.

These companies are mostly small subsidiaries which, in some way, have a working relationship with the larger companies, e.tv and eNCA. The companies in this segment include:

Mindset Television

Through the Mindset Network, Seardel aims to address a major frailty in the education system. Mindset's programmes source and produce high-quality and curriculum-aligned video content which is distributed via television, the internet and DVDs, supported by print and multimedia materials.

Lalela Music

Lalela (Zulu for "listen") Music specialises in quality production music (also known as "library music") for film, television and new media. The company has released 13 volumes, boasting 189 albums and 2 900 tracks. The Lalela Music library includes international artists like Emmy nominee Jeff Russo and local favourites like Randall Jermaine and Tebogo Mtlhabi.

Strika Entertainment

Strika Entertainment established itself around its flagship soccer comic, *Supa Strikas,* in South Africa. Today, *Supa Strikas* has a presence in over 20 countries worldwide and a monthly print run of over a million copies. *Supa Strikas* also boasts its own animation series with a global footprint.

Other entertainment titles include *Unleashed*, *Carousel*, *Cuju*, *Equestrian High*, *Arcadia* and *Supa Tigers*.

Other companies include Coleseke Artists, a record company specialising in Afrikaans music; Afrikaans is Groot, a live entertainment company specialising in Afrikaans events; and Crystal Brook, a theatrical, broadcast and DVD movie distributor.

SHAREHOLDERS' SNAPSHOT

Listed below is an analysis of shareholding extracted from the register of ordinary and N ordinary shares at 31 March 2015.

RANGE OF UNITS

Share range	Number of shareholders	% of shareholders	Number of shares	% of Issued capital
Ordinary shares				
1 – 1 000	543	50,5	129 687	0,0
1 001 – 5 000	144	13,4	396 009	0,1
5 001 – 50 000	244	22,7	4 704 998	0,7
50 001 – 100 000	50	4,6	3 877 277	0,6
100 001 and over	95	8,8	628 994 012	98,6
	1 076	100,0	638 101 983	100,0
N ordinary shares				
1 – 1 000	311	25,6	109 511	0,0
1 001 – 5 000	197	16,2	506 358	0,0
5 001 – 50 000	387	31,9	8 277 452	0,2
50 001 – 100 000	120	9,9	8 756 608	0,3
100 001 and over	199	16,4	3 662 459 842	99,5
	1 214	100,0	3 680 109 771	100,0

BENEFICIAL SHAREHOLDERS

Shareholder	Type of holdings	Number of issues	% of issued capital
Holding 5% or more of ordinary shares			
Fulela Trade and Invest 81 Proprietary Limited	Dematerialised	497 603 811	78,9
		497 603 811	78,0
Holding 5% or more of N ordinary shares			
HCI Invest 6 Holdco Proprietary Limited	Dematerialised	3 233 304 845	87,9
		3 233 304 845	87,9

DISTRIBUTION OF SHAREHOLDERS

Distribution of shareholders	Number of shareholders	% of shareholders	Number of shares	% of Issued capital
Ordinary shares				
Banks	6	0,6	9 020 974	1,4
Close Corporation	25	2,3	1 304 262	0,2
Individual	922	85,7	556 290 475	87,2
Investment Company	25	2,3	19 395 331	3,0
Pension Fund	8	0,7	385 503	0,1
Private Company	22	2,1	4 461 763	0,7
Public Company	10	0,9	9 079 883	1,4
Trust	58	5,4	38 163 792	6,0
	1 076	100,0	638 101 983	100,0
N ordinary shares				
Banks	5	0,4	6 463 851	0,2
Close Corporation	31	2,5	4 547 044	0,1
Individual	1 025	84,4	253 282 282	6,9
Investment Company	30	2,5	23 871 597	0,7
Pension Fund	7	0,6	1 305 083	0,0
Private Company	31	2,6	3 256 073 195	88,5
Public Company	15	1,2	26 765 418	0,7
Trust	70	5,8	107 801 301	2,9
	1 214	100,0	3 680 109 771	100,0

Stock exchange performance for ordinary shares

Total number of shares traded ('000)	31 259 268
Total value of shares traded (R'000)	57 409 695
Market price (cents per share)	
– Closing	1,45
– High	2,30
– Low	1,21
Market capitalisation (R'000)	925 247

Stock exchange performance for N ordinary shares

Total number of shares traded ('000)	53 749 186
Total value of shares traded (R'000)	92 688 981
Market price (cents per share)	
– Closing	1,09
– High	2,35
– Low	1,00
Market capitalisation (R'000)	4 011 319

SHAREHOLDERS' DIARY

Financial year-end	March
Annual general meeting	October
Reports	
– Preliminary report	May
– Interim report 30 September	November
– Annual financial statements	September

DIRECTORS' INTEREST IN SHARES

At the year-end the directors (including their family interests) were directly or indirectly interested in the company's issued shares as follows:

	2015		2014	
	Number of shares	%	Number of shares	%
Ordinary shares				
Direct	**2 960 375**	**0,5**	2 260 375	0,3
Indirect	**29 239 152**	**4,6**	30 425 950	4,7
N ordinary shares				
Direct	**–**	**–**	–	–
Indirect	**127 191 108**	**3,5**	642 293	0,1

There have been no material changes to the date of this report.

Details of directors' beneficial direct and indirect interest in the ordinary and N ordinary shares are as follows:

	Direct		Indirect	
	2015	2014	2015	2014
Ordinary shares				
T G Govender	**–**	–	**880 612**	1 117 071
A S Lee*	**–**	–	**–**	–
S A Queen**	**–**	–	**948 543**	2 448 738
A M Ntuli**	**–**	–	**–**	1 419
G D T Wege**	**1 123 750**	1 123 750	**–**	–
D Duncan**	**1 836 625**	1 136 625	**–**	–
J A Copelyn	**–**	–	**27 409 997**	26 858 722
V E Mphande*	**–**	–	**–**	–
M H Ahmed***	**–**	–	**–**	–
R D Watson	**–**	–	**–**	–
Y Shaik**	**–**	–	**–**	–
N ordinary shares				
T G Govender	**–**	–	**5 078 732**	25 333
A S Lee*	**–**	–	–	–
S A Queen**	**–**	–	–	7 816
A M Ntuli**	**–**	–	–	32
G D T Wege**	**–**	–	–	–
D Duncan**	**–**	–	–	–
J A Copelyn	**–**	–	**122 112 376**	609 111
V E Mphande*	**–**	–	–	–
M H Ahmed***	**–**	–	–	–
R D Watson	**–**	–	–	–
Y Shaik**	**–**	–	–	–

* Appointed as of 1 December 2014.
** Resigned on 1 December 2014.
*** Resigned on 14 April 2015.

CORPORATE GOVERNANCE

Ethical conduct, good corporate governance and risk governance are fundamental to the way that Seardel manages its business. Stakeholders' interests are balanced against effective risk management and Seardel's obligations to ensure ethical management and responsible control.

ETHICS

The Group has a code of conduct which underpins its business practices. All staff are expected to adhere to this code. It provides guidance and clarification on matters such as conflicts of interest, acceptance and giving of donations and gifts, the compliance with laws and the dissemination of Group confidential information.

In line with the principles in this code it is expected of all employees to be accountable for their actions and act in a manner that adheres to the following core values:

- Honesty
- Integrity
- Mutual Respect
- Accountability
- Professionalism

The directors, officers and senior management of Seardel and its subsidiaries remain committed to a high level of corporate governance and endorse the Code of Corporate Practices and Conduct as enshrined in the King III Report on Corporate Governance. The Group recognises that sound corporate governance practices enhance shareholder value and by conducting the Group's affairs with integrity, this will ensure the long-term sustainability of the business.

BOARD OF DIRECTORS

The board is regulated by a formal board charter, which sets out the role of the board and the responsibilities of the directors. The board maintains full and effective control over the company and is accountable and responsible for its performance. The board charter codifies the board's composition, appointment, authorities, responsibilities and processes, and sets out the fiduciary duties of the directors of the company. It provides the board with a mandate to exercise leadership, determine the Group's vision and strategy and monitor operational performance.

COMPOSITION OF THE BOARD

The composition of the board comprises a balance of power, with a majority of non-executive directors, the majority of the latter being independent.

The board currently comprises two executive directors and four non-executive directors, three of whom are classified as independent. The composition of the board reflects the need to protect the interest of all stakeholders as well as the demographics of the country. The majority of the board members are previously disadvantaged individuals as defined in the Employment Equity Act.

There have been a number of changes to the directorate during the year under review with the unbundling of non-media assets on 1 December 2014.

Seardel directors pre-unbundling on 1 December 2014

M H Ahmed** (lead independent director)

J A Copelyn* (non-executive chairperson)

D Duncan## (chief operating officer)

T G Govender* (known as Kevin Govender)

A M Ntuli##

S A Queen## (chief executive officer)

Y Shaik*###

R D Watson**

G D T Wege## (chief financial officer)

Seardel directors post-unbundling on 1 December 2014

M H Ahmed**### (lead independent director)

J A Copelyn* (non-executive chairperson)

L Govender**#### (lead independent director from 15 April 2015)

T G Govender (acting chief executive officer)

A S Lee#

V E Mphande#

R D Watson**

* Non-executive.
** Independent non-executive.
\# Appointed 1 December 2014.
\## Resigned 1 December 2014.
\### Resigned 15 April 2015.
\#### Appointed 15 April 2015.

The roles of the chairman and chief executive officer are separated.

To uphold their independence and integrity directors disclose all material interest as and when they arise. A list of directors' interests is tabled annually.

The directors are entitled to seek independent professional advice at the company's expense concerning the company's affairs and have access to any information they may require in discharging their duties as directors. Seminars, workshops and lectures by leading experts are given on an ongoing basis to directors to assist in their duties.

CORPORATE GOVERNANCE (CONTINUED)

BOARD COMMITTEES

Three board committees and an executive committee have been established to assist the board in discharging its responsibilities. In line with King III all board committees comprise only members of the board but appropriate personnel are invited to the meetings as required. All committees are empowered to obtain such external or other independent professional advice as they consider necessary to carry out their duties. These committees play an important role in enhancing good corporate governance and improving internal controls and, consequently, the company's performance. Each board committee acts according to written terms of reference, approved by the board and reviewed annually, setting out its purpose, membership requirements, duties and reporting procedures.

Each of the company's major subsidiaries has established board and committee structures which submit regular reports to the company.

Seardel audit and risk committee pre-unbundling

Members:

S A Queen#

D Duncan#

Y Shaik#

M H Ahmed##

Seardel audit and risk committee post-unbundling

Members:

V E Mphande

R D Watson

L Govender – appointed as chairman of the audit and risk committee on 15 April 2015

Seardel social and ethics committee pre-unbundling

G D T Wege#

R D Watson#

A M Ntuli#

Sabido social and ethics committee as at 1 December 2014

(The Sabido social and ethics committee acts on behalf of the company).

J A Copelyn

H Carse

M J A Golding###

\# Resigned 1 December 2014.
\## Resigned 15 April 2015.
\### Resigned 30 October 2015.

Hendrick Carse is an independent director of Sabido. A replacement for Marcel Golding has not yet been appointed.

Remuneration committee

J A Copelyn

Y Shaik#

V E Mphande####

\# Resigned 1 December 2014.
\#### Appointed 1 December 2014.

Meetings of the board

During the year Seardel held four board meetings. The directors are comprehensively briefed in advance of the meetings and are provided with the necessary information to enable them to discharge their responsibilities.

Individual directors' attendance at the Seardel board meetings are set out in the table below.

Board members	May '14	Aug '14	Nov '14	Mar '15
John Copelyn	√	√	√	√
Kevin Govender	√		√	√
Rachel Watson	√	√	√	√
Stuart Queen#	√	√	√	
Gys Wege#	√	√	√	
Amon Ntuli#	√	√	√	
David Duncan#	√	√	√	
Yunis Shaik#	√	√	√	
Mohamed Ahmed##	√	√	√	√
Antonio Lee###				√
Velaphi Mphande###				√

\# Resigned 1 December 2014.
\## Resigned 15 April 2015.
\### Appointed 1 December 2014.

FINANCIAL DIRECTOR

Gys Wege, an executive director, was the financial director of the Group until 1 December 2014. The audit committee has considered his expertise and experience and deems them appropriate. The committee is also satisfied that the expertise, resources and experience of the finance function are adequate.

Following the unbundling of the non-media assets into separately listed Deneb on 1 December 2014, Antonio Lee was appointed in his stead. Antonio Lee's competence and expertise will be assessed on an annual basis by the committee.

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited, a juristic person, is the appointed company secretary of the Group and appointed by the board in terms of the Companies Act and in accordance with JSE Listings Requirements. The company secretary is not a director of the company. The board has assessed the directors and the designated staff of the company fulfilling the role of the company secretary and is satisfied that they have the competence, qualifications and experience to effectively fulfil the role of the company secretary.

The company secretary provides support and guidance to the board in matters relating to governance, ethical conduct and fiduciary duties. Where required the secretary facilitates induction and training for directors and co-ordinates the annual board evaluation process. Directors have unrestricted access to the advice and services of the company secretary whilst maintaining an arm's length relationship between the board and the company secretary.

DEALING IN THE COMPANY'S SECURITIES

Seardel complies with the continuing obligations of the Listings Requirements of the JSE. A Group-wide share trading policy is in place whereby all directors and employees who have access to financial results and other price-sensitive information are prohibited from dealing in Seardel shares during certain prescribed restricted periods as defined by the JSE, or when the company is operating under a cautionary announcement. The company secretary regularly disseminates written notices to inform these employees of the insider trading legislation and advice of closed periods. All directors and senior executives are required to obtain written clearance prior to the dealing in shares of the company and to report all share dealings to the company secretary to ensure that all such dealings are disclosed in terms of the applicable JSE Listings Requirements.

CONFLICT OF INTEREST

The directors are required to avoid situations where they have direct or indirect interests that conflict with the Group's interests. Procedures are in place for disclosure by directors of any potential conflicts and for appropriate authorisation to be sought if conflict arises.

COMPLIANCE WITH LAWS, CODES AND STANDARDS, AND LICENCE CONDITIONS

Seardel respects and complies with the laws of the countries in which it operates. The Group has identified three critical legislative areas which are material to the company. They deal with compliance with our broadcast licence, human capital management and safety in the workplace.

e.tv's broadcast licence places these obligations on the broadcaster: employment equity, skills development, language, local content, general programming, information programming, news and current affairs programming, children's programming and advertising limitation.

The company has strong and established processes which ensure that all obligations specified in the company's licence conditions are met and exceeded. Quarterly compliance reports are produced to ensure that targets are met. This allows for any necessary adjustments to be made before submission to the Independent Communications Authority of South Africa.

With regard to laws governing the employer/employee relations and health and safety, the company has formulated policies and delegated responsibility to designated employees to monitor and ensure compliance with the various Acts.

DISCLOSURES

To ensure shareholder parity, Seardel ensures that accurate and timely disclosure of information that may have a material effect on the value of the securities or influence investment decisions, is made to all shareholders. The company publishes details of its corporate actions and performance via SENS and the main South African daily newspapers. The company maintains a website through which access is available to the broader community on the company's latest financial, operational and historical information, including its annual report.

LITIGATION

There are no material legal or arbitration proceedings which may have a material effect on the financial position of Seardel.

GOVERNANCE OF INFORMATION TECHNOLOGY

Due to the inherent risks in information technology, King III has recommended that the board of directors be responsible for the assessment, implementation and monitoring of information technology ("IT") within the company. As a media investment company and with the convergence of broadcasting and information technology, IT governance is critical to governance procedures.

IT governance is a standing item on the audit and risk committee's agenda, with the Group head of IT for e.tv, eNCA and Platco reporting to the committee on a quarterly basis. An annual external audit evaluates IT in terms of governance. This ensures that policies and procedures are current, relevant and implemented. In addition to the annual external audit there are also internal audits conducted during the year.

The shift away from traditional broadcasting equipment towards information technology infrastructures means that all IT equipment, as related to broadcast infrastructure, is purchased with a five-year maintenance warranty. This ensures that resources are readily available in the event of failure.

With regards to the delivery of television channels for broadcast, the companies use both fibre and satellite delivery mechanisms with the consideration of redundancy always taken into account.

KING III

CHAPTER 2 – APPLICATION REGISTER

	King III principle	Comments on application in 2015
Principle 2.1	The board acts as the focal point for and custodian of corporate governance.	The board has a charter setting out its role, powers and responsibilities.
Principle 2.2	The board appreciates that strategy, risk, performance and sustainability are inseparable.	The evidence of principle 2.2 is evidenced throughout the Integrated Report.
Principle 2.3	The board provides effective leadership based on ethical foundations.	All deliberations, decisions and actions of the company are based on sound ethical values which are evidenced throughout the Integrated Report.
Principle 2.4	The board ensures that the company is, and is seen to be, a responsible corporate citizen.	The board continuously monitors the effect any decision implemented would have on sustainability and the company's reputation. The company's strong commitment to corporate citizenship is evidenced throughout the Integrated Report.
Principle 2.5	The board ensures that company ethics are managed effectively.	The social and ethics committee (operating at a Sabido level) has implemented a code of ethics which has at its core, honesty, integrity, mutual respect, accountability and professionalism. The board is regularly updated by the committee.
Principle 2.6	The board should ensure that the company has an effective and independent audit committee.	The audit committee met three times during the year under review. The audit terms of reference, which are reviewed annually, deal with composition, objectives and reporting mechanisms.
Principle 2.7	The board should be responsible for the governance of risk.	The audit committee fulfils the role of the risk committee (refer to principle 2.6). The audit committee considers the risk policy and plan and implementation thereof. It reviews the risk management progress, key risk and responses of the company at holding and subsidiary levels from governance through to risk reporting.
Principle 2.8	The board should be responsible for information technology ("IT") governance.	The audit committee reviews the IT governance on a quarterly basis through the risk reports, as well as through the annual King III compliance assessment on the Information Security Management Systems implemented.
Principle 2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	The social and ethics committee (operating at a Sabido level) monitors compliance at the subsidiary level. The broadcasting industry operates in a highly regulated environment and the company has strong and established processes which ensure compliance with regulations placed on the broadcasters.
Principle 2.10	The board should ensure that there is an effective risk-based internal audit.	An internal audit function has been established. The audit and risk committee reviews the progress on the internal audit process on a quarterly basis through the internal audit reports.
Principle 2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation.	Mechanisms are in place for constructive engagement with all stakeholders at Group and subsidiary levels. To ensure parity at a shareholder level, engagement is implemented through the release of required printed material and announcements.
Principle 2.12	The board should ensure the integrity of the company's Integrated Report.	The board approves the Integrated Report after satisfying itself on the content and integrity of the report. The report is compiled in-house by professional employees of the Group in accordance with the Group's policies and ethical standards.
Principle 2.13	The board should report on the effectiveness of the company's system of internal control.	The board obtains assurance on the internal systems of the Group via the audit and risk committee whose function is to monitor the company's systems of internal control.
Principle 2.14	The board and its directors should act in the best interests of the company.	The board acts in the best interests of the company by adhering to the following: • Standards as set out in the Companies Act, 2008 as amended • Conflict of interest policy • Professional advice policy • Dealing in securities
Principle 2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company has been, or may be financially distressed as defined in the Companies Act, 71 of 2008.	The board is apprised of the going concern statement of the Group at specific periods during the year under review and monitors the solvency and liquidity on an ongoing basis.

	King III principle	Comments on application in 2015
Principle 2.16	The board should elect a chairman of the board who is an independent non-executive director. The chief executive officer of the company does not also fulfil the role of chairman of the board.	John Copelyn has been appointed as non-executive chairman and Kevin Govender as acting chief executive officer. The positions of chairman and acting chief executive officer are separate.
Principle 2.17	The board has appointed the chief executive officer and has established a framework for the delegation of authority.	All appointments at senior executive level are confirmed by the board of directors. The role and function of the acting chief executive officer is formalised. A framework is in place for the delegation of authority by the acting chief executive officer.
Principle 2.18	The board comprises a balance of power, with a majority of non-executive directors. The majority of non-executive directors are independent.	The board consists of six directors: two executive, one non-executive and three independent non-executive members. The board has considered the requirements of the company and ensures that its size, diversity and demographics make it an effective board to lead the company by ensuring that it has the necessary skills, resources and knowledge to carry out its duties.
Principle 2.19	Directors should be appointed through a formal process.	The nomination of directors to the board is formally set out in a policy. It is transparent and the matter is considered by the full board of directors.
Principle 2.20	The induction of and ongoing training, as well as the development of directors should be conducted through a formal process.	No formal induction programme is in place for new directors. Rather an informal presentation of the industries in which the Group is involved is presented to the prospective board members. A formal board continuing development programme is in place. This focuses on improving and keeping the board up to date with governance, regulatory and operational development.
Principle 2.21	The board is assisted by a competent, suitably qualified and experienced company secretary.	The role and function of the company secretary is in accordance with section 88 in the Companies Act, 2008. The board has satisfied itself through a formal assessment that the company secretary is suitably qualified and competent.
Principle 2.22	The evaluation of the board, its committees and individual directors is performed every year.	Assessment of the audit committee, board and chairman were carried out during the year under review. The results of the assessment will be used to identify training needs for directors and action plans to address any issues that have arisen. The financial director is evaluated annually.
Principle 2.23	The board delegates certain functions to well-structured committees without abdicating its own responsibilities.	The following committees are in place: • Audit and risk • Social and ethics (at a Sabido Investments level) • Remuneration • Executive Formal terms of reference are in place for all these committees. The committee chairperson reports back to the board after each meeting.
Principle 2.24	A governance framework has been agreed upon between the Group and its subsidiary boards.	As Seardel is an investment holding company its subsidiary companies report, via the subsidiary board, on all governance issues to the board of Seardel Investment or a committee of the board.
Principle 2.25	The company remunerates its directors and executives fairly.	A remuneration committee is in place and assists the board in aligning the remuneration policy with strategy and goals. Independent remuneration consultants are utilised at least once every three years to assess and provide guidance on the remuneration policies of the company.
Principle 2.26	The company has disclosed the remuneration of each individual director and prescribed officer.	The disclosure of directors' remuneration meets the requirements of the Companies Act, King III and IFRS requirements.
Principle 2.27	The shareholders have approved the company's remuneration policy.	In line with the Companies Act, 2008 the Group's remuneration policy is proposed to shareholders for a non-binding advisory vote at the annual general meeting of the company.

The full King III 75 principle check list can be found in the Integrated Annual Report on www.seardel.co.za under the King III chapter.

REPORT OF THE AUDIT COMMITTEE

Members: The members of the audit committee at financial year-end were Mohamed Ahmed (chairman), Velaphi Mphande and Rachel Watson.

During the year Yunis Shaik resigned from the board and consequently no longer serves as member of the audit committee. Velaphi Mphande was appointed to the committee in December 2014.

Subsequent to year-end Mohamed Ahmed resigned from the board, and consequently the audit committee, and Loganathan Govender was appointed as chairman of the committee.

Seardel audit committee meetings

Members	May '14	Nov '14	Mar '15
Dave Duncan##	√		
Yunis Shaik##	√		
Rachel Watson	√	√	√
Velaphi Mphande#			√
Mohamed Ahmed###	√	√	√

\# Appointed 1 December 2014.
\## Resigned 1 December 2014.
\### Resigned 15 April 2015.

The Seardel audit committee is a formal committee of the board, appointed by the shareholders, and functions within its documented terms of reference. All members of the committee act independently. The financial director, the Group's risk officer, and the Group financial manager attend the meeting as permanent invitees, along with external audit and the outsourced internal audit. Other directors and members of management attend as required.

The audit committee has pleasure in submitting this report in respect of the past financial year of the Group, as required by section 94 of the Companies Act, 2008, as amended.

FUNCTIONS OF THE AUDIT COMMITTEE

In terms of the Companies Act, 2008, as amended, the audit committee has adopted formal terms of reference, delegated to it by the board of directors, as its audit and risk committee charter.

The audit committee fulfils an independent oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control, with accountability to both the board and to shareholders. The committee's responsibilities include the statutory duties prescribed by the Act, recommendations by King III and additional responsibilities assigned by the board.

The committee is satisfied that, in respect of the financial period under review, it has performed all the functions required by law to be performed by an audit committee, including as set out by section 94 of the Companies Act, 2008 and in terms of the committee's terms of reference and as more fully set out in the corporate governance report. In this connection the committee has:

- reviewed the interim, provisional and year-end financial statement, culminating in a recommendation to the board to adopt them;
- reviewed legal matters that could have a significant impact on the Group's financial statements;
- reviewed the external audit reports on the annual financial statements;
- verified the independence of the external auditor as per section 92 of the Companies Act, 2008 and accordingly nominates Grant Thornton Johannesburg Partnership to continue in office as the independent auditor and noted the appointment of Garron Chaitowitz as the designated auditor for 2016;
- approved the audit fees and engagement terms of the external auditor; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditor.

The audit committee fulfils an oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control.

CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between the committee members and the external auditors, which are regularly held.

EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR

As required by JSE Listing Requirement 3.8(h), the committee reviewed the financial director of the Group until 1 December 2014, Gys Wege, and considers his expertise and experience appropriate. The committee is also satisfied that the expertise, resources and experience of the finance function is adequate.

Following the unbundling of the non-media assets into the separately listed Deneb on 1 December 2014, Antonio Lee was appointed in his stead. Antonio Lee's competence and expertise will be assessed on an annual basis by the committee.

INTERNAL AUDIT

The Group does not consider it necessary to establish an internal audit function at the holding company level. Where appropriate, subsidiaries conduct internal audits for the relevant subsidiary. Reports generated by the subsidiary companies' internal audit departments are made available and discussed at the Seardel audit and risk committee meetings.

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management and the system of internal control of the Group.

The Group operates in a highly regulated environment. Where necessary, compliance officers have been appointed at each of the Group's key operating subsidiaries and associated company levels for ensuring adherence to the various Acts and Codes that govern the day-to-day operations. Each Group company has its own board of directors responsible for the management, including risk management and internal control, of that company and its business.

Vasili Vass is the Group risk officer for Seardel. Seardel realises that enterprise-wide risk management adds value to the robustness and sustainability of an organisation by improving communication, enhancing risk awareness and enhancing risk mitigation processes.

Given the changing landscape of broadcasting and media in South Africa, the Seardel Group places a high level of importance on risk awareness and management.

The Group utilises the Committee of Sponsoring Organizations of the Treadway Commission's ("COSO") risk management methodology to assess its risk appetite versus the cost of risks. The COSO framework allows organisations to develop cost-effective systems of internal control to achieve important business objectives. At least four times a year the audit committee documents and reports risks that are apparent and arising.

Through thorough consultation with the board, the risk appetite and risk-bearing capacity for Seardel is defined.

A full risk assessment is conducted annually with quarterly updates and reports to the audit committee. Seardel finds it imperative to ensure that risk management becomes inducted into daily activities which lead to a sustainable risk-aware culture.

The broadcasting industry presents a unique set of problems given the influence of international trends, rapidly changing technologies and issues particular to the South African media industry. These include:

(1) the delayed roll-out of DTT due to a number of changes within the Ministry of Communications and indecision on set-top box specifications. This has impacted negatively on a free-to-air multi-channel offering for the broad South African public and the ability for free-to-air broadcasters to compete in a multi-channel environment; and

(2) proposed legislation to ban alcohol advertising and curb unhealthy food advertising will have a serious impact on the advertising business model of many broadcasters.

The audit committee assists the board in discharging its responsibilities. It also considers and reports on information generated by the subsidiary companies' audit or finance committees to their respective boards.

RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The committee has evaluated the annual report of Seardel and the Group for the period ended 31 March 2015 and, based on the information provided to the committee, it recommends the adoption of the Integrated Annual Report by the board.

L Govender
Chairman: Audit and Risk Committee

Cape Town
19 August 2015

REPORT OF THE REMUNERATION COMMITTEE

Members: At year-end the remuneration committee consisted of John Copelyn and Velaphi Mphande. Yunis Shaik resigned from the board and consequently no longer serves as a member of the remuneration committee.

Individual directors' attendance at the remuneration committee meetings are set out below.

Remuneration committee	3 July 2014
J A Copelyn	√
Y Shaik##	√
V E Mphande#	n/a

Appointed 1 December 2014.
Resigned 1 December 2014.

The remuneration committee has not met again since 3 July 2014.

Members of the committee are non-executive directors. In line with the recommendations of King III the chief executive officer attends the meetings of the committee at the request of the committee, but recuses himself from the meetings before any decisions are made.

This committee is primarily responsible for overseeing the remuneration and incentives of the executive directors and executive management. It takes cognisance of local best remuneration practices in order to ensure that such total remuneration is fair and reasonable to both the employee and the company. The committee utilises the services of independent remuneration consultants to assist in providing guidance on the remuneration for executive management. The Group's remuneration philosophy strives to reward employees in a fair and responsible way which ensures a culture of high performance to deliver returns to shareholders through employees who are motivated, engaged and committed. This philosophy's intended consequence is to attract, retain and develop employees with scarce and critical skills who contribute to sustained business growth and are aligned to the strategic and operational requirements of the business.

The functions and mandates of the remuneration committee include:

- making recommendations to the board on directors' fees and the remuneration and service conditions of executive directors, including the chief executive officer;
- providing a channel of communication between the board and management on remuneration matters;
- reviewing the Group's remuneration policies, practices and proposals to change these and to make recommendations in this regard to the board;
- reviewing and approving the terms and conditions of executive directors' employment contracts, taking into account information from comparable companies;
- determining and approving any grants to executive directors and other senior employees made pursuant to the company's employee share option scheme; and
- reviewing and approving any disclosures in the annual report or elsewhere on remuneration policies or directors' remuneration.

INCENTIVE SCHEMES

Discretionary short-term incentive scheme

Key employees in each business unit participate in an annual discretionary short-term incentive scheme, which rewards the achievement of performance in excess of predetermined performance targets.

The performance target is based on the business unit's core operating profit after interest, adjusted by an imputed interest charge at a hurdle rate. The imputed interest charge is calculated on the higher of net asset value or the average working capital level utilised by each business unit. In addition to the quantitative performance targets, the scheme includes predetermined qualitative performance targets.

Long-term incentive scheme

The Seardel Long-term Share Incentive Scheme ("The Scheme") was approved by the shareholders on 29 October 2009. The scheme was implemented to more closely align executive directors and senior management's objectives with those of the shareholders so as to ensure that those employees are encouraged and motivated to pursue sustainable growth and profitability.

Participants shall become entitled to exercise options in accordance with the following schedule:

- 10% from the first anniversary date;
- 20% from the second anniversary date;
- 30% from the third anniversary date; and
- 40% from the fourth anniversary date.

Each tranche is further subject to:

- the participant's continued employment on the date of which the option is exercised; and
- achieving predetermined performance targets.

Performance targets are linked to the Group's and individual business units' profitability. The aggregate number of shares which any participant may acquire in terms of the scheme may not exceed 12 700 000 ordinary shares. Further, based on the seniority of the employee's role, the scheme contains a ceiling which sets the maximum capital base of options that can be allocated to any individual employee.

During the year under review 6 275 694 ordinary shares (2014: Nil) were allotted in terms of the rules of the scheme.

With effect from 1 October 2014 the participants of The Scheme have no further rights under the Scheme and all unvested share options issued in terms of the Scheme have lapsed. This is a result of the change in control of the relevant employer company which came as a result of an internal restructure.

Executive directors earn a basic salary which is determined by independent remuneration consultants and escalates in line with inflation for their contracts. Bonuses payable are purely discretionary and are determined annually after reviewing the performance of the Group and its subsidiaries. The maximum bonuses that can be earned by executive management are as follows:

Position	% of annual salary
Chief executive officer	Nil
Financial director	25
Other senior management	8 – 25

Non-executive directors earn a basic fee which is in line with companies of a similar size. These fees escalate annually in line with inflation and are reviewed every three years by an independent remuneration consultant. Directors can earn up to a maximum of 50% of their board fees by serving on the committees responsible to the board of directors. Non-executive directors do not receive short-term incentives and do not participate in any long-term incentive schemes.

Position	Proposed fee 2015 R'000	Actual fee 2014 R'000
Non-executive director	**112,5**	106
Member of audit committee	**46,1**	43,5
Member of remuneration committee	**42,5**	40
Member of social and ethics committee	**nil**	nil

Directors' emoluments and other relevant remuneration information are disclosed on pages 30 to 31 of the Integrated Report.

Principle 2.26 recommends that the remuneration of each individual director and the three most highly paid employees who are not directors in the company be disclosed. The remuneration report discloses the remuneration of the three most highly paid employees, however the names of the employees have not been disclosed as the board is of the opinion that such information is private to the individuals concerned and adds no value to stakeholders.

Details of personnel remuneration of the three highest paid members of management that are not directors for the year ended 31 March 2015 is reflected below:

	Salary per annum R'000	Other benefits R'000	Bonus R'000	Total R'000
Employee A	**3 090**	**215**	**1 258**	**4 563**
Employee B	**3 060**	**214**	**1 141**	**4 414**
Employee C	**2 267**	**149**	**1 133**	**3 549**

J A Copelyn
Chairman: Remuneration Committee

Cape Town
19 August 2015

REPORT OF THE REMUNERATION COMMITTEE (CONTINUED)

DIRECTORS' EMOLUMENTS

Paid by a subsidiary company Name	Salary R'000	Bonus R'000	Retirement and medical contri-butions R'000	Share options R'000	Directors' fees R'000	Other benefits R'000	Total R'000
For the year ended 31 March 2015							
Executive directors*							
T G Govender**	3 000	1 463	–	1 424	50	502	6 439
A S Lee***	680	170	51	–	–	–	901
S A Queen****	2 352	3 201	–	659	–	–	6 212
A M Ntuli****	588	–	113	–	–	–	701
G D T Wege****	1 096	1 711	165	–	–	–	2 972
D Duncan****	1 698	1 581	207	–	–	–	3 486
Non-executive directors							
J A Copelyn (chairman)	5 763	3 242	–	3 497	70	1 404	13 976
V E Mphande***	–	–	–	–	571	–	571
M H Ahmed*****	–	–	–	–	70	–	70
R D Watson	–	–	–	–	376	–	376
Y Shaik****	–	–	–	–	70	–	70
N Jappie ****	–	–	–	–	–	–	–
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Seardel Group	(8 763)	(4 705)	–	(4 921)	(771)	(1 906)	(21 066)
	6 414	6 663	536	659	436	–	14 708
For the year ended 31 March 2014							
Executive directors							
S A Queen	3 345	–	–	2 054	–	–	5 399
A M Ntuli	841	71	157	–	–	–	1 069
G D T Wege	1 556	–	233	435	–	–	2 224
D Duncan	2 394	–	291	293	–	–	2 978
Non-executive directors							
J A Copelyn (chairman)	5 449	4 085	–	3 579	136	1 521	14 770
N N Lazarus	–	–	–	–	43	–	43
M H Ahmed	–	–	–	–	136	–	136
T G Govender	2 503	1 626	–	1 167	97	582	5 975
R D Watson	–	–	–	–	117	–	117
Y Shaik	–	–	–	–	157	–	157
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Seardel Group	(7 952)	(5 711)	–	(4 746)	–	(2 103)	(20 512)
	8 136	71	681	2 782	686	–	12 356

Additional disclosure in terms of the share options

Name	Opening balance of share options '000	Share options cancelled during the year '000	Number of shares exercised '000	Closing balance of share options '000	Strike price of share options awarded R	Exercised price of shares exercised R
For the year ended 31 March 2015						
Executive directors*						
T G Govender (acting chief executive officer)**	–	–	–	–	–	–
A S Lee***	–	–	–	–	–	–
S A Queen****	8 820	(6 820)	(2 000)	–	–	1,81
A M Ntuli****	–	–	–	–	–	–
G D T Wege****	2 773	(2 773)	–	–	–	–
D Duncan****	2 047	(1 347)	(700)	–	–	1,95
Non-executive directors						
J A Copelyn (chairman)	–	–	–	–	–	–
V E Mphande***	–	–	–	–	–	–
M H Ahmed*****	–	–	–	–	–	–
R D Watson	–	–	–	–	–	–
Y Shaik****	–	–	–	–	–	–
For the year ended 31 March 2014						
Executive directors*						
S A Queen	8 820	–	–	8 820	–	–
A M Ntuli	–	–	–	–	–	–
G D T Wege	3 523	–	(750)	2 773	–	2,75
D Duncan	2 572	–	(525)	2 047	–	2,75
Non-executive directors						
J A Copelyn (chairman)	–	–	–	–	–	–
N N Lazarus	–	–	–	–	–	–
M H Ahmed	–	–	–	–	–	–
T G Govender	–	–	–	–	–	–
R D Watson	–	–	–	–	–	–
Y Shaik	–	–	–	–	–	–

* There is no distinction made in the remuneration packages of executive directors for services as directors and services for carrying on the business of the Group.

** Appointed as acting chief executive officer as of 1 December 2014.

*** Appointed as of 1 December 2014.

**** Resigned on 1 December 2014.

***** Resigned on 14 April 2015.

L Govender was appointed to the board as an independent non-executive director as of 14 April 2015.

N N Lazarus resigned during the previous financial year.

SOCIAL AND ETHICS COMMITTEE REPORT

Members: John Copelyn (chairman) and Hendrik Carse.

Marcel Golding resigned from the board of Sabido and the social and ethics committee on 31 October 2014.

Following the unbundling of the non-media assets into the separately listed Deneb on 1 December 2014, the social and ethics committee sits at the Sabido level and will meet four times a year. The composition of the committee has been expanded to include a number of personnel within the company, who are the drivers of the underlying functions of the committee. These personnel have been invited to join the meetings and, in line with the Act, the invitees do not have voting powers.

Individual directors' attendance at the Sabido social and ethics committee meetings are set out below.

Sabido social and ethics committee meetings

Members	Jul '14	Nov '14	Mar '15
J A Copelyn		√	√
H J Carse	√	√	
M A Golding##	√		

Resigned 31 October 2014.

Individual directors' attendance at the Seardel social and ethics committee meetings are set out below. This committee has been replaced by the Sabido social and ethics committee.

Seardel social and ethics committee

Members	Apr '14	6 Aug '14
G D T Wege##	√	√
R D Watson	√	√
A M Ntuli##	√	√
S Rubidge##	√	√

Resigned 1 December 2014.

FUNCTIONS OF THE SOCIAL AND ETHICS COMMITTEE

The committee reports back to the board of Seardel and all decisions taken are decided by the board of directors.

The social and ethics committee monitors and guides the company with regards to social and economic development in terms of:

- the 10 principles set out in the United Nations Global Compact Principles;
- the Organisation of Economic Co-operation and Development recommendations regarding corruption;
- the Employment Equity Act;
- the Broad-Based Black Economic Empowerment Act;
- good corporate citizenship;
- environment, health and public safety;
- consumer relationships;
- labour and employment;

The sustainability report on pages 33 to 39 incorporates the various aspects overseen by the committee.

J A Copelyn
Chairperson: Social and Ethics Committee

Cape Town
19 August 2015

SUSTAINABILITY REPORT

The Group understands that sustainability reporting plays an important role in a successful business strategy. The information gathered and reported on is critical to implementing sustainable development for the company and the communities it impacts. During the 2015 financial year, Seardel has continued to improve the quality of its reporting standards and address issues of environmental and social sustainability.

ENVIRONMENTAL

Four-star rating design and As Built building

For Seardel the stand-out feature this fiscal was the near completion of an anticipated four-star green-rated building in Cape Town, subject to certification. The building will be the regional head office for the Group.

The Green Building Council SA uses Green Star SA rating tools to provide an objective measurement of green buildings in South Africa. Independent assessors are used to evaluate submissions and allocate points based on the green measures that have been implemented. Certification is awarded for four-star, five-star or six-star Green Star SA ratings.

Green building incorporates design, construction and operational practices that significantly reduce or eliminate the negative impact of development on the environment and people. Green buildings are energy efficient, resource efficient and environmentally responsible.

The building incorporates a number of eco-friendly features which include a recycling initiative, reduction of the use of municipal water, the use of green materials such as low volatile organic compound ("VOC") and formaldehyde components, energy efficient lighting and electrical systems such as LED lighting, motion sensors, timers and double glazing on the windows.

Carbon footprint measurement findings

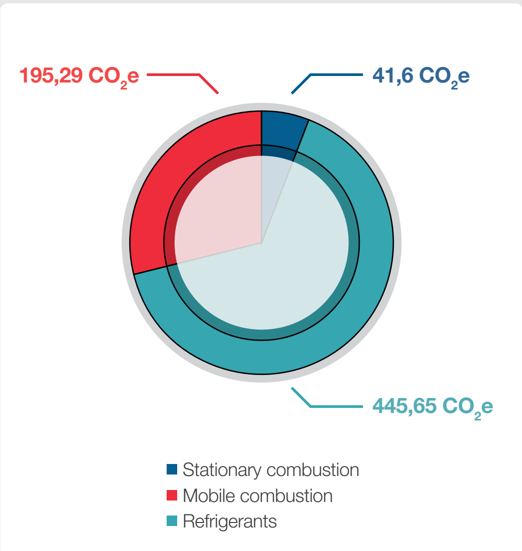
A greenhouse gas ("GHG") emissions report is the basis for accounting emissions-related risks and opportunities for the Group. The Group continues to report in terms of GHG Protocol and CO_2e ton, the universal unit measure.

e.tv and eNCA have participated in carbon reporting structures over the past four years. Early assessments recorded varied results as a consequence of sparse information gathering. The quality of reporting has greatly improved and therefore a more accurate report is provided for this fiscal. For the first time, Sasani Studios has been included in the assessment.

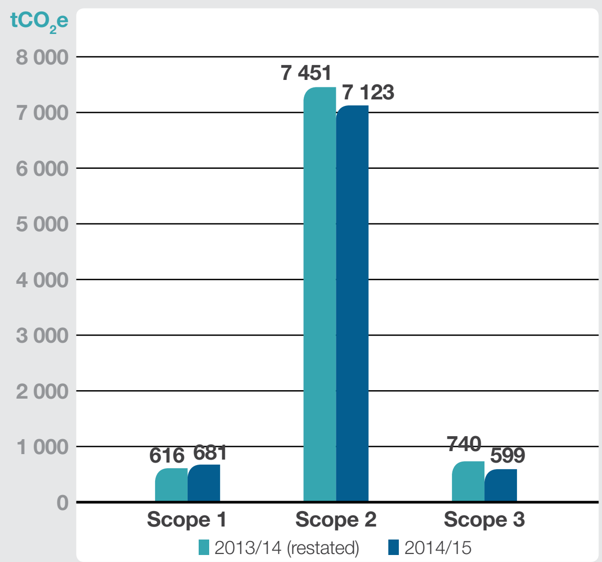
The commitment to carbon reporting forms part of Seardel's goal to reduce carbon emissions or reduce the consumption of resources.

CO_2e emissions

Sabido 2014/15 scope 1 emissions broken down by activity



Sabido carbon footprint (by scope): 2013/14 versus 2014/15



SUSTAINABILITY REPORT (CONTINUED)

The following summary accounts for the most recent audit by Environmental Resources Management ("ERM") for the Group.

Scope 1, 2 and 3 emissions for 2013/2014 have all increased due to the addition of estimated Sasani values for 2014 to the totals.

SCOPE 1	
Direct GHG emissions	Direct emissions occur from sources that are owned or controlled by the company, for example emissions from company-owned vehicles and kilns.

SCOPE 2	
Electricity/ Steam indirect emissions	Scope 2 accounts for GHG emissions from the generation of purchased electricity/steam consumed by the company. Scope 2 emissions physically occur at the facility where electricity or steam is generated.

SCOPE 3	
Indirect emissions	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company including both upstream and downstream emissions.

(1) Scope 1 emissions have increased by 11% to 681 CO_2e tons (2014: 616 CO_2e tons). This is primarily due to increased diesel consumption in the year under review as a result of the increased use of generators due to loadshedding, the addition of a generator in e.tv's Commercial Time Sales building and the expansion of the vehicle fleet.

(2) Scope 2 emissions have decreased slightly by 4% to 7 123 CO_2e tons (2014: 7 451 CO_2e tons). The increased electricity consumption in Cape Town, Sasani and Durban was outweighed by a significant reduction in consumption in Johannesburg, brought about by significant reversals due to the correction of estimated meter readings.

(3) Scope 3 emissions have decreased by 19% to 599 CO_2e tons (2014: 740 CO_2e tons). This is due to a reduction in emissions from long-haul flights in 2014/2015, which outweighed the increased emissions from short-haul flights.

TRANSFORMATION

Seardel places critical importance on the role of transformation in South Africa's business community. The Group envisions a business community that is reflective of the country's demographic profile with a vision to improve the economy in all sectors. Transformation is monitored and managed within a governance framework which includes the social and ethics committee which operates at a Sabido level as well as employment equity forums that sit at a business unit level.

Broad-Based Black Economic Empowerment ("B-BBEE")

The Group recognises the value B-BBEE adds to the business community and South African society at large.

Companies continue to score between level 4 and level 2 ratings on the B-BBEE scorecard as prescribed by the Department of Trade and Industry. Through various employment, management and procurement policies these companies all have the same goal, which is to encourage transformation and promote socio-economic growth.

The following table is a breakdown of the ratings achieved in the 2015 verification:

Company	2015 rating	Level
e.tv	**86,49**	2
eNCA	**81,06**	3
YFM	**86,20**	2
Sasani Africa	**83,11**	3
Learnthings Africa	**88,81**	2
MovieMart	**100,14**	1
Refinery Post Production	**103,00**	1
Media Film Service	**70,72**	4
Searle Street Studios	**80,53**	3
Platco Digital	**105,00**	1
eAcademy	**105,00**	1

Areas of strength include: Ownership, Management Control, Employment Equity, Preferential Procurement and Socio-economic Development.

To address previous low scores for the B-BBEE Enterprise Development ("ED") pillar, e.tv and eNCA developed a promotional feature, *Forerunners* . This provides small and emerging companies with media exposure and helps grow turnover. This feature is a short profile of Exempt Micro Enterprise ("EME") and Qualifying Small Enterprise ("QSE") businesses as defined by the B-BBEE codes. The cost of production and flighting on the channels is covered by the broadcasters.

The successful implementation of *Forerunners* is apparent in the 2015 B-BBEE ED scorecard. e.tv's ED score increased from 4,37 to 10,72, while eSat's score increased from 0,26 to 6,88.

In 2014 e.tv continued to assist emerging black-owned production companies by providing professional mentorship and financial assistance during the production of the e.tv series, *eKasi: Our Stories*. This included script workshops, technical and camera training, servicing and maintaining all equipment, and payment of all post-production costs. These are all efforts intended to help grow small and emerging local production companies, enabling them to become sustainable entities.

The recent changes to the B-BBEE codes by the Department of Trade and Industry has seen Seardel focus on further transformation strategies across the Group.

Employment Equity

The Group strives to reduce and eliminate the inequalities from the past legacies. To this end the company commits to adopt employment equity ("EE") policies and strategies to:

- achieve equal opportunity in the workplace;
- overcome discrimination through training and development;
- ensure that employment equity becomes an integral strategic component of staff development;
- ensure elimination of workplace discrimination and social prejudice; and
- set realistic targets and ensure measures are put in place to achieve them.

e.tv and eNCA have established employment equity forums ("EEF") to assist the company in promoting the EE objectives.

The table below reflects the equity workforce profile for e.tv, eNCA, eAcademy, Sabido Productions, Natural History Unit and Lalela Music as of 31 March 2015.

	Male				Female				Foreign nationals		
Occupational level	AM	CM	IM	WM	AF	CF	IF	WF	Male	Female	Total
1 – Top management	2	1	1	2	0	0	0	0	0	0	6
2 – Senior management	2	2	3	10	7	5	2	6	0	1	38
3 – Professionally qualified	18	19	8	32	13	12	9	21	4	1	137
4 – Skilled technical	248	68	17	61	175	66	22	67	8	4	736
5 – Semi-skilled	30	7	0	2	43	25	4	5	0	1	117
6 – Unskilled	22	1	0	0	23	3	1	0	0	0	50
Not defined	0	0	1	0	1	0	0	0	1	0	3
Total permanent	322	98	30	107	262	111	38	99	13	7	1 087
2 – Senior management	1	0	0	0	0	0	0	0	0	0	1
3 – Professionally qualified	1	0	0	2	2	0	0	1	0	0	6
4 – Skilled technical	15	4	1	8	22	2	5	14	1	1	73
5 – Semi-skilled	4	1	0	0	2	2	0	0	0	0	9
6 – Unskilled	10	2	0	0	7	4	0	0	0	0	23
Total non-permanent	31	7	1	10	33	8	5	15	1	1	112
Grand total	353	105	31	117	295	119	43	114	14	8	1 199

AM = African Male, CM = Coloured Male, IM = Indian Male, WM = White Male.

AF = African Female, CF = Coloured Female, IF = Indian Female, WF = White Female.

Employee Relations

Seardel and its subsidiaries place a high value on employees as stakeholders in the business and recognise that people don't work in a vacuum. To help manage and maintain good working relationships companies have implemented strong employee relationship policies that guide these relationships.

Non-discrimination in the workplace is a cornerstone of the Group's philosophy and code of conduct. Reporting and investigating discriminatory incidents are firmly established within normal grievance and disciplinary procedures.

In the spirit of supporting and developing their employees e.tv and eNCA have implemented a bursary programme to assist with the education of employees' children from grade R up to high school. This benefit is applicable to biological, step and adopted children of employees. The companies endeavour to grant assistance to all qualifying employees based on a means test.

In addition, various innovative communication tools have been implemented to keep employees informed about company strategy. An example of this is the production of a weekly video insert for e.tv and eNCA staff members, updating them on the business. *Inside* may be viewed by staff on television screens around the offices nationally and on their computers.

SUSTAINABILITY REPORT (CONTINUED)

CORPORATE SOCIAL RESPONSIBILITY

As a media investment company Seardel is in a unique position to both educate and inform its audiences through the various companies it operates.

During the financial year ended 31 March 2015 Seardel took a strategic overview of its corporate social responsibility ("CSR") activities in an attempt to focus its efforts. Seardel's new strategy will concentrate on the overarching theme of education. More specifically, the Group aims to encourage youth to attend and participate in school so that they are afforded better opportunities in the future.

While exciting new collaborations were introduced, there were also meaningful partnerships that came to an end during the fiscal.

The following initiatives give a brief description of CSR activities undertaken:

Sponsored airtime – Public Service Announcements ("PSA's")

e.tv, eNCA and YFM broadcast PSA's at no airtime cost to non-profit organisations.

PSA's provide much-needed exposure to these organisations that cannot afford television advertising to raise awareness. Organisations vary widely, from Hospice Palliative Care to the South African Guide Dogs Association. Through YFM, e.tv and eNCA these organisations are able to reach a wide number of listeners and viewers at no charge. The tables below provide a breakdown of the airtime value of PSA's broadcast for the year under review.

	Cost R'000
e.tv	**18 619**
eNCA	**61 841**
YFM	**386**

Cancer Association of South Africa ("CANSA") Relay-For-Life

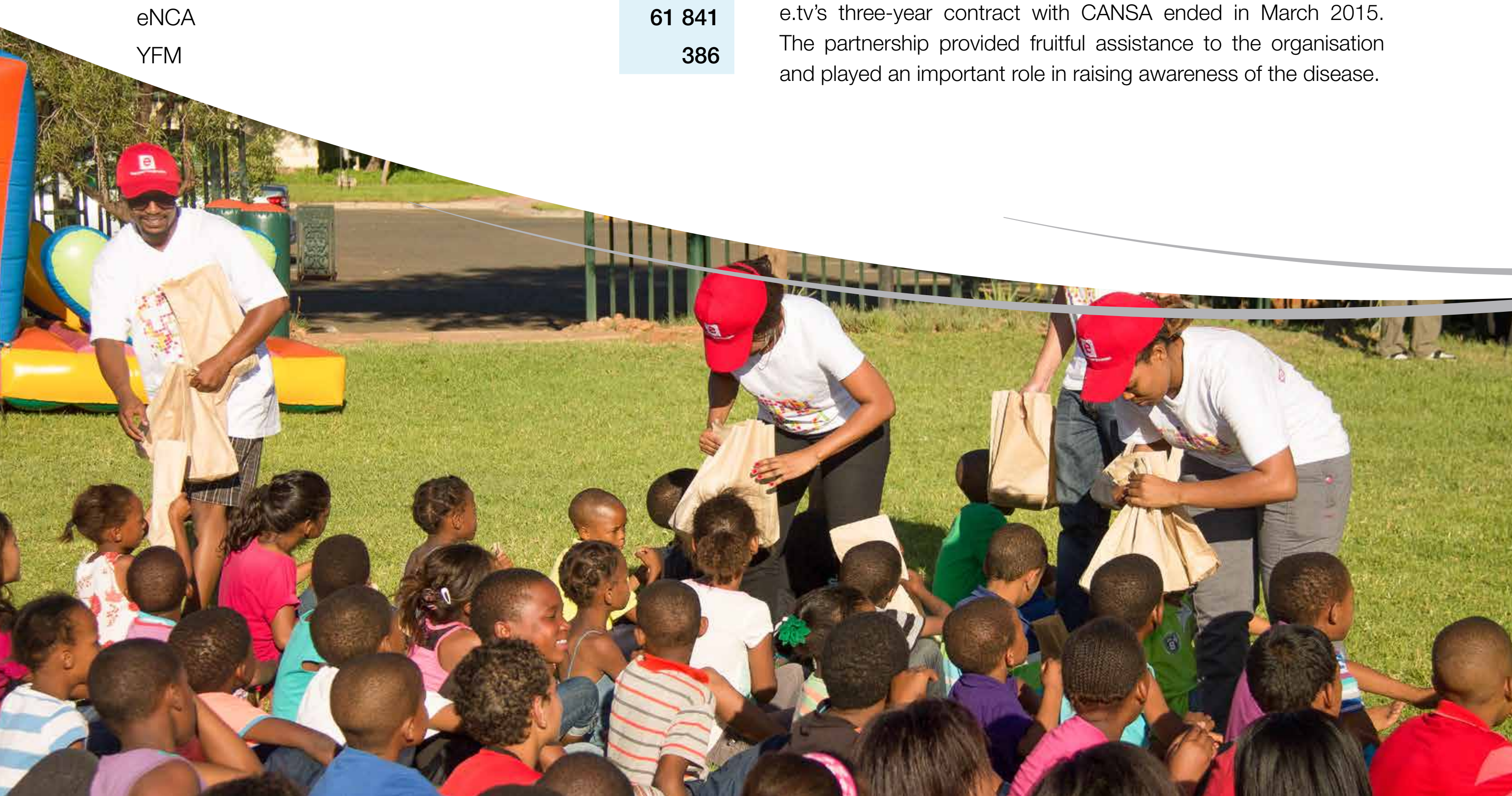
e.tv pledged a three-year commitment in 2012 to the CANSA organisation through assisting their Relay-For-Life ("RFL") events and providing exposure for CANSA on their channels.

CANSA RFL is a unique event offering communities the opportunity to participate in the fight against cancer. Events are held throughout the year across the country where cancer survivors and the community participate in a relay walk through the night to raise funds for CANSA.

e.tv co-sponsored and participated in 11 RFL events around the country in communities such as Mitchells Plain, Louis Trichardt and Reservoir Hills.

PSAs were also flighted at no cost to CANSA on e.tv and eNCA.

e.tv's three-year contract with CANSA ended in March 2015. The partnership provided fruitful assistance to the organisation and played an important role in raising awareness of the disease.



Dreamfields

The Dreamfields Project uses the influential power of football in South Africa to leverage significant investment in soccer facilities and equipment for township and rural schools. In addition, Dreamfields distribute Dream Bags to schools in previously disadvantaged areas across the country. A Dream Bag is made up of a full kit for 15 players including boots and shin pads, as well as balls, pumps, a kit for the coach and whistles.

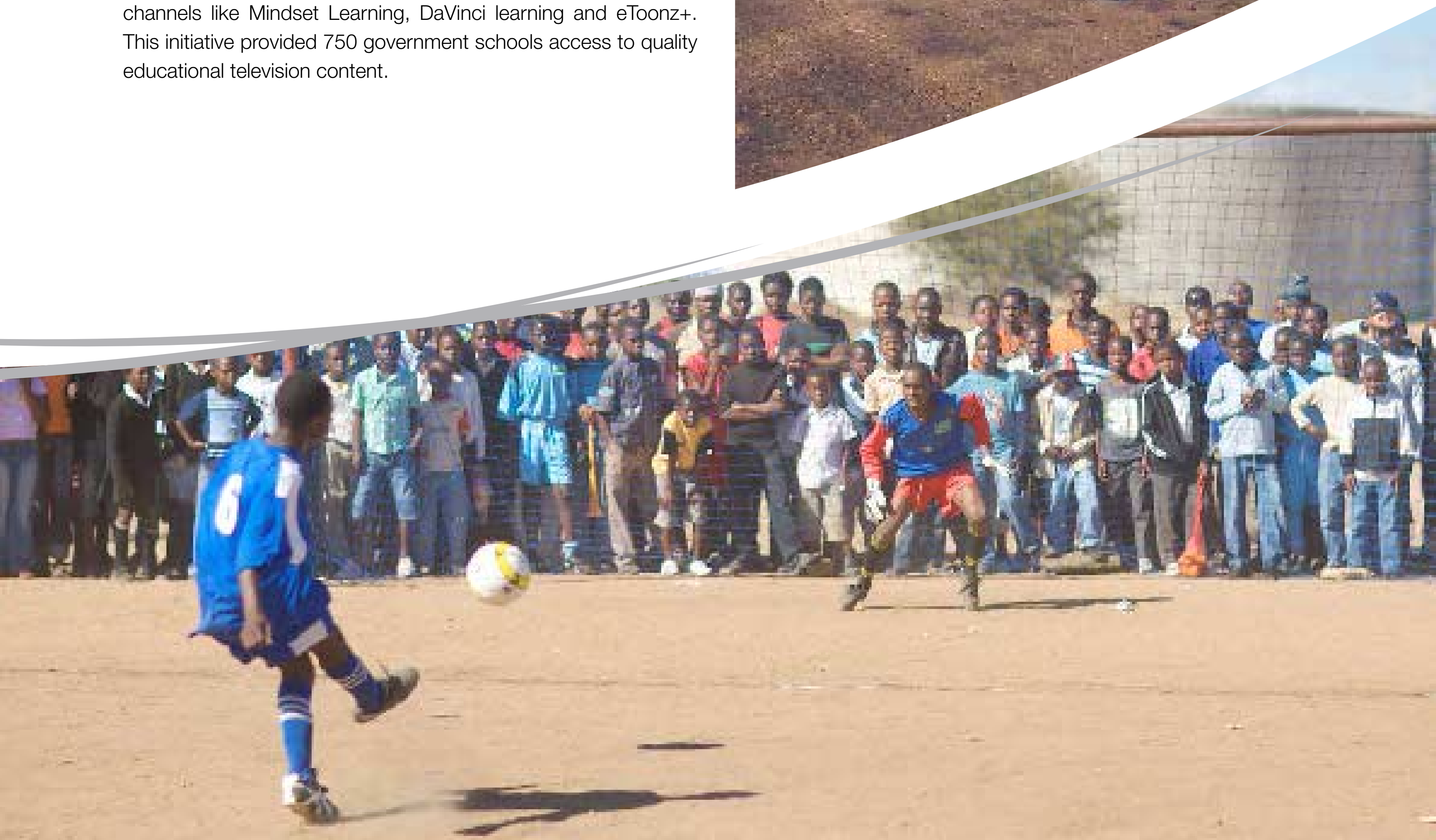
Dreamfields also builds fields in underprivileged areas.

In 2014 e.tv joined forces with Dreamfields and Sabi Sabi to reconstruct the Lilydale soccer and netball fields. Situated near the Kruger National Park and approximately 20 km from Hazyview, the Lilydale community is a poor rural community that has been greatly affected by recent violent protests. This intervention by e.tv and other partners has assisted in establishing goodwill in the community.

The new fields allow for communities and schools in the area to compete against one another in these sports. e.tv also sponsored Dream Bags and a team dugout between the netball and soccer fields with seating facing both fields.

OVHD in 750 schools

In partnership with the Department of Basic Education OVHD installed 808 decoders in remote schools, providing access to channels like Mindset Learning, DaVinci learning and eToonz+. This initiative provided 750 government schools access to quality educational television content.



The Lunchbox Fund ("LBF")

In July 2014 e.tv partnered with the LBF to launch a charity football tournament, *The Charity Showdown*. Bloemfontein Celtic was crowned the first *Charity Showdown* champion after defeating AmaZulu, Bidvest Wits and Mpumalanga Black Aces.

Tournament proceeds of R250 000 went to the LBF. 416 children from Mamelodi, Orange Farm and Bramfischer early childhood development centres will be fed a hot lunch every day for a year from these funds.

The remarkable results of this relationship developed into a more focused long-term strategy with the Fund. Seardel's strategic direction on education and the LBF's vision of feeding hungry schoolchildren provided the ideal partnership for both organisations.

The LBF fosters education via nutrition. The organisation provides a daily meal for orphaned and vulnerable schoolchildren in townships and rural areas of South Africa. The daily meal encourages children to stay in school and obtain their education.

Future collaborations include identifying three needy schools across the country and implementing the LBF's feeding scheme. Learners at the chosen schools will receive a meal every day for a year in addition to being visited by e.tv personalities. The vision is for children to attend school and receive an education without the distraction of food scarcity and malnutrition.

Staff participation

Staff take great pride in getting involved with CSR activities. Two events that often receive special attention are Tekkie Tax and CANSA Shavathon. Tekkie Tax involves staff contributing R10 to an organisation in one of the following sectors: animal welfare, basic family care, children in need, assisting the disabled and education. The CANSA Shavathon takes place in Cape Town and Johannesburg offices where staff volunteer to have their heads shaved or sprayed to show their support for cancer patients and to create awareness of the disease.

Moving forward Seardel will continue to embark on its mission to uplift communities across South Africa. With a more focused direction in the new fiscal, the potential for meaningful, sustainable change is a distinct possibility.

SUMMARISED AUDITED FINANCIAL RESULTS

DECLARATION BY COMPANY SECRETARY

We certify that Seardel Investment Corporation Limited has lodged with the Registrar of Companies, for the financial year ended 31 March 2015, all such returns as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
19 August 2015

DIRECTORS' REPORT

FOR THE TWELVE MONTHS ENDED 31 MARCH 2015

NATURE OF BUSINESS

Seardel is an investment holding company, incorporated in South Africa and listed on the JSE.

OPERATIONS AND BUSINESS

The business operations of Seardel have changed during the year under review with the non-media assets being unbundled and separately listed under Deneb on 1 December 2014. This left the Group with only the media assets housed in Sabido. These investments are constantly reviewed and new opportunities sought to complement them.

STATE OF AFFAIRS AND PROFIT FOR THE PERIOD

Group

The Group's results for the year ended 31 March 2015 are not comparable to the prior year due to the corporate activity that occurred during the past two years which transformed the Group from an investment holding company owning mainly clothing, textile, branded products and property investments to a media investment holding company. At year-end the company's sole investment is its 64% interest in Sabido. Sabido is the media investment vehicle that houses e.tv Proprietary Limited ("e.tv"), eSat.tv Proprietary Limited ("eNCA"), Yired Proprietary Limited ("YFM") and Sasani Africa Proprietary Limited ("Sasani"), amongst others. Sabido was acquired in the second half of the previous financial year. In April 2014 Seardel successfully concluded a R5 billion rights issue which resulted in the Group issuing 3,125 billion N shares, the proceeds of which were utilised primarily to redeem the debt associated with the Sabido acquisition.

In addition to the above, shareholders should note the following items which are reflected in the results and are important considerations in analysing the overall financial performance for the year ended 31 March 2015:

(a) Finance expenses include R20 million relating to the debt assumed on the acquisition of Sabido. This debt was fully repaid on 25 April 2014.

(b) The amortisation of the intangible assets arising on the acquisition of Sabido amounted to R80 million for the year.

(c) On 1 December 2014 the company unbundled its non-media investments by way of a dividend in specie to shareholders and listed them separately on the JSE as Deneb Investments Limited. Accordingly the results for the non-media assets are included in discontinued operations and the comparative results have been restated for this.

The Group ended the year with a profit attributable to the equity owners of the company of R124,8 million after the equity owners' portion of impairment of goodwill of R84,9 million and an EBITDA of R594,6 million compared to a loss of R11,2 million and an EBITDA of R340,4 million for the prior year, respectively. Headline earnings for the year is R169,4 million compared to a headline loss of R1,1 million for the prior year.

The Group also changed its accounting policy with regards to owner-occupied property from disclosing these properties at their revalued carrying values to the cost convention. The effects of this are more fully disclosed in the notes to the financial statements.

Sabido

The current financial year has been one of consolidation and investment for Sabido. During the second half of the year management took a critical look at all of the business units. A strategic decision has been made to exit some non-core and certain underperforming entities within the Group. Some of these entities were either sold or discontinued during the current year, where commercial requirements dictated. These include the production arms of a factuals unit in Sabido Productions and the Natural History Unit, the eNCA Africa division, e.tv China and the Africa Channel. The Group expects to exit its investment in Power and Setanta once suitable opportunities arise to do so. This closure and exit strategy resulted in R154,9 million being reflected as discontinued operations, which includes the impairment of goodwill on these discontinued investments of R130 million. The Group continues to focus on its core South African operations, being e.tv, eNCA, e.tv Multichannel, Platco Digital (OVHD), and its radio, production and property interests. The Group continued with its strategy to further develop its multi-channel and OVHD divisions with an additional investment of R244,6 million during the year. This, albeit costly and currently loss-making in the absence of significant revenue due to the delays in DTT and the slow box uptake, is necessary to establish these divisions for future content development and channel creation.

It is important to recognise that the above-mentioned issues resulted in significantly reduced profits for the year under review. If one excludes the impact of the discontinued operations and the investment into multi-channel and OVHD, the latter of which will yield future returns, the "normalised earnings" for the year amounted to R519,7 million compared to a prior year figure of R571,9 million, a 9% decrease year-on-year.

The year under review was a difficult one for free-to-air broadcaster, e.tv. Rights to broadcast the 2014 FIFA World Cup Brazil were held by third-party broadcasters, which took audiences away from e.tv. Competitor broadcasters also invested significantly in local (and often vernacular) content, which necessitated increased programming investment by e.tv. Aggressive counter-scheduling by free-to-air competitor channels, combined with local programme investment, also contributed to audience drop-off in the year. These factors contributed to a new television landscape characterised by increased choice and a less loyal viewer population. Finally, the general downturn in above-the-line marketing spend because of a downturn in the economy saw revenues under pressure. To counter the prevailing market conditions e.tv continued to invest significantly in new local programming and the new prime time schedule was launched in March 2015. We expect that this revised schedule will be the driving force behind a resurgent e.tv in the forthcoming fiscal.

DIRECTORS' REPORT

FOR THE TWELVE MONTHS ENDED 31 MARCH 2015 (continued)

The concept of increased choice is becoming commonplace amongst South African television viewers. To bring viewers into the Group stable e.tv's multi-channel bouquet, currently available on satellite platform OVHD, is the route to providing viewers who want choice with that possibility. We expect better growth in the take-up of OVHD set-top boxes in 2015/2016 and, consequently better, revenues.

eNCA continues to perform strongly as the best, by share and revenue, of all television news services available in South Africa. Its "know more" policy and skilled, independent voice have gained a strong foothold in the news environment. A long-term contract with MultiChoice terminates next year and negotiations will commence towards the end of the 2016 financial year to renew our deal on the DStv platform.

Solid performances by subsidiaries, Sasani Studios and YFM, also bolstered the Group while other Group companies, Silverline 360 and affiliate, Cape Town Film Studios, began to demonstrate the turnaround which was contemplated in the strategic plan developed over recent years.

Terrestrial television broadcasting in South Africa is in an imminent phase of migration from analogue to digital platforms. The mechanism of the roll-out of DTT is dependent on the policy on digital migration which is determined by the Minister of Communications. e.tv has applied for leave to appeal the North Gauteng High Court's ruling that government-subsidised DTT set-top boxes would not have encryption capabilities. In April 2015 e.tv challenged government's final broadcasting digital migration strategy barring governments subsidised DTT set-top boxes from having the capability to encrypt broadcast signals.

As soon as DTT rolls out our multi-channel offering will be available on more screens than ever before which, in turn, will help stimulate revenues.

DIVIDENDS

No dividend was declared by the Group.

SHARE CAPITAL

During the period the following changes in the share capital of the company occurred:

Share type	Cancelled	Issued
Ordinary no par value shares	14 704 938	6 275 694
N ordinary no par value shares	6 123 306	3 125 000 000

The company's authorised but unissued share capital was placed under the control of the directors until the forthcoming annual general meeting with authority to allot and issue any shares, subject to the following limitations and in accordance with the JSE Listings Requirements:

- that issues in the aggregate in any 1 (one) financial year may not in respect of:
  - ordinary shares exceed 95 592 187 representing 15% (fifteen per cent) of the ordinary shares of the company, excluding treasury shares; and
  - N ordinary shares exceed 552 016 465 representing 15% (fifteen per cent) of the N ordinary shares of the company, excluding treasury shares.

DIRECTORATE

With effect from 1 December 2014 the following directors, Stuart Queen, Gys Wege, Amon Ntuli, David Duncan and Yunis Shaik, have resigned from the board of Seardel. Velaphi Mphande and Antonio Lee were appointed to the board of Seardel as independent non-executive director and financial director respectively. Velaphi Mphande was also appointed as a member of the audit committee. Kevin Govender, an executive director of the company, was appointed as acting chief executive officer.

Subsequent to year-end and with effect from 14 April 2015 Mohamed Ahmed has resigned as director of the company and Loganathan Govender was appointed to the board of Seardel as lead independent non-executive director and will serve as a member of the audit committee.

The reconstituted board of the company accordingly comprises John Copelyn (non-executive chairman), Kevin Govender (acting chief executive officer), Antonio Lee (financial director), Rachel Watson (independent non-executive director and member of the audit committee), Velaphi Mphande (independent non-executive director and member of the audit committee) and Loganathan Govender (lead independent non-executive director and member of the audit committee).

COMPANY SECRETARY

The secretary of the company for the twelve months ended 31 March 2015 is HCI Managerial Services Proprietary Limited. The secretary has an arm's length relationship with the board of directors. The name, business and postal addresses of the company secretary are set out on the inside back cover.

AUDITORS

Grant Thornton Johannesburg Partnership will be recommended to the shareholders for re-appointment in accordance with section 90 of the South African Companies Act, with Garron Chaitowitz as the designated auditor.

SIGNIFICANT SHAREHOLDERS

The company's significant ordinary shareholder is Fulela Trade and Invest 81 Proprietary Limited and significant N ordinary shareholder is HCI Invest 6 Holdco Proprietary Limited.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the company's shareholders at the annual general meeting held on 28 October 2014:

- approval of the fees payable to non-executive directors for their services as directors or as members of the board subcommittees in respect of the financial period ended 31 March 2015;
- granting the company and the subsidiaries of the company a general authority in terms of the Listings Requirements of the JSE for the acquisition by the company, or a subsidiary of the company, of ordinary issued shares issued by the company; and
- granting the company a general authority to issue all, or any of the authorised but unissued shares in the capital of the company for cash subject to the Companies Act, the memorandum of incorporation of the company and in terms of the Listings Requirements of the JSE.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the company.

AUDITOR'S REPORT

The consolidated annual financial statements have been audited by Grant Thornton Johannesburg Partnership and their unqualified audit report on the comprehensive annual financial statements is available for inspection at the registered office of the company.

SHAREHOLDING OF DIRECTORS

The shareholding of directors of the company and their participation in the share incentive scheme and in the issued share capital of the company as at 31 March 2015 are set out on page 20.

DIRECTORS' EMOLUMENTS

Directors' emoluments incurred by the company and its subsidiaries for the year ended 31 March 2015, are set out in the remuneration report on page 30 and in note 31 in the annual financial statements.

ASSOCIATES, JOINT VENTURES AND SUBSIDIARIES

Details of the company's subsidiaries are set out in annexure A in the annual financial statements available on the company's website, www.seardel.co.za

BORROWING POWERS

There are no limits placed on borrowing in terms of the memorandum of incorporation. Certain companies in the Group have entered into various loan agreements with providers of loan finance. These loan agreements include various covenants and undertakings by companies in the Group which may restrict the Group's borrowing powers. Details of these covenants and undertakings are available from the registered office of the company.

LITIGATION STATEMENT

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of Seardel are aware) which may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of Seardel.

MATERIAL CHANGE

There has been no material change in the financial or trading position of the Seardel Group since the publication of its provisional results for the year ended 31 March 2015.

SUBSEQUENT EVENTS

Other than as previously detailed in this report, the directors are not aware of any event or circumstance occurring between the reporting date and the date of this report that materially affects the results of the Group or company for the year ended 31 March 2015 or the financial position at that date.

The company seeks to amend its name from Seardel Investment Corporation Limited to E Media Holdings to better reflect the main business of the company following the recent unbundling and restructuring of the company. The name change will take effect after approval at the Annual General Meeting and registration certificate is issued by the Companies and Intellectual Property Commission.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors of Seardel are responsible for the preparation, integrity and fair presentation of the financial statements of the company and of the Group and for other information contained in this Integrated Report. The summarised audited financial statements set out on pages 44 to 52 and the annual financial statements for the year ended 31 March 2015, available on the company's website, www.seardel.co.za and from the registered office of the company, have been prepared in accordance with IFRS and include amounts based on prudent judgements and estimates by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company and the Group. The Annual financial statements and summarised financial statements have been audited by the independent auditing firm, Grant Thornton Johannesburg Partnership, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board.

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

The annual financial statements for the year ended 31 March 2015, which are available on the company's website, were approved by the board of directors on 19 August 2015 and are signed on its behalf by:

J A Copelyn Chairman	**T G Govender** Acting Chief Executive Officer	**A S Lee** Financial Director

Cape Town
19 August 2015

SUMMARISED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Rand thousands		Audited 2015	Audited* 2014	Audited* 2013
ASSETS				
Non-current assets		**7 624 838**	8 806 707	1 292 844
Property, plant and equipment		**886 974**	1 241 852	653 858
Plant and equipment		**238 285**	525 316	335 876
Owner-occupied property		**648 689**	716 536	317 982
Investment property		**–**	669 619	525 229
Intangible assets		**2 750 263**	2 817 234	13 030
Goodwill		**3 737 528**	3 708 837	–
Equity-accounted investees		**206 985**	132 698	–
Other investments		**–**	3 644	3 580
Long-term receivables		**2 935**	146 582	47 544
Deferred tax assets		**40 153**	86 241	49 603
Current assets		**1 166 181**	2 029 764	1 136 387
Inventories		**18 090**	555 433	627 768
Programming rights		**431 169**	282 682	–
Trade and other receivables		**591 536**	1 024 750	504 788
Current tax assets		**12 409**	6 087	1 594
Cash and cash equivalents		**112 977**	160 812	2 237
Assets of disposal groups		**249 405**	54 536	2 295
Total assets		**9 040 424**	10 891 007	2 431 526
EQUITY AND LIABILITIES				
Total equity		**7 131 929**	3 844 141	1 375 873
Stated capital/Share capital and share premium		**6 665 383**	1 692 429	312 156
Treasury shares		**–**	(17 794)	(17 794)
Reserves		**(595 481)**	939 428	1 081 511
Equity attributable to owners of the parent		**6 069 902**	2 614 063	1 375 873
Non-controlling interest		**1 062 027**	1 230 078	–
Non-current liabilities		**1 068 963**	5 550 756	85 262
Deferred tax liabilities		**465 531**	468 529	–
Post-employment medical aid benefits		**–**	91 180	84 388
Interest-bearing liabilities		**501 001**	4 868 343	756
Share-based liabilities		**102 431**	122 465	–
Operating lease accruals		**–**	239	118
Current liabilities		**814 653**	1 496 110	970 391
Current tax liabilities		**12 398**	529	–
Post-employment medical aid benefits		**–**	6 280	5 045
Interest-bearing liabilities		**339 082**	67 161	298
Trade and other payables		**461 918**	861 047	460 008
Provisions		**–**	23 309	355
Bank overdraft		**1 255**	537 784	504 685
Liabilities of disposal groups		**24 879**	–	–
Total liabilities		**1 908 495**	7 046 866	1 055 653
Total equity and liabilities		**9 040 424**	10 891 007	2 431 526
Net asset value		**6 069 902**	2 614 063	1 375 873
Net asset value per share after treasury shares	(cents)	**141**	220	201

* Restated.

SUMMARISED AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Rand thousands	Audited 2015	Audited* 2014
Continuing operations		
Revenue	**2 396 385**	1 223 603
Cost of sales	**(985 787)**	(480 471)
Gross profit	**1 410 598**	743 132
Other income	**56 744**	25 000
Administrative and other expenses	**(872 761)**	(427 716)
Earning, before interest, taxation, depreciation and amortisation	**594 581**	340 416
Depreciation, amortisation and impairments	**(188 020)**	(92 560)
Operating profit	**406 561**	247 856
Finance income	**14 350**	–
Finance expenses	**(55 306)**	(120 958)
Share of loss of equity-accounted investees, net of taxation	**(756)**	(5 367)
Profit before taxation	**364 849**	121 531
Taxation	**(148 248)**	(83 979)
Profit from continuing operations	**216 601**	37 552
Discontinued operations		
(Loss)/profit from discontinued operations, net of taxation	**(64 431)**	4 061
Profit	**152 170**	41 613
Other comprehensive income, net of related taxation		
Items that will never be reclassified to profit or loss		
Post-employment medical benefit – actuarial loss	**–**	(4 295)
Items that are or may be reclassified to profit or loss		
Fair value adjustment on available-for-sale financial assets	**–**	51
Foreign operations – foreign currency translation differences	**22 728**	2 431
Other comprehensive income/(loss), net of taxation	**22 728**	(1 813)
Total comprehensive income for the year	**174 898**	39 800
Profit/(loss) attributable to:		
Owners of the parent	**124 813**	(11 157)
Non-controlling interest	**27 357**	52 770
	152 170	41 613
Total comprehensive income/(loss) attributable to:		
Owners of the parent	**139 732**	(13 831)
Non-controlling interest	**35 165**	53 631
	174 898	39 800

* Restated.

SUMMARISED AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Rand thousands	Audited 2015	Audited 2014
Net cash flow from operating activities	**(418 639)**	217 444
Net cash flow from investing activities	**(125 647)**	(191 614)
Net cash flow from financing activities	**1 051 383**	99 646
Net change in cash and cash equivalents	**507 097**	125 476
Cash and cash equivalents at the beginning of the year	**(376 972)**	(502 448)
Cash and cash equivalents at the end of the year	**130 125**	(376 972)
Cash and cash equivalents	**112 977**	160 812
Bank overdraft	**(1 255)**	(537 784)
Cash of disposal groups held for sale	**18 403**	–
Cash and cash equivalents at the end of the year	**130 125**	(376 972)

SUMMARISED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Rand thousands	Stated capital	Treasury shares	Other reserves*	Retained income	Equity owners of the parent*	Non-controlling interest	Total equity*
Balance at 31 March 2013 (previously reported)	312 156	(17 794)	298 669	867 555	1 460 586	–	1 460 586
Effect of change in accounting policy	–	–	(84 713)	–	(84 713)	–	(84 713)
Balance at 31 March 2013 (restated)	312 156	(17 794)	213 956	867 555	1 375 873	–	1 375 873
Profit/(loss)	–	–	–	(11 157)	(11 157)	52 770	41 613
Fair value adjustment – AFS	–	–	51	–	51	–	51
Foreign operations – FCTR	–	–	1 570	–	1 570	861	2 431
Post-employment medical benefits – actuarial loss	–	–	–	(4 295)	(4 295)	–	(4 295)
Transfers	–	–	(1 950)	1 580	(370)	–	(370)
Share incentive scheme	–	–	–	(5 449)	(5 449)	–	(5 449)
Dividends	–	–	–	–	–	(71 837)	(71 837)
Share options	10 273	–	–	–	10 273	–	10 273
Acquisition of subsidiaries with non-controlling interests	1 370 000	–	(425)	(122 008)	1 247 567	1 248 284	2 495 851
Balance at 31 March 2014	**1 692 429**	**(17 794)**	**213 202**	**726 226**	**2 614 063**	**1 230 078**	**3 844 141**
Profit	**–**	**–**	**–**	**124 813**	**124 813**	**27 357**	**152 170**
Foreign operations – FCTR	**–**	**–**	**14 920**	**–**	**14 920**	**7 808**	**22 728**
Share incentive scheme	**–**	**–**	**–**	**4 174**	**4 174**	**–**	**4 174**
Dividends	**–**	**–**	**–**	**–**	**–**	**(70 192)**	**(70 192)**
Share options	**11 503**	**–**	**–**	**(11 194)**	**309**	**–**	**309**
Rights issue	**4 961 451**	**–**	**–**	**–**	**4 961 451**	**–**	**4 961 451**
Treasury shares	**–**	**17 794**	**–**	**(17 794)**	**–**	**–**	**–**
Dividend through demerger	**–**	**–**	**(212 058)**	**(1 467 924)**	**(1 679 982)**	**179**	**(1 679 803)**
Effect of change in ownership – minority interests	**–**	**–**	**–**	**37 152**	**37 152**	**(135 828)**	**(98 676)**
Change in ownership – minority interest acquired	**–**	**–**	**–**	**(6 998)**	**(6 998)**	**(1 002)**	**(8 000)**
Acquisition of subsidiaries with non-controlling interests	**–**	**–**	**–**	**–**	**–**	**3 627**	**3 627**
Balance at 31 March 2015	**6 665 383**	**–**	**16 064**	**(611 545)**	**6 069 902**	**1 062 027**	**7 131 929**

* Restated.

HEADLINE EARNINGS

Rand thousands	Audited 2015	Audited 2014
Earnings/(loss) attributable to equity owners of the parent	**124 813**	(11 157)
IAS 16 gains on disposal of plant and equipment	**(1 735)**	(3 888)
IAS 16 loss on disposal of plant and equipment	**–**	31 734
IAS 16 impairment of plant and equipment	**9 587**	4 617
IFRS 3 impairment of goodwill	**86 862**	–
IFRS 3 gain on bargain purchase	**(1 077)**	–
IAS 28 gain on disposal of associates	**(11 500)**	–
IAS 40 fair value adjustment to investment property	**(46 792)**	(20 726)
Total tax effect of adjustments	**9 219**	264
Headline earnings	**169 378**	844

STATISTICS PER SHARE

		Audited 2015	Audited* 2014
Basic earnings			
Earnings	(R'000)	**124 813**	(11 157)
Continuing operations	(R'000)	**134 637**	(15 218)
Discontinued operations	(R'000)	**(9 824)**	4 061
Headline earnings	(R'000)	**169 378**	(1 077)
Continuing operations	(R'000)	**161 495**	(15 761)
Discontinued operations	(R'000)	**7 883**	14 684
Basic earnings per share			
Earnings	(cents)	**3,03**	(1,26)
Continuing operations	(cents)	**3,26**	(1,72)
Discontinued operations	(cents)	**(0,23)**	0,46
Headline earnings	(cents)	**4,11**	(0,12)
Continuing operations	(cents)	**3,92**	(1,78)
Discontinued operations	(cents)	**0,19**	1,66
Weighted average number of shares in issue	('000)	**4 123 996**	884 013
Actual number of shares in issue at the end of the year (net of treasury shares)	('000)	**4 318 212**	1 186 936
Diluted earnings per share			
Earnings	(cents)	**3,03**	(1,23)
Continuing operations	(cents)	**3,26**	(1,67)
Discontinued operations	(cents)	**(0,23)**	0,45
Headline earnings	(cents)	**4,11**	(0,12)
Continuing operations	(cents)	**3,92**	(1,73)
Discontinued operations	(cents)	**0,19**	1,62
Diluted weighted average number of shares in issue	('000)	**4 123 996**	908 655

* Restated.

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED CONDENSED RESULTS

FOR THE YEAR ENDED 31 MARCH 2015

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the year ended 31 March 2015 have been prepared in accordance with IFRS the disclosure requirements of IAS 34, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the South African Companies Act, 2008 and the Listings Requirements of the JSE. Except for the change in accounting policy and the new standards adopted as set out and as further noted below, the accounting policies applied by the Group in the preparation of these reviewed condensed consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2014.

The Group has adopted the following new standards that became effective on 1 January 2014:

(i) IAS 32: Financial Instruments – Presentation
(ii) IAS 36: Impairment of Assets
(iii) IAS 39: Financial Instruments – Recognition and Measurement

There was no material impact on the financial results identified based on management's assessment of these standards. As required by the JSE Listings Requirements, the Group reports headline earnings in accordance with Circular 2/2013: Headline Earnings as issued by the South African Institute of Chartered Accountants.

These financial statements were prepared under the supervision of the financial director, A S Lee CA (SA).

RESTATEMENT OF PRIOR YEAR RESULTS

During the period under review the Group changed the accounting policy as it relates to owner-occupied buildings, from initially being recognised at cost and subsequently revalued to approximate fair value, to now the cost convention whereby owner-occupied buildings are being initially recognised at cost and subsequently measured at cost less accumulated depreciation and any impairment losses. The adjustments in respect of the measurement change were not treated as movements in the current financial year, but as adjustments to the comparative consolidated statement of comprehensive income for the year ended 31 March 2014 and the comparative consolidated statement of financial position as at 31 March 2014 and 31 March 2013. The comparative results were restated as follows:

Rand thousands	Previously reported	Change in policy	Restated
Impact of changes in accounting policy on consolidated statement of financial position on 31 March:			
2014			
Non-current assets			
Property, plant and equipment	**838 496**	**(121 960)**	**716 536**
Equity			
Equity attributable to equity holders of the parent	**2 717 969**	**(103 906)**	**2 614 063**
Non-current liabilities			
Deferred tax liabilities	**486 583**	**(18 054)**	**468 529**
2013			
Non-current assets			
Property, plant and equipment	418 605	(100 623)	317 982
Deferred tax assets	42 093	7 510	49 603
Equity			
Equity attributable to equity holders of the parent	1 460 586	(84 713)	1 375 873
Non-controlling interest	–	–	–
Non-current liabilities			
Deferred tax liabilities	8 400	(8 400)	–
Impact of changes in accounting policy on consolidated statement of comprehensive income on 31 March:			
2014			
Decrease in other comprehensive income, net of tax	**19 193**	**(19 193)**	**–**
2013			
Decrease in other comprehensive income, net of tax	23 489	(23 489)	–

BUSINESS COMBINATIONS

During the year the Group acquired 100% of Longkloof Limited, which houses the offshore media assets. The total purchase consideration was R497 million and the goodwill through the business combination was R130 million. This goodwill was subsequently impaired by the Group given the reinvestment required to turn the Longkloof assets around.

On 1 March 2015 the Group acquired 50% plus one share of Coleske Artists Proprietary Limited ("Coleske") and Afrikaans is Groot Proprietary Limited ("AIG") for a total purchase consideration of R42 million. Goodwill through business combinations based on the provisional accounting of Coleske and AIG was R38 million. If new information is obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition, the accounting for the acquisition will be revised.

Other media assets acquired include 70% of TVPC Media Proprietary Limited ("TVPC") and 100% of Crystal Brook Distribution Proprietary Limited ("Crystal Brook") for a total purchase consideration of R6 million and R11 million respectively. Goodwill for TVPC through the business combination was R8 million and gain on bargain purchase for Crystal Brook was R2 million.

In respect of the unbundled non-media assets, acquisitions included 100% of Limtech Biometric Solutions Proprietary Limited ("Limtech") and 51% of Deneb Invest 141 Holdco Proprietary Limited for a total purchase consideration of R1,4 million. The goodwill through business combination was R1,5 million.

The following table summarises the consideration paid for the entities and the amount of the assets acquired and liabilities assumed recognised at acquisition date.

Rand thousands	Audited 2015	Audited 2014
Cash	**558 152**	23 440
Contingent consideration	**1 400**	12 678
Own shares issued	**–**	1 370 000
Total consideration	**559 552**	1 406 118
Recognised amounts of identifiable assets acquired and liabilities assumed:		
Property, plant and equipment	**21 372**	671 543
Intangible assets	**176 434**	2 805 210
Equity-accounted investees	**118 726**	131 364
Long-term receivables	**21 729**	19 835
Deferred tax assets	**339**	8 823
Programming rights	**–**	390 599
Trade and other receivables	**60 253**	601 499
Cash and cash equivalents	**50 901**	87 327
Other assets	**3 213**	41 994
Non-current loan	**–**	(1 576 851)
Preference shares	**–**	(3 105 764)
Deferred tax liabilities	**(5 760)**	(488 231)
Trade and other payables	**(46 348)**	(560 600)
Share-based payment liability	**–**	(122 465)
Bank overdrafts	**(70)**	(4 697)
Other liabilities	**(7 921)**	(76 029)
Total identifiable net assets	**392 868**	(1 176 443)
Less: Non-controlling interest	**(3 627)**	(1 248 284)
Goodwill	**171 950**	3 708 837
Goodwill directly to equity as transactions with owners	**–**	122 008
Gain on bargain purchase	**(1 639)**	–
Total consideration	**559 552**	1 406 118
Cash flow from investing activity		
Cash consideration transferred	**(558 152)**	(23 440)
Cash and cash equivalents in the business acquired	**50 901**	87 327
Bank overdraft in the business acquired	**(70)**	(4 697)
Net cash (outflow)/inflow from investing operations	**(507 321)**	59 190

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED CONDENSED RESULTS

FOR THE YEAR ENDED 31 MARCH 2015 (continued)

DISCONTINUED OPERATIONS

Following a decision to exit the business of e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited, the results of these operations were reclassified to discontinued operations in the statement of comprehensive income and its assets and liabilities reclassified to disposal groups held for sale in the statement of financial position.

A decision was also taken to sell or exit certain subsidiaries and associates of the Longkloof Limited Group. The results of these operations were classified as discontinued operations in the statement of comprehensive income and its assets and liabilities classified as disposal groups held for sale in the statement of financial position.

Following the declaration and finalisation announcement relating to the proposed unbundling by Seardel of 557 892 317 shares in Deneb to its shareholders on 14 November 2014, the results of the non-media operations (Deneb) were reclassified to discontinued operations in the statement of comprehensive income and its assets and liabilities in the statement of financial position have been unbundled on 1 December 2014 in accordance with IFRIC 17: Distributions of Non-cash Assets to Owners.

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

Rand thousands	e.Botswana	e.tv Botswana	Longkloof subsidiaries and associates	Non-media assets (Deneb)	Total
2015					
Revenue	4 344	–	27 273	1 927 457	1 959 074
Profit/(loss) after tax	(2 042)	–	(156 909)	94 520	(64 431)
2014					
Revenue	–	–	–	2 163 518	2 163 518
Profit/(loss) after tax	–	–	–	4 061	4 061

Disposal groups held for sale as disclosed in the statement of financial position comprise the following:

Rand thousands	e.Botswana	e.tv Botswana	Longkloof subsidiaries and associates	Total 2015	Total 2014
Assets of disposal group					
Property, plant and equipment	1 212	2 233	521	3 966	54 536
Intangible assets	–	–	155 973	155 973	–
Investment in associates	–	–	37 091	37 091	–
Other assets	2 597	17	49 761	52 375	–
Total assets	3 809	2 250	243 346	249 405	54 536
Liabilities of disposal group					
Deferred taxation liability	–	(40)	(5 592)	(5 632)	–
Other liabilities	(282)	2	(18 967)	(19 247)	–
Total liabilities	(282)	(38)	(24 559)	(24 879)	–

CHANGE IN COMPARATIVES

The results of discontinued operations have been separately disclosed on the face of the statement of comprehensive income. Furthermore, the results of the change in accounting policy have been separately disclosed in the statement of changes in equity with further restatement and disclosure as per the note on restatement of prior year results. Where practical, the prior year results have been restated accordingly.

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, SACTWU (shareholder in Seardel), Remgro Limited ("Remgro") (shareholder in Sabido) and Venfin Media Investments Proprietary Limited ("Venfin") (a wholly-owned subsidiary of Remgro) are included in the following table:

Rand thousands	Audited 2015	Audited 2014
Income/(expense) transaction values with related parties		
Unbundled assets		
SACTWU – disposal of apparel		
SACTWU – disposal of apparel manufacturing operation	**5 312**	(31 260)
SACTWU – loan advance relating to the disposal of the apparel manufacturing operation	**–**	(957)
HCI – fees for managerial and secretarial services paid	**(2 800)**	(4 200)
HCI – working capital loan advanced	**(1 943)**	(2 499)
HCI – loan at prime, repayable on demand	**3 245**	–
Formex Industries (subsidiary of HCI) – management fees received	**864**	1 296
HCI – fees for risk management received	**261**	617
Media assets		
SACTWU – loan relating to the acquisition of Sabido	**(5 987)**	(33 138)
HCI – preference shares relating to the acquisition of Sabido	**(13 972)**	(77 341)
HCI – management fees paid	**(14 205)**	(13 529)
Venfin – management fees paid	**(1 608)**	(1 532)
Longkloof Limited – management fees received	**1 331**	3 014

Rand thousands	Audited 2015	Audited 2014
Balances owing (to) by related parties		
Unbundled assets		
SACTWU – disposal of apparel manufacturing operation	**–**	107 588
SACTWU – loan advance relating to the disposal of the apparel manufacturing operation	**–**	(30 957)
HCI – fees for managerial and secretarial services paid	**–**	(10 195)
Media assets		
SACTWU – loan relating to the acquisition of Sabido*	**–**	(1 363 860)
HCI – preference shares relating to the acquisition of Sabido*	**–**	(3 183 105)
HCI – working capital loan	**(8 602)**	–
Venfin – loan relating to the acquisition of Longkloof Limited	**(156 605)**	–
Cape Town Film Studios – associate loan	**71 786**	63 685
Dreamworld Management Company – associate loan	**10 624**	10 313
Global Media Alliance Broadcasting Limited – associate loan	**73 772**	63 544

* The repayment of these balances as at 31 March 2014 was out of the capital raised through the rights issue.

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED CONDENSED RESULTS

FOR THE YEAR ENDED 31 MARCH 2015 (continued)

Business combinations with related parties

Sabido, a subsidiary of Seardel, acquired the shares of the following entities:

- 100% of the issued share capital in Longkloof Limited, which was previously owned 80% by Deepkloof, a subsidiary of HCI, and 20% by Iprop Holdings Limited, a subsidiary of Remgro, for a purchase consideration of R497 million; and
- 100% of the issued share capital of Crystal Brook which was previously owned 80% by HCI, a wholly-owned subsidiary of HCI, and 20% by Venfin Media Investments Proprietary Limited, a wholly-owned subsidiary of Remgro, for a purchase consideration of R11 million, further detail of which was published on SENS on 28 August 2014.

In respect of the unbundled assets, 100% of the issued share capital of Limtech Biometric Solutions Proprietary Limited, which was previously owned by HCI, for a purchase consideration of R1.

Signed for and on behalf of the board on 21 May 2015.

T G Govender
Acting Chief Executive Officer

A S Lee
Financial Director

NOTICE OF ANNUAL GENERAL MEETING

Seardel Investment Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration number 1968/011249/06)
Ordinary shares (share code: SER • ISIN: ZAE000029815)
N ordinary shares (share code: SRN • ISIN: ZAE000030144)
("Seardel" or "the company" or "the Group")

NOTICE IS HEREBY GIVEN that the annual general meeting of Seardel Investment Corporation Limited ("the company") will be held on Thursday, 29 October 2015 at 10:00 at the registered offices of the company, Suite 801, 76 Regent Street, Sea Point 8005.

This document is available in English only and the proceedings at the meeting will be conducted in English.

GENERAL INSTRUCTIONS AND INFORMATION

Participants at the annual general meeting will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly provide a copy of their identity document, passport or driver's licence at the annual general meeting for verification.

The board of directors of the company determined, in accordance with section 59 of the Companies Act, No. 71 of 2008, as amended ("the Act"), that the record date for the purpose of determining which shareholders of the company were entitled to receive notice of the annual general meeting was Friday, 18 September 2015 and the record date for purposes of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting is Friday, 23 October 2015. Accordingly, only shareholders who are registered in the register of shareholders of the company on Friday, 23 October 2015 will be entitled to participate in and vote at the annual general meeting.

All shareholders of ordinary and/or N ordinary shares in the company ("shares") are entitled to attend, speak and vote at the annual general meeting. If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an "own name" dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the company's sub-register), then:

- you may attend and vote at the annual general meeting; alternatively
- you may appoint one or more proxies (who need not be shareholders of the company) to represent you at the annual general meeting by completing the attached form of proxy and returning it to the office of the transfer secretaries, to be received by no later than 24 (twenty-four) hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

Please note that the company intends to make provision for shareholders of the company, or their proxies, to participate in the annual general meeting by way of video-conference in Johannesburg. Should you wish to participate in the annual general meeting by way of video-conference as aforesaid, you are required to give notice of such proposed participation to the company at its registered office or at the office of the transfer secretaries by no later than 10:00 on Wednesday, 28 October 2015. In order for the notice to be valid, it must be accompanied by the following:

- if the shareholder is an individual, a certified copy of his identity document and/or passport;
- if the shareholder is not an individual, a certified copy of the resolution adopted by the relevant entity authorising the representative to represent the shareholder at the annual general meeting and a certified copy of the authorised representative's identity document and/or passport;
- a valid e-mail address and/or facsimile number for the purpose of receiving details of the video-conference facility that will be made available. Upon receipt of the aforesaid notice and documents, the company shall notify you of the relevant details of the video-conference facilities available in Johannesburg at which you can participate in the annual general meeting by way of electronic communication.

Please note that if you own dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE Limited's electronic settlement system held through a CSDP or broker (or their nominee)) and are not registered as an "own name" dematerialised shareholder you are not a registered shareholder of the company. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the annual general meeting, you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy.

The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be. CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the office of the company's transfer secretaries to be received by not less than 24 (twenty-four) hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

NOTICE TO MEMBERS

On a poll the holders of ordinary shares of no par value are entitled to 100 votes per ordinary share and the holders of N ordinary shares of no par value are entitled to one vote per N ordinary share.

Unless otherwise specifically provided below, for any of the ordinary resolutions to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For any special resolutions to be adopted, more than 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

The Integrated Annual Report to which this notice of annual general meeting is attached provides details of:

- the directors and management of the company, including brief CVs of the directors nominated for re-election, on pages 6 and 7;
- the major shareholders of the company, on pages 18 and 42;
- the share capital of the company in note 17 and an analysis of shareholders on page 18.

There are no material changes to the Group's financial or trading position (other than as disclosed in the accompanying Integrated Annual Report), nor are there any legal or arbitration proceedings that may materially affect the financial position of the Group between 31 March 2015 and the reporting date.

The directors accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that 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 annual report and this notice provide all information required by law and the Listings Requirements of the JSE ("JSE Listings Requirements").

PURPOSE

1 **Transacting the following business:**

1.1 to present the audited annual financial statements of the company and its subsidiaries (Group) for the year ended 31 March 2015, the associated directors' report, external auditor's report, the audit and risk committee report and the social and ethics committee report;

1.2 to elect directors in the place of those retiring in accordance with the company's memorandum of incorporation; and

1.3 such other business as may be transacted at an annual general meeting.

2 **Considering, and if deemed fit, passing, with or without modification, the below-mentioned ordinary and special resolutions.**

The purpose of the annual general meeting is for the following business to be transacted and the following resolutions to be proposed, all of them as ordinary resolutions unless the contrary appears:

AGENDA

1 The Companies Act requires the company to present the audit committee report and the directors' report at the annual general meeting of the company. The directors' report is set out on pages 41 to 43, and the audit committee report is set out on pages 26 and 27 of the Integrated Annual Report to which this notice of annual general meeting is attached.

2 **Ordinary resolution number 1 – To receive and adopt the audited financial statements**

"Resolved that the audited financial statements and Group audited financial statements for the year ended 31 March 2015 as tabled at the meeting are hereby adopted."

The purpose of this ordinary resolution is to approve the annual financial statements of the company and its subsidiaries, which summarised financial statements are set out on pages 44 to 52 of the Integrated Annual Report to which this notice of annual general meeting is attached and the full set of audited financial statements that are available on the company's website, www seardel.co.za The resolution has been proposed in terms of item 2(7) of Schedule 5 of the Companies Act, No. 71 of 2008, read with section 286 of the Companies Act, No. 61 of 1973, as amended.

3 **Ordinary resolution numbers 2.1, 2.2, 2.3, 2.4, 2.5 and 2.6 – Appointment of directors**

Mr J A Copelyn, Mr T G Govender and Ms R D Watson retire as directors in accordance with the company's MOI but, being eligible, each offer themselves for re-election as a director of the company. For CV details, see pages 6 and 7.

Accordingly, shareholders are requested to consider and if deemed fit, to re-elect Mr J A Copelyn, Mr T G Govender and Ms R D Watson by way of passing the ordinary resolutions set out below:

3.1 Mr J A Copelyn – ordinary resolution number 2.1

"Resolved that Mr J A Copelyn be and is hereby elected as a director of the company."

3.2 Mr T G Govender – ordinary resolution number 2.2

"Resolved that Mr T G Govender be and is hereby elected as a director of the company."

3.3 Ms R D Watson – ordinary resolution number 2.3

"Resolved that Ms R D Watson be and is hereby elected as a director of the company."

The reason for ordinary resolution numbers 2.1 to 2.3 is to re-elect those directors of the company who retire as directors in accordance with the company's MOI.

Mr L Govender, Mr V E Mphande and Mr A S Lee were appointed as directors by the board during the course of the year and are required to retire in terms of the company's memorandum of incorporation at the annual general meeting, and who are eligible and have offered themselves for re-election. For CV details, see pages 6 and 7.

3.4 Mr L Govender – ordinary resolution number 2.4

"Resolved that Mr L Govender be and is hereby elected as a director of the company."

3.5 Mr A S Lee – ordinary resolution number 2.5

"Resolved that Mr A S Lee be and is hereby elected as a director of the company."

3.6 Mr V E Mphande – ordinary resolution number 2.6

"Resolved that Mr V E Mphande be and is hereby elected as a director of the company."

The reason for ordinary resolution numbers 2.4 to 2.6 is to elect the directors of the company who were appointed during the course of the year and who retired as directors in accordance with the Companies Act, No. 71 of 2008, as amended.

4 Ordinary resolution number 3 – Reappointment of auditor

The company's audit committee has recommended that Grant Thornton Johannesburg Partnership be reappointed as the auditors of the company for the ensuing year and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2016 is Mr G Chaitowitz. Accordingly, the directors propose that the following resolution be adopted:

"Resolved that Grant Thornton Johannesburg Partnership is hereby appointed as the auditor to the company for the ensuing year."

The reason for ordinary resolution number 3 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or reappointed each year at the annual general meeting of the company as required by the Companies Act.

5 Ordinary resolution numbers 4.1, 4.2 and 4.3 – Appointment of audit committee

5.1 Appointment of audit committee member – ordinary resolution number 4.1

"Resolved that Mr L Govender (see CV details on page 7) be appointed to the audit committee of the company for the ensuing year."

5.2 Appointment of audit committee member – ordinary resolution number 4.2

"Resolved that Mr V E Mphande (see CV details on page 7) be appointed to the audit committee of the company for the ensuing year."

5.3 Appointment of audit committee member – ordinary resolution number 4.3

"Resolved that Ms R D Watson (see CV details on page 7) be appointed to the audit committee of the company for the ensuing year."

The reason for ordinary resolution numbers 4.1 to 4.3 is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed at each annual general meeting of a company.

Under the Companies Act the audit committee is no longer a committee of the board but instead is a committee elected by shareholders and others entitled to exercise votes at the meeting when the election takes place.

6 Ordinary resolution number 5 – General authority over unissued shares

"Resolved that all the unissued authorised shares in the company be and are hereby placed under the control of the directors, subject to the provisions of the Companies Act, the MOI and the JSE Listings Requirements, until the next annual general meeting."

No issue of these shares is contemplated at the present time and no issue will be made that could effectively change the control of the company without the prior approval of shareholders in a general meeting.

7 Ordinary resolution number 6 – General authority to issue shares and options for cash

"Resolved that the directors of the company be and are hereby authorised by way of a general authority to issue (which shall for the purposes of the JSE Listings Requirements include the sale of treasury shares) for cash (as contemplated in the JSE Listings Requirements) all or any of the authorised but unissued shares in the capital of the company, including options, as and when they in their discretion deem fit, subject to the Companies Act, the MOI of the company and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that such issues for cash may not, in the aggregate, in any 1 (one) financial year, exceed 15% (fifteen per cent) of the number of shares of the relevant class of shares issued prior to such issue."

Additional requirements imposed by the JSE Listings Requirements

It is recorded that the company may only make an issue of shares for cash under the above general authority if the following JSE Listings Requirements are met:

- the shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- the general authority shall only be valid until the company's next annual general meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter;
- a SENS announcement will be published giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue was agreed in writing between the company and party/ies subscribing for such shares and the expected effect on the net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share at the time of any issue

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

representing, on a cumulative basis within 1 (one) financial year, 5% (five per cent) of the number of shares in issue prior to that issue;

- that issues in the aggregate in any 1 (one) financial year may not in respect of:
  - ordinary shares exceed 95 715 297 representing 15% (fifteen per cent) of the ordinary shares of the company, excluding treasury shares; and
  - N ordinary shares exceed 552 016 465 representing 15% (fifteen per cent) of the N ordinary shares of the company, excluding treasury shares;
- in determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE Limited of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the company and the party/ies subscribing for the shares; and
- any issue will only be made to "public shareholders" as defined by the JSE Listings Requirements and not to related parties.

Although this is an ordinary resolution the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five per cent) of the voting rights to be cast on the resolution.

8 Non-binding resolution number 1 – Advisory endorsement of remuneration report for the year ended 31 March 2015

"To endorse on an advisory basis, the company's remuneration policy on page 28 of the Integrated Annual Report, (excluding the remuneration of the non-executive directors for their services as directors and members of board committees)."

Motivation for advisory endorsement

In terms of the King III, an advisory vote should be obtained from shareholders on the company's annual remuneration policy. The vote allows shareholders to express their views on the remuneration policies adopted and their implementation, but will not be binding on the company.

9 Special resolution number 1 – Approval of annual fees to be paid to non-executive directors

"To approve for the period 1 November 2015 until the date of the next annual general meeting of the company, the remuneration payable to non-executive directors of the company for their services as directors as follows:

Non-executive director	Fee R'000
L Govender	158,6
V E Mphande	201,1
R D Watson	158,6

Reason for and effect of special resolution number 1

This resolution is proposed in order to comply with the requirements of the Companies Act. In terms of section 65(11) (h) of the Companies Act, read with section 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the holders within the previous 2 (two) years and only if this is not prohibited in terms of the company's memorandum of incorporation.

The payment of remuneration to directors for their services as directors is not prohibited by the company's memorandum of incorporation. This special resolution applies only to non-executive directors, as executive directors are required to attend meetings as part of their terms of employment and do not receive remuneration for their services as directors in addition to salaries they receive, by virtue of their employment by the company.

The proposed directors' remuneration payable to non-executive directors is based on best practice and aimed at ensuring fair and competitive remuneration practices. It is important for the company to attract new directors and retain directors with the relevant capabilities, skills and experience required to effectively conduct the business of the board and lead the company according to its strategic priorities.

10 Special resolution number 2 – General authority to repurchase company shares

"Resolved that the company hereby approves, as a general approval contemplated in JSE Listing Requirement 5.72, the acquisition by the company or any of its subsidiaries from time to time of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the provisions of the Companies Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that:

- acquisitions by the company and its subsidiaries of shares in the capital of the company may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) (or 10% (ten per cent) where such acquisitions relate to the acquisition by a subsidiary) of the company's issued share capital of the class of the repurchased shares from the date of the grant of this general authority;
- any such acquisition of shares shall 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);
- the company (or any subsidiary) is authorised to do so in terms of its MOI;
- 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;

- in determining the price at which the company's shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE Limited for the 5 (five) business days immediately preceding the date the repurchase transaction is effected;
- at any point in time the company may only appoint one agent to effect any repurchase(s) on the company's behalf;
- the company or its subsidiaries may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period are fixed and full details thereof have been disclosed to the JSE Limited in writing prior to commencement of the prohibited period; and
- a SENS announcement will be published as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis 3% (three per cent) of the number of shares of the class of shares repurchased in issue at the time of granting of this general authority, and each time the company acquires a further 3% (three per cent) of such shares thereafter, which announcement shall contain full details of such acquisitions."

Statement by the board of directors of the company

Pursuant to and in terms of the JSE Listings Requirements, the board of directors of the company hereby states that:

(a) it is their intention to utilise the general authority to acquire shares in the company if at some future date the cash resources of the company are in excess of its requirements or there are good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company; and

(b) in determining the method by which the company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the company will only make the acquisition if at the time of the acquisition they are of the opinion that:

- the company and its subsidiaries would, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of this notice of the annual general meeting;
- the consolidated assets of the company and its subsidiaries, fairly valued in accordance with IFRS and recognised and measured in accordance with the accounting policies used in the latest audited financial statements, would, after the repurchase, be in excess of the consolidated liabilities of the company and its subsidiaries for the next 12 (twelve) months after the date of this notice of the annual general meeting;
- the issued share capital and reserves of the company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes of the company or any acquiring subsidiary for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting;
- the working capital available to the company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting; and
- the company and its subsidiaries pass the solvency and liquidity test and that from the time that the test is done, there are no material changes to the financial position of the company or any acquiring subsidiary.

The reason for special resolution number 2 is to grant the company a general authority in terms of the JSE Listings Requirements for the acquisition by the company, or any of its subsidiaries, of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company.

The passing and registration of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company.

11 Special resolution number 3 – General approval of the provision of financial assistance in terms of sections 44 and 45 of the Act

"Resolved as a special resolution that, to the extent required by sections 44 and 45 of the Act, the board of directors of the company may, subject to compliance with the requirements of the company's memorandum of incorporation and the Act, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, to:

- the company's present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the company, or any person wishing to subscribe for any option, or any securities issued or to be issued by the company, the company's present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the company, for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company; or
- a director or prescribed officer of the company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company, corporation, director, prescribed officer or member, and that any of such financial assistance may be provided at any time during the period

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

commencing on the date of the adoption of this resolution and ending two years after such date."

In terms of the Companies Act and the company's memorandum of incorporation this resolution will be adopted with the support of at least 75% of the voting rights exercised on this resolution.

Reason for and effect of special resolution number 3

As part of the normal conduct of the business of the company and its subsidiaries from time to time, the company, where necessary, provides financial assistance to its related and interrelated companies and entities (as contemplated in the Companies Act) including the provision of guarantees and other forms of security to third parties which provide funding to the company's local and foreign subsidiaries, whether by way of loans, subscribing for shares (including preference shares) or otherwise. In the circumstances and in order to ensure that, among other things, the company and its subsidiaries and other related and interrelated companies and entities continue to have access to, and are able to appropriately structure their financing for purposes of funding their corporate and working capital requirements, it is necessary that the company obtains the approval of shareholders in terms of this special resolution number 1. Sections 44 and 45 of the Companies Act provide that the financial assistance required can only be provided pursuant to a special resolution of the shareholders, adopted within the previous two years, which resolution must have approved such financial assistance either for the specific recipient, or generally for a category of potential recipients (and the specific recipient falls within that category), and the directors must be satisfied that:

- immediately after providing the financial assistance, the company will satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

The passing of this special resolution number 3 will have the effect of authorising the company to provide direct or indirect financial assistance in accordance with sections 44 and 45 of the Companies Act, for a period of two years after the adoption of this resolution.

12 Special resolution number 4 – Change of name of the company in terms of section 16 of the Companies Act

"Resolved as a special resolution that, in terms of section 16 of the Companies Act that the company change its name from "Seardel Investment Corporation Limited" to "E Media Holdings Limited" with effect from the date that an amended registration certificate is issued by the Companies and Intellectual Property Commission and that the MOI of the company is hereby amended accordingly."

Reason for and effect of Special Resolution number 4

The passing of this special resolution number 4 will have the effect of authorising the company to amend the name of the company to E Media Holdings Limited to better reflect the main business of the company following the recent unbundling of Deneb Investments Limited and restructuring of the company.

Note: Seardel shareholders are referred to the circular which is distributed together with the integrated annual report which contains supplementary information in relation to special resolution number 4 and 5 as required by the JSE Listings Requirements.

13 Special resolution number 5 – Approval of the 10-to-1 share consolidation

"Resolved that the:

- authorised ordinary shares of the company, comprising 700 000 000 no par value shares, be consolidated and reduced on a 10-to-1 basis into 70 000 000 (taking into account the rounding of fractions) ordinary shares of no par value; and
- authorised N ordinary shares of the company, comprising 10 550 000 000 no par value shares, be consolidated and reduced on a 10-to-1 basis into 1 055 000 000 (taking into account the rounding of fractions) N ordinary shares of no par value; and
- the issued ordinary shares of the company, comprising 638 101 983 ordinary shares of no par value be consolidated and reduced on a 10-to-1 basis into 63 810 198 (after taking into account the rounding of fractions) ordinary shares of no par value; and
- the issued N ordinary shares of the company, comprising 3 819 273 148 N ordinary shares of no par value be consolidated and reduced on a 10-to-1 basis into 381 927 315 (after taking into account the rounding of fractions) N ordinary shares of no par value."

Reason for and effect of Special Resolution number 5

The reason for special resolution number 5 is to consolidate the company's ordinary and N ordinary share capital on a 10-to-1 basis. The effect of special resolution number 5 will be to consolidate the authorised ordinary and N ordinary share capital on a 10-to-1 basis.

Note: Seardel shareholders are referred to the circular which is distributed together with the integrated annual report which contains supplementary information in relation to special resolution number 4 and 5 as required by the JSE Listings Requirements.

14 Authorisation of directors – ordinary resolution number 8

"Resolved that each and every director of the company be and is hereby authorised to do all such things and sign all such documents as may be necessary or incidental to the implementation of the resolutions passed at this annual general meeting."

15 To transact such other business which may be transacted at an annual general meeting

By order of the board

Cape Town
28 September 2015

FORM OF PROXY

Seardel Investment Corporation Limited
(Incorporated in the Republic of South Africa) (Registration number 1968/011249/06)
Ordinary shares (share code: SER • ISIN: ZAE000029815)
N ordinary shares (share code: SRN • ISIN: ZAE000030144)
("Seardel" or "the company" or "the Group")

I/We,____ (name in full),

of address ____

being a registered holder of ____________ ordinary shares and ____________ N ordinary shares in the company, hereby appoint

1 ____ or failing him/her

2 ____ or failing him/her

3 ____ or failing him/her

the chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the company to be held at 10:00 on Thursday, 29 October 2015 at the registered offices of HCI, Suite 801, 76 Regent Street, Sea Point 8005, Cape Town and at any adjournment thereof as follows:

Agenda	Description	For	Against	Abstain
2	To receive and adopt the audited financial statements (ordinary resolution No. 1)			
3	Appointment of directors			
3.1	Election of director: Mr J A Copelyn (ordinary resolution No. 2.1)			
3.2	Election of director: Mr T G Govender (ordinary resolution No. 2.2)			
3.3	Election of director: Ms R D Watson (ordinary resolution No. 2.3)			
3.4	Election of director: Mr L Govender (ordinary resolution No. 2.4)			
3.5	Election of director: Mr A Lee (ordinary resolution No. 2.5)			
3.6	Election of director: Mr V E Mphande (ordinary resolution No. 2.6)			
4	Reappointment of auditor (ordinary resolution No. 3)			
5	Appointment of Audit Committee			
5.1	Appointment of audit committee member: Mr L Govender (ordinary resolution No. 4.1)			
5.2	Appointment of audit committee member: Mr V E Mphande (ordinary resolution No. 4.2)			
5.3	Appointment of audit committee member: Ms R D Watson (ordinary resolution No. 4.3)			
6	General authority over unissued shares (ordinary resolution No. 5)			
7	General authority to issue shares and options for cash (ordinary resolution No. 6)			
8	Advisory endorsement of remuneration report for the year ended 31 March 2015 (non-binding resolution No. 1)			
9	Approval of annual fees to be paid to non-executive directors (special resolution No. 1)			
10	General authority to repurchase company shares (special resolution No. 2)			
11	General approval of the provision of financial assistance in terms of sections 44 and 45 of the Companies Act (special resolution No. 3)			
12	Change of name of the Company in terms of section 16 of the Companies Act (special resolution No. 4)			
13	Approval of the 10-to-1 share consolidation (special resolution No. 5)			
14	Authorisation of directors (ordinary resolution No. 8)			

Indicate instructions to proxy by way of a cross in the space provided above (100 votes per ordinary share and one vote per N ordinary share).

Unless otherwise instructed my proxy may vote as he/she thinks fit.

Signed this ______________________ day of ______________________ 2015.

Signature ____

Assisted by me (where applicable) ____

Please read the notes overleaf

NOTES TO THE FORM OF PROXY

1 A form of proxy is only to be completed by those shareholders who are:
- holding shares in certificated form; or
- recorded in the sub-register in dematerialised electronic form in "own name".

2 If you have already dematerialised your shares through a Central Securities Depository Participant ("CSDP") or broker, other than with "own name" registration, and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or you must instruct your CSDP or broker to vote by way of proxy on your behalf in terms of the agreement entered into by yourself and the CSDP or broker.

3 A shareholder entitled to attend and vote at the meeting is entitled to appoint an individual as a proxy, who need not be a shareholder of the company, to attend, participate in and vote at a shareholders' meeting on the shareholder's behalf, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

4 The proxy may delegate his/her authority to act on the shareholder's behalf to another person, subject to any restriction set out in this proxy form.

5 Every person present and entitled to vote at the meeting as a shareholder or as a proxy or as a representative of a body corporate shall, on a show of hands, have one vote only, irrespective of the number of shares such a person holds or represents, but in the event of a poll, a shareholder shall be entitled to one vote for each N ordinary share held and 100 votes for each ordinary share held.

6 Please insert the relevant number of shares/votes and indicate with an X in the appropriate spaces on the face hereof, how you wish your votes to be cast. If you return this form duly signed without specific directions, the proxy will vote or abstain from voting at his/her discretion.

7 A deletion of any printed details and the completion of any blank space/s need not be signed or initialled. Any alteration must be initialled.

8 The chairman of the annual general meeting shall be entitled to decline to accept the authority of the signatory under a power of attorney, or on behalf of a company, unless the power of attorney or authority is produced.

9 The signatory may insert the name of any person/s that the signatory wishes to appoint as his/her proxy, in the blank space/s provided for that purpose.

10 When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

11 A minor should be assisted by his parents or legal guardian unless the relevant documents establishing his legal capacity are produced.

12 The completion and lodging of this proxy form will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.

13 A shareholder's instructions must be indicated by the insertion of a cross or, where applicable, the relevant number of votes exercisable by the shareholder, in the appropriate box of this proxy form.

14 If the signatory does not indicate how he/she wishes to vote in the appropriate place/s on the face hereof in respect of the resolution, his/her proxy shall be entitled to vote as he/she deems fit in respect of the resolutions.

15 If the shareholding is not indicated on the proxy form, the proxy will be deemed to be authorised to vote the total shareholding.

16 The chairman of the general meeting may reject or accept any proxy form which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.

17 The appointment of the proxy or proxies will be suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any of the shareholder's rights as a shareholder at the annual general meeting.

18 The appointment of your proxy is revocable unless you expressly state otherwise in this proxy form. As the appointment of the proxy is revocable, the shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company. Please note, the revocation of a proxy appointment constitutes a complete and final cancellation of the shareholder's proxy's authority to act on the shareholder's behalf as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to the company and the proxy as aforesaid.

19 If the proxy form has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder will be delivered by the company to the shareholder or the shareholder's proxy or proxies, if the shareholder has directed the company to do so in writing and paid a reasonable fee charged by the company for doing so.

20 The appointment of the proxy remains valid only until the end of the relevant meeting or any adjournment or postponement thereof or for a period of one year, whichever is shortest, unless it is revoked by the shareholder before then on the basis set out above.

21 Forms of proxy must be returned by the shareholders concerned to the registered office of the company or the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received, for administrative purposes, by no later than 10:00 on Wednesday, 28 October 2015.

CORPORATE INFORMATION

Seardel Investment Corporation Limited

("Seardel" or "the company" or "the Group")

The company's shares are listed under the Consumer Goods – Personal and Household Goods Sector of the JSE.

COMPANY REGISTRATION NUMBER

1968/011249/06

JSE SHARE CODES

ORDINARY SHARES: SER **ISIN:** ZAE000029815
N ORDINARY SHARES: SRN **ISIN:** ZAE000030144

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

REGISTERED OFFICE

Suite 801
76 Regent Street
Sea Point
8005

PO Box 5251
Cape Town,
8000

Telephone: 021 481 7560
Telefax: 021 426 2777

DIRECTORS

Executive Directors

Kevin Govender (Acting Chief Executive Officer)
Antonio Lee (Financial Director)

Non-executive Directors

John Copelyn (Chairman)
Loganathan Govender#
Velaphi Elias Mpande#
Rachel Watson#
Independent

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

AUDITORS

Grant Thornton Johannesburg Partnership
Practice Number 903485
@Grant Thornton

Wanderers Office Park
52 Corlett Drive
Illovo
2196

Private Bag X10046
Sandton
2146

BANKERS

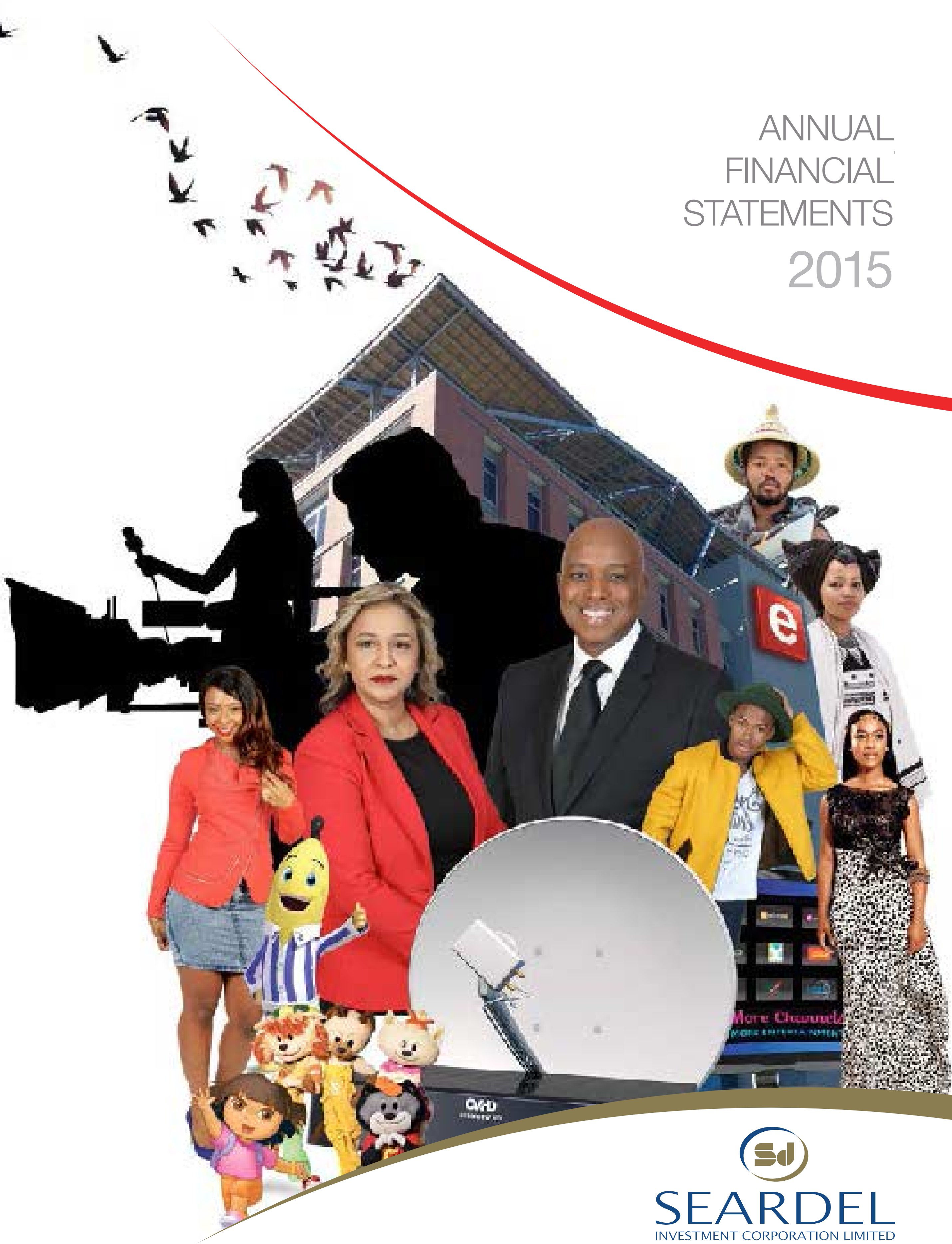
Standard Bank

SPONSOR

Investec Bank Limited
100 Grayston Drive
Sandton
Sandown
2196

www.seardel.co.za

ANNUAL FINANCIAL STATEMENTS 2015



SEARDEL
INVESTMENT CORPORATION LIMITED

CONTENTS

DECLARATION BY COMPANY SECRETARY

We certify that Seardel Investment Corporation Limited has lodged with the Registrar of Companies, for the financial year ended 31 March 2015, all such returns as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
19 August 2015

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

NATURE OF BUSINESS

Seardel is an investment holding company, incorporated in South Africa and listed on the JSE.

OPERATIONS AND BUSINESS

The business operations of Seardel have changed during the year under review with the non-media assets being unbundled and separately listed under Deneb on 1 December 2014. This left the Group with only the media assets housed in Sabido. These investments are constantly reviewed and new opportunities sought to complement them.

STATE OF AFFAIRS AND PROFIT FOR THE PERIOD

Group

The Group's results for the year ended 31 March 2015 are not comparable to the prior year due to the corporate activity that occurred during the past two years which transformed the Group from an investment holding company owning mainly clothing, textile, branded products and property investments to a media investment holding company. At year-end the company's sole investment is its 64% interest in Sabido. Sabido is the media investment vehicle that houses e.tv Proprietary Limited ("e.tv"), eSat.tv Proprietary Limited ("eNCA"), Yired Proprietary Limited ("YFM") and Sasani Africa Proprietary Limited ("Sasani"), amongst others. Sabido was acquired in the second half of the previous financial year. In April 2014 Seardel successfully concluded a R5 billion rights issue which resulted in the Group issuing 3,125 billion N shares, the proceeds of which were utilised primarily to redeem the debt associated with the Sabido acquisition.

In addition to the above, shareholders should note the following items which are reflected in the results and are important considerations in analysing the overall financial performance for the year ended 31 March 2015:

(a) Finance expenses include R20 million relating to the debt assumed on the acquisition of Sabido. This debt was fully repaid on 25 April 2014.

(b) The amortisation of the intangible assets arising on the acquisition of Sabido amounted to R80 million for the year.

(c) On 1 December 2014 the company unbundled its non-media investments by way of a dividend in specie to shareholders and listed them separately on the JSE as Deneb Investments Limited. Accordingly, the results for the non-media assets are included in discontinued operations and the comparative results have been restated for this.

The Group ended the year with a profit attributable to the equity owners of the company of R124,8 million after the equity owners' portion of impairment of goodwill of R84,9 million and an EBITDA of R594,6 million compared to a loss of R11,2 million and an EBITDA of R340,4 million for the prior year, respectively. Headline earnings for the year is R169,4 million compared to a headline loss of R1,1 million for the prior year.

The Group also changed its accounting policy with regards to owner-occupied property from disclosing these properties at their revalued carrying values to the amortised cost. The effects of this are more fully disclosed in the notes to the financial statements.

Sabido

The current financial year has been one of consolidation and investment for Sabido. During the second half of the year management took a critical look at all of the business units. A strategic decision has been made to exit some non-core and certain underperforming entities within the Group. Some of these entities were either sold or discontinued during the current year, where commercial requirements dictated. These include the production arms of a factuals unit in Sabido Productions and the Natural History Unit, the eNCA Africa division, e.tv China and the Africa Channel. The Group expects to exit its investment in Power and Setanta once suitable opportunities arise to do so. This closure and exit strategy resulted in R154,9 million being reflected as discontinued operations, which includes the impairment of goodwill on these discontinued investments of R130 million. The Group continues to focus on its core South African operations, being e.tv, eNCA, e.tv Multichannel, Platco Digital (OVHD), and its radio, production and property interests. The Group continued with its strategy to further develop its multi-channel and OVHD divisions with an additional investment of R244,6 million during the year. This, albeit costly and currently loss-making in the absence of significant revenue due to the delays in DTT and the slow box uptake, is necessary to establish these divisions for future content development and channel creation.

It is important to recognise that the above-mentioned issues resulted in significantly reduced profits for the year under review. If one excludes the impact of the discontinued operations and the investment into multi-channel and OVHD, the latter of which will yield future returns, the "normalised earnings" for the year amounted to R519,7 million compared to a prior year figure of R571,9 million, a 9% decrease year-on-year.

The year under review was a difficult one for free-to-air broadcaster, e.tv. Rights to broadcast the 2014 FIFA World Cup Brazil were held by third-party broadcasters, which took audiences away from e.tv. Competitor broadcasters also invested significantly in local (and often vernacular) content, which necessitated increased programming investment by e.tv. Aggressive counter-scheduling by free-to-air competitor channels, combined with local programme investment, also contributed to audience drop-off in the year. These factors contributed to a new television landscape characterised by increased choice and a less loyal viewer population. Finally, the general downturn in above-the-line marketing spend because of a downturn in the economy saw revenues under pressure. To counter the prevailing market conditions e.tv continued to invest significantly in new local programming and the new prime time schedule was launched in March 2015. We expect that this revised schedule will be the driving force behind a resurgent e.tv in the forthcoming fiscal.

The concept of increased choice is becoming commonplace amongst South African television viewers. To bring viewers into the Group stable e.tv's multi-channel bouquet, currently available on satellite platform OVHD, is the route to providing viewers who want choice with that possibility. We expect better growth in the take-up of OVHD set-top boxes in 2015/2016 and, consequently better, revenues.

eNCA continues to perform strongly as the best, by share and revenue, of all television news services available in South Africa. Its "know more" policy and skilled, independent voice have gained a strong foothold in the news environment. A long-term contract with MultiChoice terminates next year and negotiations will commence towards the end of the 2016 financial year to renew our deal on the DStv platform.

Solid performances by subsidiaries, Sasani Studios and YFM, also bolstered the Group while other Group companies, Silverline 360 and affiliate, Cape Town Film Studios, began to demonstrate the turnaround which was contemplated in the strategic plan developed over recent years.

Terrestrial television broadcasting in South Africa is in an imminent phase of migration from analogue to digital platforms. The mechanism of the roll-out of DTT is dependent on the policy on digital migration which is determined by the Minister of Communications. e.tv has applied for leave to appeal the North Gauteng High Court's ruling that government-subsidised DTT set-top boxes would not have encryption capabilities. In April 2015 e.tv challenged government's final broadcasting digital migration strategy barring governments subsidised DTT set-top boxes from having the capability to encrypt broadcast signals.

As soon as DTT rolls out our multi-channel offering will be available on more screens than ever before which, in turn, will help stimulate revenues.

DIVIDENDS

No dividend was declared by the Group.

SHARE CAPITAL

During the period the following changes in the share capital of the company occurred:

Share type	Cancelled	Issued
Ordinary no par value shares	14 704 938	6 275 694
N ordinary no par value shares	6 123 306	3 125 000 000

The company's authorised but unissued share capital was placed under the control of the directors until the forthcoming annual general meeting with authority to allot and issue any shares, subject to the following limitations and in accordance with the JSE Listings Requirements:

- that issues in the aggregate in any 1 (one) financial year may not in respect of:
  - ordinary shares exceed 95 592 187 representing 15% (fifteen per cent) of the ordinary shares of the company, excluding treasury shares; and
  - N ordinary shares exceed 552 016 465 representing 15% (fifteen per cent) of the N ordinary shares of the company, excluding treasury shares.

DIRECTORATE

With effect from 1 December 2014 the following directors, Stuart Queen, Gys Wege, Amon Ntuli, David Duncan and Yunis Shaik, have resigned from the board of Seardel. Velaphi Mphande and Antonio Lee were appointed to the board of Seardel as independent non-executive director and financial director respectively. Velaphi Mphande was also appointed as a member of the audit committee. Kevin Govender, an executive director of the company, was appointed as acting chief executive officer.

Subsequent to year-end and with effect from 14 April 2015 Mohamed Ahmed has resigned as director of the company and Loganathan Govender was appointed to the board of Seardel as lead independent non-executive director and will serve as a member of the audit committee.

The reconstituted board of the company accordingly comprises John Copelyn (non-executive chairman), Kevin Govender (acting chief executive officer), Antonio Lee (financial director), Rachel Watson (independent non-executive director and member of the audit committee), Velaphi Mphande (independent non-executive director and member of the audit committee) and Loganathan Govender (lead independent non-executive director and member of the audit committee).

COMPANY SECRETARY

The secretary of the company for the twelve months ended 31 March 2015 is HCI Managerial Services Proprietary Limited. The secretary has an arm's length relationship with the board of directors. The name, business and postal addresses of the company secretary are set out on the inside back cover.

AUDITORS

Grant Thornton Johannesburg Partnership will be recommended to the shareholders for re-appointment in accordance with section 90 of the South African Companies Act, with Garron Chaitowitz as the designated auditor.

SIGNIFICANT SHAREHOLDERS

The company's significant ordinary shareholder is Fulela Trade and Invest 81 Proprietary Limited and significant N ordinary shareholder is HCI Invest 6 Holdco Proprietary Limited.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the company's shareholders at the annual general meeting held on 28 October 2014:

- approval of the fees payable to non-executive directors for their services as directors or as members of the board subcommittees in respect of the financial period ended 31 March 2015;
- granting the company and the subsidiaries of the company a general authority in terms of the Listings Requirements of the JSE for the acquisition by the company, or a subsidiary of the company, of ordinary issued shares issued by the company; and
- granting the company a general authority to issue all, or any of the authorised but unissued shares in the capital of

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

the company for cash subject to the Companies Act, the memorandum of incorporation of the company and in terms of the Listings Requirements of the JSE.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the company.

AUDITOR'S REPORT

The consolidated annual financial statements have been audited by Grant Thornton Johannesburg Partnership and their unqualified audit report on the comprehensive annual financial statements is available for inspection at the registered office of the company.

SHAREHOLDING OF DIRECTORS

The shareholding of directors of the company and their participation in the share incentive scheme and in the issued share capital of the company as at 31 March 2015 are set out in the Integrated Annual Report.

DIRECTORS' EMOLUMENTS

Directors' emoluments incurred by the company and its subsidiaries for the year ended 31 March 2015 are set out in note 31.

ASSOCIATES, JOINT VENTURES AND SUBSIDIARIES

Details of the company's subsidiaries are set out in note 46.

BORROWING POWERS

There are no limits placed on borrowing in terms of the memorandum of incorporation. Certain companies in the Group have entered into various loan agreements with providers of loan finance. These loan agreements include various covenants and undertakings by companies in the Group which may restrict the Group's borrowing powers. Details of these covenants and undertakings are available from the registered office of the company.

LITIGATION STATEMENT

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of Seardel are aware) which may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of Seardel.

MATERIAL CHANGE

There has been no material change in the financial or trading position of the Seardel Group since the publication of its provisional results for the year ended 31 March 2015.

SUBSEQUENT EVENTS

Other than as previously detailed in this report, the directors are not aware of any event or circumstance occurring between the reporting date and the date of this report that materially affects the results of the Group or company for the year ended 31 March 2015 or the financial position at that date.

The company seeks to amend its name from Seardel Investment Corporation Limited to E Media Holdings to better reflect the main business of the company following the recent unbundling and restructuring of the company. The name change will take effect after approval at the Annual General Meeting and registration certificate is issued by the Companies and Intellectual Property Commission.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors of Seardel are responsible for the preparation, integrity and fair presentation of the financial statements of the company and of the Group and for other information contained in this Integrated Report. The annual financial statements for the year ended 31 March 2015, have been prepared in accordance with IFRS and include amounts based on prudent judgements and estimates by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company and the Group. The annual financial statements have been audited by the independent auditing firm, Grant Thornton Johannesburg Partnership, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board.

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

The annual financial statements for the year ended 31 March 2015, were approved by the board of directors on 19 August 2015 and are signed on its behalf by:

J A Copelyn	**T G Govender**	**A S Lee**
Chairman	Acting Chief Executive Officer	Financial Director

Cape Town
19 August 2015

REPORT OF THE AUDIT COMMITTEE

Members: The members of the audit committee at financial year-end were Mohamed Ahmed (chairman), Velaphi Mphande and Rachel Watson.

During the year Yunis Shaik resigned from the board and consequently no longer serves as member of the audit committee. Velaphi Mphande was appointed to the committee in December 2014.

Subsequent to year-end Mohamed Ahmed resigned from the board, and consequently the audit committee, and Loganathan Govender was appointed as chairman of the committee.

Seardel audit committee meetings

Members	May '14	Nov '14	Mar '15
Dave Duncan##	√		
Yunis Shaik##	√		
Rachel Watson	√	√	√
Velaphi Mphande#			√
Mohamed Ahmed###	√	√	√

\# Appointed 1 December 2014.
\## Resigned 1 December 2014.
\### Resigned 14 April 2015.

The Seardel audit committee is a formal committee of the board, appointed by the shareholders, and functions within its documented terms of reference. All members of the committee act independently. The financial director, the Group's risk officer, and the Group financial manager attend the meeting as permanent invitees, along with external audit and the outsourced internal audit. Other directors and members of management attend as required.

The audit committee has pleasure in submitting this report in respect of the past financial year of the Group, as required by section 94 of the Companies Act, 2008, as amended.

FUNCTIONS OF THE AUDIT COMMITTEE

In terms of the Companies Act, 2008, as amended, the audit committee has adopted formal terms of reference, delegated to it by the board of directors, as its audit and risk committee charter.

The audit committee fulfils an independent oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control, with accountability to both the board and to shareholders. The committee's responsibilities include the statutory duties prescribed by the Act, recommendations by King III and additional responsibilities assigned by the board.

The committee is satisfied that, in respect of the financial period under review, it has performed all the functions required by law to be performed by an audit committee, including as set out by section 94 of the Companies Act, 2008 and in terms of the committee's terms of reference and as more fully set out in the corporate governance report. In this connection the committee has:

- reviewed the interim, provisional and year-end financial statement, culminating in a recommendation to the board to adopt them;
- reviewed legal matters that could have a significant impact on the Group's financial statements;
- reviewed the external audit reports on the annual financial statements;
- verified the independence of the external auditor as per section 92 of the Companies Act, 2008 and accordingly nominates Grant Thornton Johannesburg Partnership to continue in office as the independent auditor and noted the appointment of Garron Chaitowitz as the designated auditor for 2016;
- approved the audit fees and engagement terms of the external auditor; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditor.

The audit committee fulfils an oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control.

CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between the committee members and the external auditors, which are regularly held.

EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR

As required by JSE Listing Requirement 3.8(h), the committee reviewed the financial director of the Group until 1 December 2014, Gys Wege, and considers his expertise and experience appropriate. The committee is also satisfied that the expertise, resources and experience of the finance function is adequate.

Following the unbundling of the non-media assets into the separately listed Deneb on 1 December 2014, Antonio Lee was appointed in his stead. Antonio Lee's competence and expertise will be assessed on an annual basis by the committee.

INTERNAL AUDIT

The Group does not consider it necessary to establish an internal audit function at the holding company level. Where appropriate, subsidiaries conduct internal audits for the relevant subsidiary. Reports generated are made available and discussed at the Seardel audit and risk committee meetings.

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management and the system of internal control of the Group.

The Group operates in a highly regulated environment. Where necessary, compliance officers have been appointed at each of the Group's key operating subsidiaries and associated company levels for ensuring adherence to the various Acts and Codes that govern the day-to-day operations. Each Group

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REPORT OF THE AUDIT COMMITTEE (CONTINUED)

company has its own board of directors responsible for the management, including risk management and internal control, of that company and its business.

Vasili Vass is the Group risk officer for Seardel. Seardel realises that enterprise-wide risk management adds value to the robustness and sustainability of an organisation by improving communication, enhancing risk awareness and enhancing risk mitigation processes.

Given the changing landscape of broadcasting and media in South Africa, the Seardel Group places a high level of importance on risk awareness and management.

The Group utilises the Committee of Sponsoring Organizations of the Treadway Commission's ("COSO") risk management methodology to assess its risk appetite versus the cost of risks. The COSO framework allows organisations to develop cost-effective systems of internal control to achieve important business objectives. At least four times a year the audit committee documents and reports risks that are apparent and arising.

Through thorough consultation with the board, the risk appetite and risk-bearing capacity for Seardel is defined.

A full risk assessment is conducted annually with quarterly updates and reports to the audit committee. Seardel finds it imperative to ensure that risk management becomes inducted into daily activities which lead to a sustainable risk-aware culture.

The broadcasting industry presents a unique set of problems given the influence of international trends, rapidly changing technologies and issues particular to the South African media industry. These include:

(1) the delayed roll-out of DTT due to a number of changes within the Ministry of Communications and indecision on set-top box specifications. This has impacted negatively on a free-to-air multi-channel offering for the broad South African public and the ability for free-to-air broadcasters to compete in a multi-channel environment; and

(2) proposed legislation to ban alcohol advertising and curb unhealthy food advertising will have a serious impact on the advertising business model of many broadcasters.

The audit committee assists the board in discharging its responsibilities. It also considers and reports on information generated by the subsidiary companies' audit or finance committees to their respective boards.

RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The committee has evaluated the annual report of Seardel and the Group for the period ended 31 March 2015 and, based on the information provided to the committee, it recommends the adoption of the Integrated Annual Report by the board.

L Govender
Chairman: Audit and Risk Committee

Cape Town
19 August 2015

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SEARDEL INVESTMENT CORPORATION LIMITED

We have audited the consolidated and separate financial statements of Seardel Investment Corporation Limited set out on pages 8 to 89, which comprise the statements of financial position as at 31 March 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Seardel Investment Corporation Limited as at 31 March 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 31 March 2015, we have read the directors' report, audit committee report and company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton

Grant Thornton Johannesburg Partnership
Registered Auditors

G M Chaitowitz
Partner
Registered Auditor
Chartered Accountant (SA)

19 August 2015

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH

	Notes	GROUP 2015 R000's	GROUP 2014* R000's	COMPANY 2015 R000's	COMPANY 2014 R000's
ASSETS					
Non-current assets		**7 624 838**	8 806 707	**6 202 157**	2 865 346
Property, plant and equipment	4	**886 974**	1 241 852	**–**	–
Plant and equipment		**238 285**	525 316	**–**	–
Owner-occupied property		**648 689**	716 536	**–**	–
Investment property	5	**–**	669 619	**–**	–
Intangible assets	6	**2 750 263**	2 817 234	**–**	–
Goodwill	7	**3 737 528**	3 708 837	**–**	–
Interest in subsidiary companies	8	**–**	–	**5 861 604**	2 829 400
Equity-accounted investees	9	**206 985**	132 698	**–**	–
Other investments	12	**–**	3 644	**–**	315
Long-term receivables	10	**2 935**	146 582	**340 553**	35 631
Deferred tax assets	11	**40 153**	86 241	**–**	–
Current assets		**1 166 181**	2 029 764	**1 428**	–
Inventories	13	**18 090**	555 433	**–**	–
Programming rights	14	**431 169**	282 682	**–**	–
Trade and other receivables	15	**591 536**	1 024 750	**57**	–
Current tax assets		**12 409**	6 087	**–**	–
Cash and cash equivalents		**112 977**	160 812	**1 371**	–
Assets of disposal groups	16	**249 405**	54 536	**–**	–
Total assets		**9 040 424**	10 891 007	**6 203 585**	2 865 346
EQUITY AND LIABILITIES					
Total equity		**7 131 929**	3 844 141	**6 203 150**	2 865 083
Stated capital/Share capital and share premium	17	**6 665 383**	1 692 429	**6 665 383**	1 692 429
Treasury shares	18	**–**	(17 794)	**–**	–
Reserves		**(595 481)**	939 428	**(462 233)**	1 172 654
Equity attributable to owners of the parent		**6 069 902**	2 614 063	**6 203 150**	2 865 083
Non-controlling interest		**1 062 027**	1 230 078	**–**	–
Non-current liabilities		**1 068 963**	5 550 756	**–**	12
Deferred tax liabilities	11	**465 531**	468 529	**–**	12
Post-employment medical aid benefits	19	**–**	91 180	**–**	–
Borrowings	20	**501 001**	4 868 343	**–**	–
Share-based liabilities		**102 431**	122 465	**–**	–
Operating lease accruals		**–**	239	**–**	–
Current liabilities		**814 653**	1 496 110	**435**	251
Current tax liabilities		**12 398**	529	**–**	–
Post-employment medical aid benefits	19	**–**	6 280	**–**	–
Current portion of borrowings	20	**339 082**	67 161	**–**	–
Trade and other payables	21	**461 918**	861 047	**435**	251
Provisions	23	**–**	23 309	**–**	–
Bank overdraft		**1 255**	537 784	**–**	–
Liabilities of disposal groups	16	**24 879**	–	**–**	–
Total liabilities		**1 908 495**	7 046 866	**435**	263
Total equity and liabilities		**9 040 424**	10 891 007	**6 203 585**	2 865 346
Net asset value		**6 069 902**	2 614 063		
Net asset value per share after treasury shares (cents)		**141**	220		

* Restated, see note 39

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH

		GROUP		COMPANY	
	Notes	2015 R000's	2014* R000's	2015 R000's	2014 R000's
Continuing operations					
Revenue	24	**2 396 385**	1 223 603	**113 219**	7 266
Cost of sales		**(985 787)**	(480 471)	**–**	–
Gross profit		**1 410 598**	743 132	**113 219**	7 266
Other income		**56 744**	25 000	**245**	–
Administrative and other expenses		**(872 761)**	(427 716)	**(465)**	(6 662)
Earnings before interest, taxation, depreciation and amortisation	25	**594 581**	340 416	**112 999**	604
Depreciation, amortisation and impairments	26	**(188 020)**	(92 560)	**–**	(245 413)
Operating profit/(loss)		**406 561**	247 856	**112 999**	(244 809)
Finance income	27	**14 350**	–	**–**	–
Finance expenses	27	**(55 306)**	(120 958)	**(714)**	–
Share of loss of equity-accounted investees, net of taxation		**(756)**	(5 367)	**–**	–
Profit/(loss) before taxation		**364 849**	121 531	**112 285**	(244 809)
Taxation	28	**(148 248)**	(83 979)	**12**	621
Profit/(loss) from continuing operations		**216 601**	37 552	**112 297**	(244 188)
Discontinued operations					
(Loss)/profit from discontinued operations, net of taxation	29	**(64 431)**	4 061	**–**	–
Profit/(loss) for the year		**152 170**	41 613	**112 297**	(244 188)
Other comprehensive income, net of related taxation					
Items that will never be reclassified to profit or loss					
Post employment medical benefit – actuarial loss		**–**	(4 295)	**–**	–
Items that are or may be reclassified to profit or loss					
Fair value adjustment on available-for-sale financial assets		**–**	51	**–**	51
Foreign operations – foreign currency translation differences		**22 728**	2 431	**–**	–
Other comprehensive income/(loss), net of taxation		**22 728**	(1 813)	**–**	51
Total comprehensive income/(loss) for the year		**174 898**	39 800	**112 297**	(244 137)
Profit/(loss) attributable to:					
Owners of the parent		**124 813**	(11 157)		
Non-controlling interest		**27 357**	52 770		
		152 170	41 613		
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**139 733**	(13 831)		
Non-controlling interest		**35 165**	53 631		
		174 898	39 800		
Earnings per share from continuing operations (cents)	30	**3,26**	(1,72)		
Earnings per share from discontinuing operations (cents)	30	**(0,23)**	0,46		
Diluted earnings per share from continuing operations (cents)	30	**3,26**	(1,72)		
Diluted earnings per share from discontinuing operations (cents)	30	**(0,23)**	0,46		

* Restated, see note 38

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH

	Stated capital R000's	Treasury shares R000's	Other reserves* R000's	Retained income R000's	Equity owners of the parent* R000's	Non-controlling interest R000's	Total equity* R000's
GROUP							
Balance 31 March 2013 (previously reported)	312 156	(17 794)	298 669	867 555	1 460 586	–	1 460 586
Effect of change in accounting policy	–	–	(84 713)	–	(84 713)	–	(84 713)
Balance 31 March 2013 (restated)	312 156	(17 794)	213 956	867 555	1 375 873	–	1 375 873
Total comprehensive income	–	–	1 621	(15 452)	(13 831)	53 631	39 800
(Loss)/profit	–	–	–	(11 157)	(11 157)	52 770	41 613
Other comprehensive (loss)/income	–	–	1 621	(4 295)	(2 674)	861	(1 813)
Fair value adjustment on available-for-sale financial assets	–	–	51	–	51	–	51
Foreign operations – foreign currency translation differences	–	–	1 570	–	1 570	861	2 431
Post-employment medical benefit – actuarial loss	–	–	–	(4 295)	(4 295)	–	(4 295)
Transfers to other reserves	–	–	(1 950)	1 580	(370)	–	(370)
Reclassification of revaluation reserve surplus	–	–	(1 950)	1 580	(370)	–	(370)
Transactions with owners of the company	10 273	–	–	(5 449)	4 824	(71 837)	(67 013)
Share incentive scheme	–	–	–	(5 449)	(5 449)	–	(5 449)
Dividends declared	–	–	–	–	–	(71 837)	(71 837)
Share options exercised	10 273	–	–	–	10 273	–	10 273
Changes in ownership interest	1 370 000	–	(425)	(122 008)	1 247 567	1 248 284	2 495 851
Acquisition of subsidiaries with non-controlling interest	1 370 000	–	(425)	(122 008)	1 247 567	1 248 284	2 495 851
Balance 31 March 2014 (restated)	**1 692 429**	**(17 794)**	**213 202**	**726 226**	**2 614 063**	**1 230 078**	**3 844 141**
Total comprehensive income	**–**	**–**	**14 920**	**124 813**	**139 733**	**35 165**	**174 898**
Profit	**–**	**–**	**–**	**124 813**	**124 813**	**27 357**	**152 170**
Other comprehensive income	**–**	**–**	**14 920**	**–**	**14 920**	**7 808**	**22 728**
Foreign operations – foreign currency translation differences	**–**	**–**	**14 920**	**–**	**14 920**	**7 808**	**22 728**
Transactions with owners of the company	**4 972 954**	**17 794**	**(212 058)**	**(1 492 738)**	**3 285 952**	**(70 013)**	**3 215 939**
Dividend through demerger	**–**	**–**	**(212 058)**	**(1 467 924)**	**(1 679 982)**	**179**	**(1 679 803)**
Share incentive scheme	**–**	**–**	**–**	**4 174**	**4 174**	**–**	**4 174**
Dividends declared	**–**	**–**	**–**	**–**	**–**	**(70 192)**	**(70 192)**
Share options exercised	**11 503**	**–**	**–**	**(11 194)**	**309**	**–**	**309**
Rights issue	**4 961 451**	**–**	**–**	**–**	**4 961 451**	**–**	**4 961 451**
Treasury shares cancelled	**–**	**17 794**	**–**	**(17 794)**	**–**	**–**	**–**
Changes in ownership interest	**–**	**–**	**–**	**30 153**	**30 153**	**(133 203)**	**(103 049)**
Effect of change in ownership – non-controlling interests	**–**	**–**	**–**	**37 152**	**37 152**	**(135 828)**	**(98 676)**
Change in ownership – non-controlling interest acquired	**–**	**–**	**–**	**(6 998)**	**(6 998)**	**(1 002)**	**(8 000)**
Acquisition of subsidiaries with non-controlling interest**	**–**	**–**	**–**	**–**	**–**	**3 627**	**3 627**
Balance 31 March 2015	**6 665 383**	**–**	**16 064**	**(611 545)**	**6 069 902**	**1 062 027**	**7 131 929**
Note	17	18				47	

* Restated, see note 38 Change in comparatives.

** See note 32 Business combinations for more information.

	Stated capital R000's	Treasury shares R000's	Other reserves R000's	Retained income R000's	Equity owners of the parent R000's	Non-controlling interest R000's	Total equity R000's
COMPANY							
Balance 31 March 2013	312 156	–	27 605	1 387 326	1 727 087	–	1 727 087
Total comprehensive income	–	–	51	(244 188)	(244 137)	–	(244 137)
Loss	–	–	–	(244 188)	(244 188)	–	(244 188)
Other comprehensive income	–	–	51	–	51	–	51
Fair value adjustment on available-for-sale financial assets	–	–	51	–	51	–	51
Transactions with owners recognised directly in equity	1 380 273	–	–	1 860	1 382 133	–	1 382 133
Share incentive scheme	–	–	–	1 860	1 860	–	1 860
Share issue	1 370 000	–	–	–	1 370 000	–	1 370 000
Share options exercised	10 273	–	–	–	10 273	–	10 273
Balance 31 March 2014	**1 692 429**	**–**	**27 656**	**1 144 998**	**2 865 083**	**–**	**2 865 083**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Profit	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with owners of the company	**4 972 954**	**–**	**(27 656)**	**(1 719 528)**	**3 225 770**	**–**	**3 225 770**
Dividend through demerger	**–**	**–**	**(27 656)**	**(1 676 094)**	**(1 703 750)**	**–**	**(1 703 750)**
Share buy back	**–**	**(43 434)**	**–**	**–**	**(43 434)**	**–**	**(43 434)**
Treasury shares cancelled	**–**	**43 434**	**–**	**(43 434)**	**–**	**–**	**–**
Share options exercised	**11 502**	**–**	**–**	**–**	**11 502**	**–**	**11 502**
Rights issue	**4 961 451**	**–**	**–**	**–**	**4 961 451**	**–**	**4 961 451**
Balance 31 March 2015	**6 665 383**	**–**	**–**	**(574 530)**	**6 090 853**	**–**	**6 090 853**
Note	17	18					

* Restated, see note 38 Change in comparatives.

	GROUP 2015 R000's	GROUP 2014 R000's	COMPANY 2015 R000's	COMPANY 2014 R000's
Composition of other reserves				
Revaluation of investments	**–**	2 912	**–**	2 912
Capital redemption reserve fund	**–**	70	**–**	440
Surplus on disposal of subsidiary and associated companies	**–**	7 923	**–**	24 304
Translation reserve	**16 064**	1 145	**–**	–
Surplus on revaluation of land and buildings	**–**	201 152	**–**	–
	16 064	213 202	**–**	27 656

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH

	Notes	GROUP 2015 R000's	GROUP 2014 R000's	COMPANY 2015 R000's	COMPANY 2014 R000's
Net cash flows from operating activities		**(418 639)**	217 444	**(807)**	503
Profit		**152 170**	41 613	**112 297**	(244 188)
Adjustments for:					
Depreciation	4	**127 644**	92 584	**–**	–
Amortisation of intangible asset	6	**119 642**	72 030	**–**	–
Amortisation of programming rights	14	**372 549**	167 880	**–**	–
Revaluation of investment property	5	**(46 792)**	(20 726)	**–**	–
Net foreign exchange gain unrealised		**(9 090)**	(4 187)	**–**	–
Property received as part of settlement	5	**–**	(38 703)	**–**	–
Loss on disposal of plant and equipment		**–**	31 260	**–**	–
Gain on disposal of property, plant and equipment		**(2 649)**	(3 441)	**–**	–
Gain on disposal of assets of disposal group held for sale		**(85)**	–	**–**	–
Gain on bargain purchase	32	**(1 639)**	–	**–**	–
Impairment on property, plant and equipment	29	**14 605**	–	**–**	–
Impairment of goodwill	7	**132 321**	–	**–**	–
Impairment of intangible assets	6	**–**	4 617	**–**	–
Net impairment of interest in subsidiaries		**–**	–	**–**	245 413
Revaluation of share-based liability	40	**(34 719)**	–	**–**	–
Investment income		**(11)**	(228)	**(59 337)**	(228)
Post-employment medical benefit		**1 399**	2 062	**–**	–
Share incentive scheme		**4 482**	2 172	**–**	–
Inventory write-down		**10 450**	10 672	**–**	–
Net finance costs		**67 333**	167 972	**714**	–
Tax income/(expense)		**141 473**	81 270	**(12)**	(621)
		1 049 083	606 847	**53 662**	376
Changes in:					
Inventories		**(140 438)**	90 999	**–**	–
Trade and other receivables		**(477 462)**	85 724	**(57)**	–
Trade and other payables		**335 299**	(157 129)	**184**	127
Programming rights	14	**(521 036)**	(59 963)	**–**	–
Non-current receivables		**(401 250)**	(2 572)	**–**	–
Non-current receivables from the disposal of discontinued operations		**–**	(76 631)	**–**	–
Lease accrual		**(231)**	121	**–**	–
Provisions		**(23 116)**	22 954	**–**	–
Cash generated from operating activities		**(179 151)**	510 350	**53 789**	503
Net finance costs		**(67 333)**	(167 972)	**(714)**	–
Taxes paid		**(172 155)**	(124 934)	**–**	–
Unpaid at the beginning of the year		**(5 558)**	(1 594)	**–**	–
Charged to the profit/(loss)		**173 417**	135 964	**–**	–
Business combinations		**2 355**	(3 878)	**–**	–
Dividend through demerger		**1 952**	–	**–**	–
Unpaid at the end of the year		**(11)**	(5 558)	**–**	–

	Notes	GROUP 2015 R000's	GROUP 2014 R000's	COMPANY 2015 R000's	COMPANY 2014 R000's
Net cash flow from investing activities		**(125 647)**	(191 614)	**(4 672 603)**	(503)
Acquisition of property, plant and equipment		**(325 011)**	(165 174)	**–**	–
Acquisition of plant and equipment	4	**(144 158)**	(164 978)	**–**	–
Acquisition of owner-occupied properties	4	**(180 853)**	(196)	**–**	–
Proceeds from sale of property, plant and equipment		**59 993**	26 767	**–**	–
Book value of assets disposed		**57 575**	54 586	**–**	–
Surplus/(loss) on disposal		**2 418**	(27 819)	**–**	–
Acquisition of investment property	5	**(32 529)**	(37 499)	**–**	–
Proceeds on sale of investment property		**–**	1 850	**–**	–
Acquisition of subsidiary, net of cash acquired	32	**(507 321)**	59 190	**–**	–
Net cash flow from demerger	48	**768 394**	–	**(181 010)**	–
Movement to investments		**–**	–	**–**	–
Additions to intangible assets	6	**(71 300)**	(75 641)	**–**	–
Movement in equity accounting investees	9	**(17 884)**	(1 335)	**–**	–
Investment income		**11**	228	**11**	228
Acquisition of additional interest in subsidiary companies		**–**	–	**(4 491 604)**	(731)
Net cash flow from financing activities		**1 051 383**	99 646	**4 620 898**	–
Net change in borrowings (repaid)/raised		**(3 733 201)**	171 483	**(340 553)**	–
Rights issue		**4 961 451**	–	**4 961 451**	–
Change in non-controlling interest		**(106 675)**	–	**–**	–
Dividends paid to non-controlling interest		**(70 192)**	(71 837)	**–**	–
Net change in cash and cash equivalents		**507 097**	125 476	**1 371**	–
Cash and cash equivalents at the beginning of the year		**(376 972)**	(502 448)	**–**	–
Cash and cash equivalents at the end of the year		**130 125**	(376 972)	**1 371**	–
Cash and cash equivalents comprise the following					
Cash and cash equivalents		**131 380**	160 812	**1 371**	–
Bank balances		**110 087**	159 636	**1 371**	–
Cash in disposal group assets held for sale		**23 009**	–	**–**	–
Cash floats and petty cash		**–**	1 176	**–**	–
Exchange differences in cash and cash equivalents		**(1 716)**	–	**–**	–
Bank overdrafts		**(1 255)**	(537 784)	**–**	–
		130 125	(376 972)	**1 371**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH

1 ACCOUNTING POLICIES

Seardel Investment Corporation Limited (the Company) is a company domiciled in South Africa. The consolidated financial statements of the company for the year ended 31 March 2015 and comparative figures for the year ended 31 March 2014 comprise the Company its equity accounted investees and its subsidiaries (together referred to as the Group). Where reference is made to the Group in the accounting policies it should be interpreted as referring to the Company where the context requires, and unless otherwise noted. The Company's registered office is at Suite 801, 76 Regent Road, Sea Point, Cape Town, 8005.

Basis of preparation

The consolidated and company annual financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE and the Companies Act of South Africa and have been prepared under the historical cost convention, as modified by the revaluation to fair value of certain financial instruments as described in the accounting policies below. The term IFRS includes International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC"). The standards referred to are set by the International Accounting Standards Board ("IASB").

Basis of consolidation

The consolidated financial statements include the financial information of the subsidiaries, associated entities and joint venture entities owned by the Group.

a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where the Group's interest in subsidiaries is less than 100%, the share attributable to outside shareholders is reflected in non-controlling interests. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The company records its investment in subsidiaries at cost less any impairment charges. These interests include any intergroup loans receivable, which represent by nature a further investment in the subsidiary.

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

b) *Transactions and non-controlling interests*

The Group treats transactions with non-controlling interests as transactions with equity holders of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests and direct costs incurred in respect of transactions with non-controlling interests are also recorded in equity. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amount previously recognised in other comprehensive income are reclassified to profit or loss.

c) *Interests in equity-accounted investments*

The Group's interests in equity-accounted investees comprise interest in associates.

Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition reserve movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount immediately in profit or loss. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

d) Goodwill and bargain purchase

Goodwill arising on consolidation represents the excess of the costs of acquisition over the Group's interest in the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities of the acquired entity at the date of acquisition.

Where the fair value of the Group's share of separable net assets acquired exceeds the fair value of the consideration, the difference is recognised immediately in profit or loss. Goodwill is stated at cost less impairment losses and is reviewed for impairment on an annual basis. Any impairment identified is recognised immediately in profit or loss and is not reversed.

The carrying amount of goodwill in respect of associates and joint ventures is included in the carrying value of the investment in the respective associate and joint venture. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. Each of those CGUs is identified in accordance with the basis on which the businesses are managed from both a business type and geographical basis.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost is usually determined as the amount paid by the Group, unless the asset has been acquired as part of a business combination.

Amortisation is included together with depreciation in the income statement.

Intangible assets with indefinite lives are not amortised but are subject to annual reviews for impairment. Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives, and only tested for impairment where there is a triggering event. The directors' assessment of the useful life of intangible assets is based on the nature of the asset acquired, the durability of the products to which the asset attaches and the expected future impact of competition on the business.

Intangible assets acquired as part of a business combination are recognised separately when they are identifiable, and it is probable that economic benefits will flow to the Group.

a) Computer software

Where computer software is not an integral part of a related item of property, plant and equipment, the software is capitalised as an intangible asset. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use. Direct costs associated with the production of identifiable and unique internally generated software products controlled by the Group that will probably generate future economic benefits are capitalised.

Direct costs include software development employment costs (including those of contractors used) and an appropriate portion of overheads. Capitalised computer software, licence and development costs are amortised over their useful economic lives that are reassessed on an annual basis. Internally generated costs associated with maintaining computer software programs are expensed as incurred.

b) Trademarks

Trademarks are recognised initially at cost. Trademarks have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives.

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FOR THE YEAR ENDED 31 MARCH

b) *Customer contracts*

These contracts represent a guaranteed source of income over the life of the contract for the purchase of processed gas. The contract is amortised over a 15 year period on a straight-line method.

d) *Distribution rights*

Distribution rights represent multi-territory and multiplatform programming rights that the Group is able to "on sell" to other broadcasters. Distribution rights are initially recognised at cost.

Distribution rights are amortised over the products' economic life-cycle which is determined on a pro-rata basis of the individual titles total cost based on the territory and broadcast platform for which the distribution rights have been "on sold".

Distribution rights are tested for impairment annually until they are brought into use.

e) *Programming under development*

Programming under development represents costs relating to programming that is still in the process of development and cannot yet be brought into use. Once brought into use, these assets will be amortised and transferred to programme rights.

f) *Electronic programming guide slot*

Electronic programming guide slot is carried at cost less impairment. No amortisation is accounted as the useful life is indefinite.

g) *Marketing-related intangible assets*

Marketing-related intangible assets relate to trademarks, trade names and brand names for e.tv, eNCA, Yfm and Sasani. The useful life for this class of assets were applied as indefinite as it extended beyond the foreseeable horizon.

h) *Customer-related intangible assets*

Customer-related intangible assets relate to customer contracts and the related relationships and non-contractual customer relationships. The useful life was estimated as between 2,7 years and 10 years.

i) *Contract-based intangible assets*

Contract-based intangible assets relate to the broadcasting rights. No amortisation is accounted as the useful life is indefinite.

Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the Group and the cost can be measured reliably. Repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

a) *Depreciation*

No depreciation is provided on freehold land or assets in the course of construction. In respect of all other property, plant and equipment, depreciation is provided on a straight-line basis at rates calculated to write off the cost or valuation, less the estimated residual value of each asset over its expected useful life as follows:

Land and buildings	20 years to indefinite
Broadcast, technical and studio equipment	5 – 8 years
Other equipment and vehicles	3 – 6 years

b) *Profit or loss on disposal*

The profit or loss on the disposal of an asset is the difference between the disposal proceeds and the carrying amount of the asset.

c) *Capitalisation of borrowing costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. The Group considers a period of greater than 12 months to be substantial. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

d) *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

e) *Investment property*

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for resale in the ordinary course of business, use in the production or supply of goods or services or administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property interests held under operating leases are not treated as investment properties. Costs includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Any gain or loss on the disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

f) *Discontinued operations*

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

g) *Non-current assets held for sale*

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

h) *Programming rights*

Programming rights acquired by the Group are initially measured at cost and are amortised over the number of licensed broadcasting runs. For features on first run, 70% of the cost is amortised and the remaining 30% over the balance of the licensed broadcasting runs. For genres other than features the cost is amortised on the first run. If, at the end of the licence period, the number of licensed broadcasting runs has not been fully utilised, a write-off is accounted for through profit or loss. Programming rights are tested on an annual basis for impairment.

i) *Inventory*

Raw materials and consumables, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined on the first-in, first-out principle and includes direct material costs together with appropriate allocations of labour and overheads based on normal operating capacity.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material provisions are determined by discounting the expected future cost. The

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FOR THE YEAR ENDED 31 MARCH

discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current or best estimate.

Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognised at fair value plus any directly attributable transaction costs (transaction costs are not included on initial recognition for financial instruments carried at fair value through profit or loss).

Financial assets are recognised when the Group becomes a party to the contractual provisions of the respective instrument. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the group has transferred substantially all risks and rewards of ownership.

a) Financial instruments at fair value through profit or loss

Financial instruments at fair value through profit or loss are financial assets held for trading and/or designated by the entity upon initial recognition as at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Gains or losses arising from changes in the fair value of the "financial assets at fair value though profit or loss" category are presented in the income statement within other losses/gains – net, in the period in which they rise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the Group's right to receive payments is established.

b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group does not hold any investments in this category.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets (trade and other receivables), except for maturities of greater than 12 months after the statement of financial position date which are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

d) Financial liabilities at fair value through profit or loss

Non-derivative financial liabilities are measured initially and subsequently at fair value by discounting the future cash payments using the market rate applicable at statement of financial position date. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

e) Financial liabilities at amortised cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings.

f) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classified as any of the above. Investments in this category are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit and loss; translation differences on non-monetary securities are recognised in other comprehensive income.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest rate method is recognised in profit or loss as part of other income. Dividends on available for- sale equity instruments are recognised in profit or loss as part of other income when the Group's right to receive payments is established.

g) Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, bank deposits, other short-term highly liquid investments and bank overdrafts.

Bank overdrafts are included within cash and cash equivalents on the face of the statement of cash flows as they form an integral part of the Group's cash management.

h) Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, and for unlisted securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity specific inputs.

i) Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are analysed between current and non-current liabilities on the face of the balance sheet, depending on when the obligation to settle will be realised.

j) Borrowings

Borrowings are recognised initially at fair value and are subsequently stated at amortised cost and include accrued interest and prepaid facility transaction costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date, in which case they are classified as non-current liabilities.

Finance costs include all borrowing costs incurred on borrowing instruments together with related costs of debt facilities management. Such costs include facility commitment fees which are expensed in borrowing costs as incurred and facility raising fees which are amortised through borrowing costs over the life of the related facilities. Borrowing costs, other than borrowing costs capitalised, are recognised in the income statement in the period in which they are incurred.

Impairment

a) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

b) Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-tomaturity investment securities) at both a specific asset and collective level. All individually significant assets

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FOR THE YEAR ENDED 31 MARCH

are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

c) Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in other reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

d) Non-financial assets

The carrying amounts of the Group's non-financial assets except for investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-live intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss that are recognised in profit or loss.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets that are recognised in profit or loss. All borrowing costs not capitalised in terms of IAS 23 are recognised in profit or loss using the effective interest method.

Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are off-set if there is a legally enforceable right to off-set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Dividend withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2013. The company withholds dividend tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the company's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received the dividend is recognised at the gross amount with the related withholding tax recognised as part of tax expense, unless it is otherwise reimbursable in which case it is recognised as an asset.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

i) Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii) Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

iii) Advertising

Advertising revenues from the Group's free to air television and radio platforms are recognised on flighting and over the period of the advertising contract.

iv) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired the Group reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the original effective interest rate, and continuing to unwind the discount as interest income.

v) Royalty income

Royalty income is recognised on an accrual basis in accordance with the relevant agreements and is included in other income.

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FOR THE YEAR ENDED 31 MARCH

vi) *Dividend income*
Dividend income is recognised when the right to receive payment is established.

vii) *Lease income*
Revenues from finance leases are recognised using the effective yield method. Revenues from operating leases are recognised on a straight-line basis over the lease term.

Leases
i) *Finance leases*
Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the Group are classified as finance leases.

Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

ii) *The Group as lessor*
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group enters into finance leasing arrangements for its copiers, faxes and point-of-sale equipment. All leases are denominated in South African Rands. The average term of finance leases entered into is four to five years.

iii) *Operating leases – The Group as lessee*
Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease. The leased assets are not recognised in the Group's statement of financial position.

Employee benefits
i) *Short-term employee benefits*
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) *Employee leave entitlement*
Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability to the employees for annual leave up to the balance sheet date. This liability is included in "Trade and other payables" in the balance sheet.

iii) *Long-term incentives*
A subsidiary of the Group has long-term incentive plans accounted for in terms of IFRS 2 Share-based Payment as cash-settled equity schemes for certain employees. Liabilities equal to the current fair market values of the plans are recognised at each balance sheet date. The moves in the fair values of these liabilities are expensed.

Earnings per share
Basic earnings per share is based on earnings attributable to shareholders and is calculated on the weighted average number of shares in issue during the financial year. Headline earnings per share is based on profit attributable to shareholders, excluding any non-trading capital items and the tax effect thereon, and is calculated as above. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into South African Rand at rates of exchange ruling at the reporting date. Translation gains and losses, whether realised or unrealised, are taken to profit or loss. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for

effective interest rate and payments during the year, and amortised cost in foreign currency translated at the exchange rate at the end of the year.

Dividend distributions

Dividend distributions to equity holders of the parent are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when approved by the board. Dividends declared after the reporting date are not recognised, as there is no present obligation at the reporting date.

Government grants

Government grants are recognised as other income when there is a reasonable assurance that the Group will comply with the relevant conditions attached to them and that the grant will be received.

Foreign exchange

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand which is the Group's presentation and the company's functional currency.

ii) Transactions and balances

The financial statements for each group company have been prepared on the basis that transactions in foreign currencies are recorded in their functional currency at the rate of exchange ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date with the resultant translation differences being recognised in profit or loss. Translation differences on non-monetary assets such as equity investments classified as available-for-sale are recognised in other comprehensive income.

iii) Foreign subsidiaries and associates – translation

Once-off items in the income statement and statement of cash flows of foreign subsidiaries and associates expressed in currencies other than the South African Rand are translated to South African Rand at the rates of exchange prevailing on the day of the transaction. All other items are translated at weighted average rates of exchange for the relevant reporting period. Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets together with differences between income statements translated at average and closing rates are recognised as a separate component of equity. For these purposes net assets include loans between group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and is either denominated in the functional currency of the parent or the foreign entity. When a foreign operation is disposed of, any related exchange differences in equity are recycled through profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange at reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

2 USE OF JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Principles of critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill and indefinite lived intangible assets

The Group tests annually whether goodwill and indefinite lived intangible assets have suffered any impairment, in accordance with the accounting policy. The recoverable amounts of CGUs have been determined based on value-in-use calculations.

These calculations require the use of estimates – see notes 6 and 7 for details.

Deferred tax assets

Management has applied a probability analysis to determine future taxable income against which calculated tax losses will be utilised.

Property, plant and equipment, excluding land

Changes in business landscape or technical innovations may impact the useful lives and estimated residual values of these assets. Similar assets are grouped together, but residual values and useful lives may vary significantly between individual assets in a category. Management reviews assets' residual values, useful lives and related depreciation charges annually at each reporting date.

Business combinations

On the acquisition of a business, a determination of the fair value and the useful life of assets acquired is performed, which requires the application of management judgement. The fair value is obtained by applying a valuation technique performed on a discounted cash flow basis. Future events could cause the assumptions used by the Group to change which could have a significant impact on the results and net position.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values that are reviewed on an ongoing basis. Review includes significant unobservable inputs and valuation adjustments. If third-party information, such as external property valuations, is used to measure fair values, then it's assessed if the evidence obtained from the third parties support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group audit committee.

When measuring the fair value of an asset or a liability the Group uses market observable data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If inputs used to measure the fair value of an asset or a liability might be categorised in the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3 NEW STANDARDS

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2015 or later periods which the Group has not early adopted:

Standard	Details of amendment	Annual periods beginning on or after
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Annual Improvements 2012 – 2014 Cycle: Amends IFRS 5 to clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27 – 29 of IFRS 5 does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27 – 29.	The Group will apply the IFRS 5 amendments from annual periods beginning 1 April 2016
IFRS 7: Financial Instruments – Disclosures	Annual Improvements 2012 – 2014 Cycle: The amendments provide additional guidance to help entities identify the circumstances under which a servicing contract is considered to be "continuing involvement" for the purposes of applying the disclosure requirements in paragraphs 42E – 42H of IFRS 7. Such circumstances commonly arise when, for example, the servicing fee is dependent on the amount or turning of the cash flows collected from the transferred financial asset or when a fixed fee is not paid in full due to non-performance of that asset.	The Group will apply the IFRS 7 amendments from annual periods beginning 1 April 2016
IFRS 9: Financial Instruments	IFRS 9 "Financial Instruments (2014)" replaces IAS 39 "Financial Instruments: Recognition and Measurement"	The Group will apply the IFRS 9 amendments from annual periods beginning 1 April 2016
IFRS 10: Consolidated Financial Investments	• Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 "Consolidated Financial Statements" and those in IAS 28 (2011) "Investments in Associates" in dealing with the sale or contribution of a subsidiary	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016.
	• Amendments confirming that the IFRS 10.4(a) consolidation exemption is also available to parent entities which are subsidiaries of investment entities where the investment entity measures its investments at fair value in terms of IFRS 10.31	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016.
	• Amendments modifying IFRS 10.32 to state that the consolidation requirement only applies to subsidiaries who are not themselves investment entities and whose main purpose is to provide services which relate to the investment entity's investment activities.	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016.
	• Amendments providing relief to non-investment entity investors in associates or joint ventures that are investment entities by allowing the non-investment entity investor to retain, when applying the equity method, the fair value measurement applied by the investment entity associates or joint ventures to their interests in subsidiaries.	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016.
IFRS 15: Revenue from Contracts with Customers	New guidance on recognition of revenue that requires recognition of revenue in a manner that depicts the transfer of goods or services to customers at an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services.	The Group will apply the IFRS 15 amendments from annual periods beginning 1 April 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

Standard	Details of amendment	Annual periods beginning on or after
IAS 1: Presentation of Financial Statements	• Amendments clarifying IAS 1's specified line items on the statement(s) of profit and loss and other comprehensive income and the statement of financial position can be disaggregated. • Additional requirements of how entities should present subtotals in the statement(s) of profit or loss and other comprehensive income and the statement of financial position • Clarification that entities have flexibility as to the order in which they present their notes to the financial statements, but also emphasising the need to consider fundamental principles of comparability and understandability in determining the order.	The Group will apply the IAS 1 amendments from annual periods beginning 1 April 2016. The Group will apply the IAS 1 amendments from annual periods beginning 1 April 2016. The Group will apply the IAS 1 amendments from annual periods beginning 1 April 2016.
IAS 16: Property, Plant and Equipment	• Amendments to prohibit the use of a revenue-based depreciation method for property, plant and equipment, as well as guidance in the application of the diminishing balance method for property, plant and equipment. • Amendments specifying that because the operation of bearer plants is similar in nature to manufacturing, they should be accounted for under IAS 16 rather than IAS 41. The produce growing on the bearer plants will continue to be within the scope of IAS 41.	The Group will apply the IAS 16 amendments from annual periods beginning 1 April 2016. The Group will apply the IAS 16 amendments from annual periods beginning 1 April 2016.
IAS 27: Consolidated and Separate Financial Statements	• Amendments to introducing a third option which allows entities to account for investments in subsidiaries, joint ventures and associates under the equity method in their separate financial statements.	The Group will apply the IAS 27 amendments from annual periods beginning 1 April 2016.
IAS 28: Investments in Associates	• Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 "Consolidated Financial Statements" and those in IAS 28 (2011) "Investments in Associates" in dealing with the sale or contribution of a subsidiary. In addition IAS 28 (2011) has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.	The Group will apply the IAS 28 amendments from annual periods beginning 1 April 2016.
IAS 38: Intangible Assets	• Amendments present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate except in two limited circumstances, as well as provide guidance in the application of the diminishing balance method for intangible assets.	The Group will apply the IAS 38 amendments from annual periods beginning 1 April 2016.

4 PROPERTY, PLANT AND EQUIPMENT

	GROUP				
	Owner-occupied properties at cost R000's	Plant and machinery at cost R000's	Equipment and fittings at cost R000's	Motor vehicles at cost R000's	Total R000's
Reconciliation of carrying amount					
2015					
Cost/valuation at 31 March 2015	**656 862**	**–**	**374 117**	**15 328**	**1 046 307**
Opening balance	**720 862**	**511 082**	**372 642**	**28 142**	**1 632 728**
Exchange differences	**–**	**–**	**1 053**	**–**	**1 053**
Additions	**180 853**	**31 102**	**107 783**	**5 273**	**325 011**
Acquisition through business combinations	**–**	**–**	**20 352**	**1 019**	**21 371**
Reallocations	**1 136**	**–**	**(1 136)**	**–**	**–**
Reclassification to assets held for sale	**(1 673)**	**–**	**(21 765)**	**(103)**	**(23 541)**
Dividend through demerger	**(240 634)**	**(541 377)**	**(96 894)**	**(17 533)**	**(896 438)**
Disposals	**(3 682)**	**(807)**	**(7 918)**	**(1 470)**	**(13 877)**
Accumulated depreciation and impairment at 31 March 2015	**8 173**	**–**	**145 212**	**5 948**	**159 333**
Opening balance	**4 326**	**255 560**	**118 206**	**12 784**	**390 876**
Current period depreciation	**5 592**	**15 822**	**101 279**	**4 951**	**127 644**
Revaluations	**(1 745)**	**–**	**–**	**–**	**(1 745)**
Dividend through demerger	**–**	**(271 014)**	**(68 523)**	**(10 741)**	**(350 278)**
Disposals and assets reclassified as held for sale	**–**	**(368)**	**(5 750)**	**(1 046)**	**(7 164)**
Carrying value at 31 March 2015	**648 689**	**–**	**228 905**	**9 380**	**886 974**
Rate of (straight line) depreciation	**0 – 3.5%**	**4 – 7%**	**10 – 20%**	**20%**	
Residual values	**0%**	**0%**	**0%**	**0%**	
2014					
Cost/valuation at 31 March 2014	720 862	511 082	372 642	28 142	1 632 728
Opening balance	317 982	617 514	153 783	21 330	1 110 609
Additions	196	18 980	144 181	1 817	165 174
Acquisition through business combination	504 196	10 621	144 900	11 826	671 543
Reclassification to investment property	(49 312)	–	–	–	(49 312)
Reclassification to assets held for sale	(52 200)	(551)	–	–	(52 751)
Disposals	–	(135 482)	(70 222)	(6 831)	(212 535)
Accumulated depreciation and impairment at 31 March 2014	4 326	255 560	118 206	12 784	390 876
Opening balance	–	327 377	114 968	14 406	456 751
Current year depreciation	4 326	24 829	59 712	3 717	92 584
Disposals and assets reclassified as held for sale	–	(96 646)	(56 474)	(5 339)	(158 459)
Carrying value at 31 March 2014	716 536	255 522	254 436	15 358	1 241 852*
Carrying value at 1 April 2013	317 982	290 137	38 815	6 924	653 858*

* Restated – refer to note 39 (change in accounting policy).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

4 PROPERTY, PLANT AND EQUIPMENT continued

Transfer to disposal group as held-for-sale

Property, plant and equipment transferred to the disposal group as held-for-sale amounts to R23,5 million at cost, with a carrying value of R3,9 million at 31 March 2015 and relates to assets that are used by e.Botswana Proprietary Limited, e.tv Botswana Proprietary Limited and the Longkloof Group. The carrying values are R1,2 million, R2,2 million and R0,5 million respectively. See note 16 for further details regarding the disposal group held-for-sale.

Property under development (included under owner-occupied property)

Construction costs incurred on the Cape Town Office Development at 31 March 2015 totalled R240 million (2014: R105 million) including R17 million (2014: R2 million) for capitalised borrowing costs. Borrowing costs were capitalised using a capitalisation rate of the Construction borrowing facility with Standard Bank of South Africa of 8,0% (2014: 8,0%).

Security

Standard Bank Construction borrowing facility is secured on property under construction with a carrying value of R240 million (2014: R105 million).

A Standard Bank mortgage bond of R362 million (2014: R235 million) has been registered over owner-occupied properties with a carrying value of R399 million (2014: R382 million). See note 20 for details on bank borrowings secured.

Fair value of owner-occupied properties

The fair value of owner-occupied property was determined by external, independent property valuers, having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The last annual valuation was done on 31 March 2015. The fair value measurement of owner-occupied property amounts to R553 million (2014: R839 million). No independent valuation was done for property under development with a carrying amount of R250,2 million (2014: R113,8 million) as costs approximated value.

Depreciation charge

A depreciation expense of R105 million (2014: R52 million) has been charged to the "depreciation, amortisation and impairment" category and R23 million (2014: R41 million) has been charged to the "discontinued operations" category.

A register of land and buildings is available for inspection at the registered office of the company.

* Restated – refer to note 39 (Change in accounting policy).

5 INVESTMENT PROPERTIES

	GROUP	
Reconciliation of carrying amount	**2015 R000's**	2014 R000's
Opening carrying value	**669 619**	525 229
Additions – transfer from owner-occupied property	**–**	49 312
Additions – subsequent expenditure	**32 529**	37 499
Fair value adjustments	**46 792**	20 726
Additions – litigation settlement	**–**	38 703
Disposals	**–**	(1 850)
Dividend through demerger	**(748 940)**	–
Closing carrying value	**–**	669 619

On 30 November 2014 the Group disposed of its investment property through a dividend through demerger transaction. This is a result of an internal restructure. Refer to note 48 for details of the dividend through demerger transaction.

Investment property comprised a number of commercial properties that were leased to third parties. Each of the leases contains an initial non-cancellable period of between one to five years. Two properties were transferred from property, plant and equipment (see note 4) to investment property, since the building was no longer used by the Group and as such it was decided that the building would be leased to third parties.

5 INVESTMENT PROPERTIES continued

Included in profit and loss from discontinued operations:

	GROUP	
	2015 R000's	2014 R000's
Rental income from investment property	**62 694**	71 547
Direct operating expenses (including repairs and maintenance) relating to rental-generating properties	**13 929**	10 322
Direct operating expenses (including repairs and maintenance) relating to property which did not generate income	**–**	147
Rates relating to rental-generating properties	**6 840**	7 431
Rates relating to property which did not generate income	**–**	805

Borrowing costs

The capitalisation rate used to capitalise borrowing costs was the prime lending rate.

Litigation

During the previous year the final aspect of the settlement of the litigation against former directors and officers of the company and entities controlled by them were implemented. As detailed in the SENS announcement released on 10 May 2013, Erf 27412, Observatory, with market value of R38,7 million was transferred to a subsidiary of the company.

Capital commitments

The commitments to further develop investment properties amounts to RNil (2014: R2,15 million).

Measurement of fair value – investment properties

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on an annual basis.

The fair value measurement of investment property of R749 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 2).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

5 INVESTMENT PROPERTIES continued

Level 3 fair value

The following shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	2015 R000's	2014 R000's
Opening value at 31 March	**669 619**	529 229
Additions	**32 529**	125 514
Reclassification and assets held for sale	**–**	(1 850)
Gain included in "discontinued operations" (other income)		
– Change in fair value	**46 792**	20 726
Dividend through demerger	**(748 940)**	–
Closing value at 31 March	**–**	669 619

Valuation technique and significant unobservable inputs

Valuation technique

Capitalisation of income: The valuation model considers the net operating income of the rent collected and dividing it by the capitalisation rate (investor's rate of return), taking into account expected rental income and anticipated expenses for the next twelve months, the properties' location, structure and rental producing capacity of similar buildings in similar locations.

Significant unobservable inputs

– Capitalisation rate

– Occupation rate

– Projected income

Inter-relationship between key unobservable inputs and fair value measurements

The estimated fair value would increase/(decrease) if:

– capitalisation rate were (higher) lower;

– the occupancy rate were higher (lower); and

– projected income were higher (lower).

6 INTANGIBLE ASSETS

GROUP

	Marketing-related intangible assets R000's	Customer-related intangible assets R000's	Contract-related intangible assets R000's	Distribution rights R000's	Programming under development R000's
2015					
Cost at 31 March 2015	**1 938 758**	**435 902**	**128 197**	**332 551**	**9 662**
Opening balance	1 938 758	435 902	128 197	294 366	20 864
Assets acquired separately	–	–	–	37 513	10 365
Assets acquired through business combinations	27 432	–	–	140 718	–
Foreign exchange differences	–	–	–	13 138	–
Dividend through demerger	–	–	–	–	–
Transfer to disposal group held-for-sale	(27 432)	–	–	(140 989)	–
Reclassifications	–	–	–	(12 195)	(21 567)
Disposals	–	–	–	–	–
Accumulated amortisation and impairment at 31 March 2015	**–**	**120 364**	**–**	**54 356**	**–**
Opening balance	–	40 048	–	23 755	–
Current period amortisation	632	80 316	–	30 601	–
Disposals	(632)	–	–	–	–
Dividend through demerger	–	–	–	–	–
Impairment losses recognised in profit and loss	–	–	–	–	–
Carrying value at 31 March 2015	**1 938 758**	**315 538**	**128 197**	**278 195**	**9 662**
2014					
Cost at 31 March 2014	1 938 758	435 902	128 197	294 366	20 864
Opening balance	–	–	–	–	–
Assets acquired separately	–	–	–	70 570	–
Assets acquired through business combinations	1 938 758	435 902	128 197	223 796	20 864
Foreign exchange differences	–	–	–	–	–
Dividend through demerger	–	–	–	–	–
Transfer to disposal group held-for-sale	–	–	–	–	–
Reclassifications	–	–	–	–	–
Disposals	–	–	–	–	–
Accumulated amortisation and impairment at 31 March 2014	–	40 048	–	23 755	–
Opening balance	–	–	–	–	–
Current period amortisation	–	40 048	–	23 755	–
Disposals	–	–	–	–	–
Dividend through demerger	–	–	–	–	–
Impairment losses recognised in profit and loss	–	–	–	–	–
Carrying value at 31 March 2014	1 938 758	395 854	128 197	270 611	20 864
Nature of useful lives	Indefinite	Finite	Indefinite	Finite	Finite
Amortisation method	n/a	Straight line	n/a	Revenue-based	Revenue-based
Rate of amortisation	n/a	37% – 10%	n/a	Period of economic life	Period of economic life
Residual values	0%	0%	0%		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

6 INTANGIBLE ASSETS continued

	GROUP				
	Programming completed R000's	Music libraries R000's	Electronic programming guide R000's	Website domain R000's	Software R000's
2015					
Cost at 31 March 2015	**78 958**	**11 658**	**–**	**97**	**–**
Opening balance	**53 769**	**1 474**	**2 353**	**97**	**5 919**
Assets acquired separately	**3 622**	**1 019**	**–**	**–**	**117**
Assets acquired through business combinations	**–**	**8 284**	**–**	**–**	**–**
Foreign exchange differences	**–**	**881**	**–**	**–**	**–**
Dividend through demerger	**–**	**–**	**–**	**–**	**(6 036)**
Transfer to disposal group held-for-sale	**–**	**–**	**–**	**–**	**–**
Reclassifications	**21 567**	**–**	**–**	**–**	**–**
Disposals	**–**	**–**	**(2 353)**	**–**	**–**
Accumulated amortisation and impairment at 31 March 2015	**9 965**	**835**	**–**	**–**	**–**
Opening balance	**3 867**	**73**	**–**	**–**	**3 387**
Current period amortisation	**6 098**	**762**	**–**	**–**	**813**
Disposals	**–**	**–**	**–**	**–**	**–**
Dividend through demerger	**–**	**–**	**–**	**–**	**(4 200)**
Impairment losses recognised in profit and loss	**–**	**–**	**–**	**–**	**–**
Carrying value at 31 March 2015	**68 993**	**10 823**	**–**	**97**	**–**
2014					
Cost at 31 March 2014	53 769	1 474	2 353	97	5 919
Opening balance	–	–	–	–	14 046
Assets acquired separately	–	–	–	–	572
Assets acquired through business combinations	53 769	1 474	2 353	97	–
Foreign exchange differences	–	–	–	–	–
Dividend through demerger	–	–	–	–	–
Transfer to disposal group held-for-sale	–	–	–	–	–
Reclassifications	–	–	–	–	–
Disposals	–	–	–	–	(8 699)
Accumulated amortisation and impairment at 31 March 2014	3 867	73	–	–	3 387
Opening balance	–	–	–	–	4 563
Current period amortisation	3 867	73	–	–	2 906
Disposals	–	–	–	–	(8 699)
Dividend through demerger	–	–	–	–	–
Impairment losses recognised in profit and loss	–	–	–	–	4 617
Carrying value at 31 March 2014	49 902	1 401	2 353	97	2 532
Nature of useful lives	Finite	Finite	Indefinite	Indefinite	Finite
Amortisation method	Revenue-based	Straight line	n/a	n/a	Straight line
Rate of amortisation	Period of economic life	Period of licence	n/a	n/a	20%
Residual values		0%	0%	0%	0%

6 INTANGIBLE ASSETS continued

	GROUP		
	Licences R000's	Brand names/ trade marks R000's	Total R000's
2015			
Cost at 31 March 2015	**–**	**–**	**2 935 783**
Opening balance	**11 499**	**–**	**2 893 198**
Assets acquired separately	**8 500**	**10 164**	**71 300**
Assets acquired through business combinations	**–**	**–**	**176 434**
Foreign exchange differences	**–**	**–**	**14 019**
Dividend through demerger	**(19 999)**	**(10 164)**	**(36 199)**
Transfer to disposal group held-for-sale	**–**	**–**	**(168 421)**
Reclassifications	**–**	**–**	**(12 195)**
Disposals	**–**	**–**	**(2 353)**
Accumulated amortisation and impairment at 31 March 2015	**–**	**–**	**185 520**
Opening balance	**4 834**	**–**	**75 964**
Current period amortisation	**420**	**–**	**119 642**
Disposals	**–**	**–**	**(632)**
Dividend through demerger	**(5 254)**	**–**	**(9 454)**
Impairment losses recognised in profit and loss	**–**	**–**	**–**
Carrying value at 31 March 2015	**–**	**–**	**2 750 263**
2014			
Cost at 31 March 2014	11 499	–	2 893 198
Opening balance	7 000	–	21 046
Assets acquired separately	4 499	–	75 641
Assets acquired through business combinations	–	–	2 805 210
Foreign exchange differences	–	–	–
Dividend through demerger	–	–	–
Transfer to disposal group held-for-sale	–	–	–
Reclassifications	–	–	–
Disposals	–	–	(8 699)
Accumulated amortisation and impairment at 31 March 2014	4 834	–	75 964
Opening balance	3 453	–	8 016
Current period amortisation	1 381	–	72 030
Disposals	–	–	(8 699)
Dividend through demerger	–	–	–
Impairment losses recognised in profit and loss	–	–	4 617
Carrying value at 31 March 2014	6 665	–	2 817 234
Nature of useful lives	Finite	Finite	
Amortisation method	Straight line	Straight line	
Rate of amortisation	Period of licence	n/a	
Residual values	0%	0%	

Reclassifications amounting to R12,2 million (2014: RNil) relate to distribution rights reclassified to programming rights.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

6 INTANGIBLE ASSETS continued

Distribution rights represent multi-territory and multi-platform programming rights that the Group is able to on sell to other broadcasters. These rights are amortised over their economic life, based on the territory and platform for which the respective rights have been on sold.

Programming under development is programming that has not yet been completed and therefore not ready for use. The assets were tested for impairment and no impairment was required. Once completed, the assets are either transferred to programming completed or transferred to programming rights when internally used for broadcasting.

The amortisation of intangible assets is included in the following line items in the statement of comprehensive income:

	GROUP	
	2015 R000's	2014 R000's
Continuing operations		
Cost of sales	23 048	27 139
Administrative and other expenses	81 062	40 604
	104 110	67 743
Discontinued operations		
Cost of sales	13 667	–
Administrative and other expenses	1 865	4 287
	15 532	4 287
Amortisation charge for the year	119 642	72 030

7 GOODWILL

	2015 R000's	2014 R000's
Arising on acquisition of shares in subsidiaries	3 737 528	3 708 837
Reconciliation of goodwill		
Opening balance	3 708 837	–
– Cost	3 708 837	–
– Accumulated impairment	–	–
Through business combinations	171 950	3 708 837
Dividend through demerger	(15 743)	–
Impairment	(132 321)	–
Effects of foreign exchange differences	4 805	–
Carrying value at year-end	3 737 528	3 708 837
– Cost	3 869 849	3 708 837
– Accumulated impairment	(132 321)	–

Impairment tests for goodwill

The Group has performed impairment testing on all cash generating units that contain goodwill. Goodwill relates mainly to the Group's interest in HCI Invest 3 Holdco Limited ("Sabido Holdco") with a carrying value of R3,695 million (2014: R3,695 million). The value of cash generating units to which goodwill has been allocated has been determined based on value in use calculations using management generated cash flow projections. The following were the principle assumptions, based on past experience, that were used to calculate the net present value of those CGU's:

Discount rates:	14,67%
Number of years:	five years
Cost growth rate:	6,00%

The recoverable amount of the Sabido Holdco cash generating unit, except certain underlying subsidiaries in Sabido Investments Proprietary Limited, were determined to be higher than the relevant portion of goodwill and therefore no impairment was necessary.

The carrying value of the acquired Longkloof Limited cash-generating unit has been reduced to RNil through recognition of an impairment loss of R129,6 million against goodwill.

7 GOODWILL continued

Goodwill impairment included in "discontinued operations" in the statement of comprehensive income:

	GROUP	
	2015 R000's	2014 R000's
Longkloof Limited	**129 597**	–
e.Botswana Proprietary Limited	**573**	–
Natural History Unit of Africa Proprietary Limited	**2 151**	–
	132 321	–

8 INTEREST IN SUBSIDIARY COMPANIES

	COMPANY	
	2015 R000's	2014 R000's
Shares at cost, less impairment	**5 861 604**	2 271 407
Loans to subsidiary companies	**–**	557 993
	5 861 604	2 829 400

Loans to subsidiaries previously made were interest free.

Full details of subsidiary companies are provided in note 46.

Refer to note 47 for details of subsidiary companies that have non-controlling interests (NCI) that are material to the Group.

9 EQUITY-ACCOUNTED INVESTEES

	GROUP	
Reconciliation of investments in associates	**2015 R000's**	2014 R000's
Interest in associates	**206 985**	132 698
Opening balance	**132 698**	–
Acquired through business combination	**118 706**	131 364
Increase in loans to associates	**18 640**	6 701
Losses for the year	**(756)**	(5 367)
Foreign exchange differences	**5 085**	–
Transfer to assets of disposal groups	**(26 858)**	–
Disposals	**(40 530)**	–
Closing balance	**206 985**	132 698

During the year ended 31 March 2015 the Group acquired Da Vinci Media GmbH, Setanta Sports Asia Limited and The Africa Channel Limited through a business acquisition. The Group subsequently disposed of its interest in The Africa Channel Limited, effective 31 January 2015 and has also made the decision to dispose of its interest in Setanta Sports Asia Limited and has accordingly been classified as disposal groups held-for-sale. Refer to note 29 for further details of associates sold during the year and note 16 for further details on associates classified as disposal groups held-for-sale.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

9 EQUITY-ACCOUNTED INVESTEES continued

List of investment in associates

			GROUP			
			2015		2014	
Name of associates	Place of business/ country of incorporation	Listed/ Unlisted	% holding	Carrying amount R'000	% holding	Carrying amount R'000
Cape Town Film Studios Proprietary Limited	South Africa	Unlisted	42,5	52 897	42,5	45 240
Dreamworld Management Company Proprietary Limited	South Africa	Unlisted	50,0	47 610	50,0	47 559
Global Media Alliance Broadcasting Limited	Ghana	Unlisted	40,0	48 863	40,0	40 344
Mindset TV Proprietary Limited	South Africa	Unlisted	49,9	–	49,9	(445)
Da Vinci Media GmbH	Germany	Unlisted	33,0	57 615	–	–
				206 985		132 698

Main business and operations of the associates

Cape Town Film Studios Proprietary Limited provides sound stages and support buildings for the film industry in the Western Cape. Dreamworld Management Company Proprietary Limited will develop residential accommodation in future, adjacent to the Cape Town Film Studio site. Global Media Alliance Broadcasting Limited has its interest in television and radio broadcasting. Mindset TV Proprietary Limited is a television channel which produce educational television programming. Da Vinci Media GmbH is an independent media group dedicated to providing high-quality on-air and on-demand educational programming around the world.

The company's subsidiary, Sabido Investments Proprietary Limited, has signed a surety and cession of a loan receivable from Cape Town Film Studios Proprietary Limited in favour of ABSA Bank Limited.

The summarised financial information in respect of the Group's principal associates

Set out below are the associates which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

9 EQUITY-ACCOUNTED INVESTEES continued

	Cape Town Film Studios Proprietary Limited R'000	Dreamworld Management Company Proprietary Limited R'000	Global Media Alliance Broadcasting Limited R'000	Da Vinci Media GmbH R'000
Summarised statement of financial position as at 31 March 2015				
Non-current assets	273 694	8 342	14 561	25 501
Current assets	4 500	123	10 945	62 303
Non-current liabilities	(126 675)	–	–	–
Current liabilities	(176 100)	(21 298)	(74 457)	(19 876)
Net assets	(24 581)	(12 834)	(48 951)	67 928
Reconciliation to carrying amounts				
Closing net assets at 31 March 2015	(24 581)	(12 834)	(48 951)	67 928
Reporting entities' share (in %)	42,5	50,0	40,0	33,0
Reporting entities' share (in R'000)	(10 447)	(6 417)	(19 581)	22 416
Loans to associates	65 145	10 624	67 518	–
Reporting entities' adjustment for fair value*	(1 801)	38 329	926	2 021
Goodwill	–	5 073	–	33 178
Carrying amount	52 897	47 610	48 863	57 615
Summarised statements of profit and loss and other comprehensive income for the year ended 31 March 2015				
Revenue	32 282	–	13 566	41 448
Profit/(loss) from continued operations	176	(520)	(4 273)	7 055
Other comprehensive income	–	–	–	–
Total comprehensive income/(loss)	176	(520)	(4 273)	7 055
Group's share of associates' profits/(losses)	75	(260)	(1 709)	2 328

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

9 EQUITY-ACCOUNTED INVESTEES continued

	Cape Town Film Studios Proprietary Limited R'000	Dreamworld Management Company Proprietary Limited R'000	Global Media Alliance Broadcasting Limited R'000	Da Vinci Media GmbH R'000
Summarised statement of financial position as at 31 March 2014				
Non-current assets	276 796	8 342	9 870	–
Current assets	4 011	49	10 806	–
Non-current liabilities	(146 130)	–	–	–
Current liabilities	(159 433)	(20 704)	(50 651)	–
Net assets	(24 756)	(12 313)	(29 975)	–
Reconciliation to carrying amounts				
Closing net assets at 31 March 2014	(24 756)	(12 313)	(29 975)	–
Reporting entities' share (in %)	42,5	50,0	40,0	–
Reporting entities' share (in R'000)	(10 516)	(6 157)	(11 990)	–
Loans to associates	57 557	10 313	51 408	–
Reporting entities' adjustment for fair value*	(1 801)	38 329	926	–
Goodwill	–	5 073	–	–
Carrying amount	45 240	47 559	40 344	–
Summarised statements of profit and loss and other comprehensive income for the year ended 31 March 2014				
Revenue	29 176	–	8 598	–
Loss from continued operations	(6 238)	(469)	(4 383)	–
Other comprehensive income	–	–	–	–
Total comprehensive loss	(6 238)	(469)	(4 383)	–
Group's share of associates' losses	(2 902)	(218)	(2 039)	–

9 EQUITY-ACCOUNTED INVESTEES continued

Reconciliation of Group's share of profit/(loss)

	Group's share of associates' profits/ (losses) for the year R'000	Intra-group transactions eliminated R'000	Amortisation of intangible assets recognised through business combinations R'000	Total R'000
2015				
Cape Town Film Studios Proprietary Limited	**75**	**(519)**	**–**	**(444)**
Dreamworld Management Company Proprietary Limited	**(260)**	**–**	**–**	**(260)**
Global Media Alliance Broadcasting Limited	**(1 709)**	**–**	**–**	**(1 709)**
Da Vinci Media GmbH	**2 328**	**(592)**	**(79)**	**1 657**
	433	**(1 111)**	**(79)**	**(756)**
2014				
Cape Town Film Studios Proprietary Limited	(2 902)	–	–	(2 902)
Dreamworld Management Company Proprietary Limited	(218)	–	–	(218)
Global Media Alliance Broadcasting Limited	(2 039)	–	–	(2 039)
Mindset TV Proprietary Limited	(208)	–	–	(208)
	(5 367)	–	–	(5 367)

* The Group revalued its existing interests in associates in accordance with accounting standards for business acquisitions and adjustments were made to the carrying value of associates as at the acquisition date.

Mindset TV Proprietary Limited was not considered a principal associate.

There are no contingent liabilities relating to the Group's interest in the associates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

10 LONG-TERM RECEIVABLES

	GROUP	
	2015 R000's	2014 R000's
Reconciliation of carrying value		
Loans to Group employees	**2 935**	15 996
Net investment in finance leases	**–**	50 115
Other loans	**–**	80 471
	2 935	146 582

Fair value of long-term receivables

The fair value of long-term interest-bearing receivables approximates the carrying value as market-related rates are charged on these outstanding amounts. Loans to Group employees did not include a market rate of interest and were fair valued at year-end by discounting the future cash flows based on the interest rate implicit in the loan agreement. There were no impairment provisions on non-current receivable financial assets during the current or prior years.

	2015 R000's	2014 R000's
Acquired through business combinations		
Loans to Group employees – interest free	**–**	12 661
Loans to Group employees – interest bearing	**–**	3 335
Other loans	**–**	3 839
	–	19 835
Loans to Group employees		
Opening balance	**15 996**	–
Acquired through business combinations	**–**	15 996
Interest income	**–**	–
Repayment	**(5 745)**	–
	10 251	15 996
Non-current portion of loans to Group employees	**2 935**	15 996
Current portion of loans to Group employees (included in trade and other receivables)	**7 316**	–
	10 251	15 996

Loans to Group employees are due within one to four years, fully repayable on 31 October 2018 and bear interest from 0% to 6% per annum.

Net investment in finance leases

Reconciliation with the gross investment in leases is as follows:

	Gross investment in leases R'000	Unearned finance income R'000	Net investment in leases R'000
2015			
Lease payments receivable			
– Not later than one year	**–**	**–**	**–**
– Later than one year but not later than five years	**–**	**–**	**–**
	–	**–**	**–**
2014			
Lease payments receivable			
– Not later than one year	34 677	8 313	26 364
– Later than one year but not later than five years	58 365	8 250	50 115
	93 042	16 563	76 479

10 LONG-TERM RECEIVABLES continued

	GROUP	
	2015 R000's	2014 R000's
Non-current portion of net investment in leases	–	50 115
Current portion of net investment in leases (included in trade and other receivables)	–	26 364
	–	76 479

The Group had entered into finance leasing arrangements for its copiers, faxes and point-of-sale equipment. All leases are denominated in South African Rands. The average term of finance leases entered into was four to five years. Interest was charged at rates varying between 14% and 25%. There were no contingent rents recognised as income during the current or prior years.

Other loans

Included in other loans for the year ended 31 March 2014 was the loan to SACTWU for R76,6 million relating to the sale of plant, equipment and inventory from discontinued operations.

	COMPANY	
	2015 R000's	2014 R000's
Share incentive scheme recharge receivable	–	35 631

Only when shares are issued in terms of the share scheme is the beneficiary's employer obliged to refund the purchase price of these shares. For further detail refer to note 40.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

11 DEFERRED TAXATION

	GROUP		COMPANY	
	2015 R000's	2014 R000's	2015 R000's	2014 R000's
Movements in deferred taxation				
Opening balance	(382 288)	49 603	(12)	(621)
Balance brought in through business combinations	(5 760)	(479 408)	–	–
– Capital allowances	–	(4 487)	–	–
– Tax losses	–	6 224	–	–
– Capital allowances on intangible assets	(5 760)	(465 531)	–	–
– Revaluations	–	(19 735)	–	–
– Working capital differences	–	4 121	–	–
Current movements recognised in profit or loss	21 622	43 578	12	621
Continuing operations	22 642	(9 807)	12	621
– Capital allowances	4 583	13 677	–	–
– Tax losses	(1 811)	671	–	–
– Capital allowances on intangible assets	14 977	7 468	–	–
– Working capital differences	4 881	(32 244)	–	–
– Shares and investments	12	621	12	621
Discontinuing operations	(1 020)	53 385	–	–
– Capital allowances	(3 759)	(20 466)	–	–
– Tax losses	18 419	33 631	–	–
– Capital allowances on intangible assets	6 174	439	–	–
– Revaluations	(4 805)	(10 754)	–	–
– Working capital differences	(17 930)	49 831	–	–
– Other	881	704	–	–
Current movements recognised in other comprehensive income	–	3 939	–	(12)
– Shares and investments	–	(12)	–	(12)
– Share incentive scheme	–	2 651	–	–
– Provision for post-employment medical benefits	–	1 670	–	–
– Reclassification of revaluation surplus	–	(370)	–	–
Dividend through demerger	(58 952)	–	–	–
– Capital allowances	90 832	–	–	–
– Tax losses	(186 294)	–	–	–
– Revaluations	80 470	–	–	–
– Working capital differences	(5 813)	–	–	–
– Shares and investments	(9 977)	–	–	–
– Other	(28 170)	–	–	–
Closing balance at the end of the year	(425 378)	(382 288)	–	(12)

11 DEFERRED TAXATION continued

	GROUP		COMPANY	
	2015 R000's	2014 R000's	**2015 R000's**	2014 R000's
Analysis of deferred taxation				
Capital allowances on intangible assets	**(443 086)**	(458 477)	**–**	–
Capital allowances	**13 773**	(77 883)	**–**	–
Revaluations	**(14 723)**	(90 388)	**–**	–
Shares and investments	**–**	(12)	**–**	(12)
Tax losses	**5 084**	174 770	**–**	–
Working capital allowances	**13 574**	32 436	**–**	–
Share incentive scheme	**–**	9 977	**–**	–
Provision for post-employment medical benefits	**–**	27 289	**–**	–
	(425 378)	(382 288)	**–**	(12)
Composition of deferred taxation				
Deferred tax assets	**40 153**	86 241	**–**	–
Deferred tax liabilities	**(465 531)**	(468 529)	**–**	(12)
	(425 378)	(382 288)	**–**	(12)

There are estimated tax losses in respect of one subsidiary company. The directors have considered the future profitability of the entity and on the basis that it is projected to produce taxable income in the foreseeable future, the deferred tax asset is considered fully recoverable. Tax losses have been recognised by the subsidiary to the extent considered recoverable.

12 OTHER INVESTMENTS

	GROUP		COMPANY	
	2015 R000's	2014 R000's	**2015 R000's**	2014 R000's
Business Partners Limited (unlisted)	**–**	3 329	**–**	–
Old Mutual (listed)	**–**	315	**–**	315
	–	3 644	**–**	315

	Number of shares	Number of shares	**Number of shares**	Number of shares
Business Partners Limited (unlisted)	**–**	605 220	**–**	–
Old Mutual (listed)	**–**	8 900	**–**	8 900

	2015 R000's	2014 R000's	**2015 R000's**	2014 R000's
Investments are classified as available for sale and are reconciled as follows:				
Opening balance	**3 644**	3 580	**315**	3 580
Disposals	**–**	–	**–**	(3 329)
Revaluations	**–**	64	**–**	64
Dividend through demerger	**(3 644)**	–	**(315)**	–
	–	3 644	**–**	315

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

13 INVENTORIES

	GROUP	
	2015 R000's	2014 R000's
Raw materials and consumables	–	185 264
Work in progress	–	42 042
Finished goods	18 090	328 127
	18 090	555 433
Inventories stated at net realisable value	18 090	112 672
Inventories acquired through business combination	2 512	29 336
Carrying amount of inventory pledged as security for liabilities	–	424 897
Write-down of inventory to net releasible value during the year	10 562	12 244
Reversals of previous write-down of inventory to net realisable value during the year	(112)	(1 572)

14 PROGRAMMING RIGHTS

	2015 R000's	2014 R000's
Television programmes		
– International	322 427	243 039
– Local	108 742	39 643
	431 169	282 682
Reconciliation of carrying amount		
International television programmes		
Opening balance	243 039	–
Additions	232 585	32 918
Additions through business combination	–	279 867
Amortisations through cost of sales	(153 197)	(69 746)
Closing balance	322 427	243 039
Local television programmes		
Opening balance	39 643	–
Additions	288 451	27 045
Additions through business combination	–	110 732
Amortisations through cost of sales	(219 352)	(98 134)
Closing balance	108 742	39 643

Included in international programming additions is an amount of R12,2 million (2014: RNil) that was reclassified from distribution rights.

Nature of useful lives and amortisation method

Programming rights acquired by the Group are initially measured at cost and are amortised over the number of licensed broadcasting runs. For features on first run 70% of the cost is amortised and the remaining 30% over the balance of the licensed broadcasting runs. For genres other than features the cost is amortised on the first run.

15 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2015 R000's	2014 R000's	**2015 R000's**	2014 R000's
Reconciliation of carrying value				
Trade receivables	**361 656**	793 993	**–**	–
Less: provision for impairment of trade receivables	**(3 443)**	(3 682)	**–**	–
Trade receivables – net	**358 213**	790 311	**–**	–
Lease receivables	**107**	26 364	**–**	–
Other receivables	**129 078**	140 101	**57**	–
Fair value of outstanding foreign exchange contracts	**13 208**	12 410	**–**	–
Prepayments	**90 930**	55 564	**–**	–
	591 536	1 024 750	**57**	–
Fair value of trade receivables				
Trade and other receivables	**591 536**	1 024 750	**57**	–

The carrying value approximates fair value because of the short period to maturity of these instruments.

Trade receivables neither past due nor impaired
The credit quality of trade and other receivables that are neither past due nor impaired is assessed on and ongoing basis for individual debtors and based on repayment history. A significant amount of the Group's trade debt is in respect of sales to advertisers, in particular Omnicom Media Group Proprietary Limited (R43,6 million) (2014: R48,9 million), Mindshare South Africa Proprietary Limited (R40,1 million) (2014: R35,1 million), The Mediashop Johannesburg Proprietary Limited (R26,2 million) (2014: R27,5 million) and Aegis Media Central Services Proprietary Limited (R17,2 million) (2014: R22,8 million).

Trade receivables pledged as security
e.tv Proprietary Limited, a subsidiary of the Group has at 31 March 2015 pledged trade debt with a carrying value of R236,6 million (2014: R280,6 million) to Standard Bank of South Africa in respect of a borrowing facility. The carrying value of the borrowing facility at 31 March 2015 amounted to R265,7 million (2014: R127,5 million). Refer to note 20.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

15 TRADE AND OTHER RECEIVABLES continued

Trade receivables past due but not impaired

At 31 March 2015, trade receivables of R33,9 million (2014: R9,9 million) were past due but not impaired. These relate mainly to a number of independent customers for whom there is no history of default. The ageing of these trade receivables is as follows:

	GROUP	
	2015 R000's	2014 R000's
30 to 60 days	**13 059**	397
60 to 90 days	**4 349**	196
More than 90 days	**16 448**	9 298
	33 856	9 891

Impairment of trade receivables

At 31 March 2015, trade receivables of R3,4 million (2014: R3,7 million) were impaired. Impaired trade receivables relate to debtors that have been handed over to attorneys for collection and debtors that have been outstanding for more than one year.

Movement in the allowance for impairment of trade receivables is as follows:

	2015 R000's	2014 R000's
Opening balance	**3 682**	5 231
Written off as irrecoverable	**–**	(2 356)
Increased through business combinations	**–**	385
Provision for receivables impaired	**5 748**	1 610
Unused amounts reversed	**(5 987)**	(1 188)
Closing balance	**3 443**	3 682

In determining impairments, the Group considered, inter alia, disputes with customers, untraceable and slow payers, long overdue accounts and customers placed under liquidation. The Group holds no collateral as security against non-payment of any of the above mentioned trade receivables, but does have credit guarantee insurance to protect against default. There has been no renegotiation of terms.

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	2015 R000's	2014 R000's
South African Rand	**511 936**	776 067
US dollar	**79 600**	237 735
Euros	**–**	10 066
Australian dollar	**–**	882
Other currencies	**–**	–
	591 536	1 024 750

Business acquisition

	2015 R000's	2014 R000's
Trade and other receivables acquired through business combination refer to note 32	**60 253**	601 499

15 TRADE AND OTHER RECEIVABLES continued

	GROUP	
	2015 R000's	2014 R000's
Other receivables		
Included under other receivables are:		
Loans and receivables		
Malik Investment Proprietary Limited	**19 689**	42 616
The loan arose on the sale of Viamedia Proprietary Limited and is secured by a deed of suretyship in favour of Sabido Investments Proprietary Limited, a subsidiary of the company. The loan bears interest at prime less 3% and is repayable in biannual instalments commencing on 1 April 2011 and the last instalment on 30 September 2015.		
Cinecom LLC trading as 13 Films	**12 614**	5 324
The loan bears interest at 8,25% and has no terms of repayment.		
TVPC Media Proprietary Limited	**–**	5 324
TVPC Media Proprietary Limited became a subsidiary of the Group on 1 July 2014. Refer to note 32.		
Loans to Group employees	**7 316**	–
Loans to Group employees are due within one to four years, fully repayable on 31 October 2018 and bear interest from 0% to 6% per annum. Refer to note 10.		
Horizon Media Group Limited	**43 032**	–
The loan arose on the sale of The Africa Channel Limited, an associate of the Group through its subsidiary, Longkloof Limited, and is secured by the sale shares being held in trust in favour of Longkloof Limited. The loan bears no interest with $1.5 million being repayable on 14 April 2015 and now overdue, and the balance repayable on 31 March 2016. The overdue portion has not been impaired and is considered recoverable.		
Value added taxation	**8 645**	19 722
Lease-smoothing asset	**–**	12 653
Income receivable from Production Incentive programme	**–**	33 875
Other receivables not specified above	**14 124**	20 587
Harlan Special Opportunities Fund LP	**23 658**	–
The loan arose on the advance of funds for purpose of investing in unlisted equity.		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

16 DISPOSAL GROUP ASSETS/LIABILITIES HELD FOR SALE

	GROUP	
	2015 R000's	2014 R000's
Disposal group assets classified as held for sale	249 405	54 536
Liabilities associated with the disposal group assets held for sale	(24 879)	–
	224 526	54 536

Longkloof Limited group entities classified as held for sale

During the year ended 31 March 2015 a decision was made by the Longkloof board of directors to dispose of the Group's interest in Power Entertainment Limited (a wholly-owned subsidiary), Media Film Services Incorporated and its subsidiary (a wholly-owned subsidiary), Africa Media Group (a wholly-owned subsidiary), e.tv China Limited and its subsidiary (an 80% subsidiary) and Setanta Sports Asia Limited (an associate).

Assets and liabilities associated with the Longkloof Limited disposal group classified as held for sale are as follows:

	2015 R000's	2014 R000's
Property, plant and equipment	521	–
Intangible assets	155 973	–
Equity-accounted investees	37 091	–
Inventories	135	–
Trade and other receivables	31 282	–
Cash and cash equivalents	18 344	–
Deferred tax liabilities	(5 632)	–
Taxation payable	(49)	–
Trade and other payables	(18 919)	–
	218 746	–

Refer to note 29 for details of operations related to the above assets and liabilities that have been classified as discontinued.

e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited classified as held for sale

During the year ended 31 March 2015 a decision was made by the Sabido Investments board of directors to dispose of the Group's interest in e.Botswana Proprietary Limited (a 49% subsidiary) and e.tv Botswana Proprietary Limited (an 80% subsidiary).

Assets and liabilities associated with the Longkloof Limited disposal group classified as held for sale are as follows:

	2015 R000's	2014 R000's
Property, plant and equipment	3 445	–
Deferred tax assets	1 715	–
Trade and other receivables	840	–
Cash and cash equivalents	60	–
Trade and other payables	(280)	–
	5 780	–

16 DISPOSAL GROUP ASSETS/LIABILITIES HELD FOR SALE continued

	GROUP	
	2015 R000's	2014 R000's
Refer to note 29 for details of operations related to the above assets and liabilities that have been classified as discontinued.		
Seardel's apparel manufacturing businesses classified as held for sale During the previous year ended 31 March 2014 the Seardel board of directors resolved to exit Seardel's apparel manufacturing businesses through the closure of its Western Cape and KwaZulu-Natal operations and the disposal of the remainder of its apparel manufacturing businesses to SACTWU, details of which are set out in the circular to Seardel shareholders dated 18 December 2013 ("Circular").		
Assets and liabilities associated with the Longkloof Limited disposal group classified as held for sale are as follows:		
Land and buildings	**–**	53 985
Plant and machinery	**–**	551
	–	54 536

17 STATED CAPITAL/SHARE CAPITAL AND SHARE PREMIUM

	GROUP AND COMPANY	
	2015 R000's	2014 R000's
Authorised		
700 000 000 (2014: 700 000 000) ordinary shares of R0 each (2014: R0 each)	**–**	–
Each ordinary share has the right to 100 votes at general meetings		
10 550 000 000 (2014: 10 550 000 000) N ordinary shares of R0 each (2014: R0 each)	**–**	–
Each N ordinary share has the right to one vote at general meetings		
Issued stated capital		
638 101 983 (2014: 646 531 227) ordinary shares of R0 each	**333 591**	322 089
Balance at the beginning of the year 646 531 227 (2014: 642 486 801)	**322 089**	311 816
Issued during the year: 6 275 694 (2014: 4 044 426)	**11 502**	10 273
Cancelled during the year: 14 704 938 (2014: 0) Refer to note 18.	**–**	–
3 680 109 771 (2014: 561 233 077) N ordinary shares of R0 each	**6 331 791**	1 370 340
Balance at the beginning of the year 561 233 077 (2014: 61 233 077)	**1 370 340**	340
Issued during the year: 3 125 000 000 (2014: 0)	**4 961 451**	1 370 000
Cancelled during the year: 6 123 306 (2014: 0) Refer to note 18.	**–**	–
	6 665 382	1 692 429

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

17 STATED CAPITAL/SHARE CAPITAL AND SHARE PREMIUM continued

Reserved under options – see note 40

The Seardel Long-Term Incentive Plan was cancelled during the current year as a result of an internal restructure. Previously 63 500 000 ordinary shares of 0 cent each have been placed under the control of the directors, who are authorised to allot and issue all or any of such shares in accordance with the terms and conditions of The Seardel Long-Term Incentive Plan and any amendments thereto. Unissued shares are under the control of the directors until the next annual general meeting.

Stated capital

The shareholders of the company have approved the conversion of the ordinary shares and N ordinary shares having a par value, to ordinary shares and N ordinary shares having no par value at a general meeting of the company held on 8 August 2013. Share capital and share premium have therefore been restated to stated capital.

Issue and repurchase of shares

Current period

During the year 3,125 billion N ordinary shares were issued in terms of a rights offer issue at R1,60, fairly valued to R5 billion. An underwriting fee of R34,2 million has been charged to stated capital during the year. Further detail on the rights issue offer can be found on the SENS publication, dated 29 April 2014.

During the year 6 275 694 ordinary shares were issued in terms of the Group's share incentive scheme.

14 704 938 ordinary shares and 6 123 306 N ordinary shares treated as treasury shares have been cancelled on 24 November 2014 as a result of an internal restructure.]

Prior period

The Group acquired a 100% interest in HCI Invest 3 Holdco Proprietary Limited ("Sabido Holdco"), which holds a 63,9% interest in Sabido Investment Proprietary Limited ("Sabido"). The acquisition was funded through a combination of R4,4 billion of debt and 500 million N ordinary shares issued at R1,60, fairly valued to R1,37 billion.

During the prior year 4 044 426 ordinary shares were issued in terms of the Group's share incentive scheme.

Diluted weighted average number of shares

The difference between the weighted average number of shares and the diluted weighted average number of shares in the prior year are due to the impact of the unexercised options under the Group's share incentive scheme.

18 TREASURY SHARES

Seardel Investment Corporation Limited shares were held by:

	GROUP			
			Number of shares	
	2015 R000's	2014 R000's	2015 000's	2014 000's
Seardel Group Trading Proprietary Limited				
Ordinary shares				
Balance at the beginning and the end of the year	**13 140**	13 140	**14 705**	14 705
Cancellation of shares	**(13 140)**	–	**(14 705)**	–
Balance at the end of the year	**–**	13 140	**–**	14 705
N Ordinary shares				
Balance at the beginning and the end of the year	**4 654**	4 654	**6 123**	6 123
Cancellation of shares	**(4 654)**	–	**(6 123)**	–
Balance at the end of the year	**–**	4 654	**–**	6 123
Total at the end of the year	**–**	17 794	**–**	

18 TREASURY SHARES continued

	COMPANY			
			Number of shares	
	2015 R000's	2014 R000's	2015 000's	2014 000's
Seardel Group Trading Proprietary Limited				
Ordinary shares				
Balance at the beginning and the end of the year	**–**	–	**–**	–
Share buy back	**32 351**	–	**14 705**	–
Cancellation of shares	**(32 351)**	–	**(14 705)**	–
Balance at the end of the year	**–**	–	**–**	–
N Ordinary shares				
Balance at the beginning and the end of the year	**–**	–	**–**	–
Share buy back	**11 083**	–	**6 123**	–
Cancellation of shares	**(11 083)**	–	**(6 123)**	–
Balance at the end of the year	**–**	–	**–**	–

19 POST-EMPLOYMENT MEDICAL AID BENEFITS

The Group cancelled its post-employment medical aid benefit plan during the year as a result of an internal restructure. Below is detail of the post-employment medical aid benefit plan that existed at 31 March 2014.

General description of plan

The post-employment subsidy policy is summarised below:

Qualifying medical scheme members who joined the company before 1 July 1996 are eligible for a 50% retirement subsidy of their total medical scheme contributions.

Dependants of eligible continuation members receive a subsidy before and after the death of the principal member.

If a member eligible for a retirement subsidy dies in service, their dependants are eligible for a subsidy of medical scheme contributions as described above.

	2014 R000's
Amounts recognised in the statement of comprehensive income:	
Current service cost	444
Interest on the obligation	7 654
Total included in staff costs	8 098
Reconciliations in the net liability recognised in the statement of financial position are as follows:	
Liability at the beginning of the year	89 433
Net expense recognised in profit or loss	8 098
Contributions from employer	(6 036)
Actuarial losses/(gains) recognised in other comprehensive income – changes from financial assumptions	5 965
Liability in the statement of financial position	97 460
Represented by	
Liability due within 12 months	6 280
Liability due after 12 months	91 180
	97 460
Present value of unfunded obligations	97 460
Fair value of plan assets	–
Recognised liability for defined benefit obligations	97 460

No reconciliation of the opening and closing balances of the plan assets is provided as there are no plan assets.

The net cumulative actuarial loss recognised in other comprehensive income (OCI) is R8,3 million.

The economic assumptions used in this valuation are based on market information as at the end of March 2014. At this date the duration of the liability was 12,2 years; and therefore a duration of 12 years was used to set the economic assumption.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

19 POST-EMPLOYMENT MEDICAL AID BENEFITS continued

Trend information	2014 R000's	2013 R000's	2012 R000's	2011 R000's	2010 R000's
Present value of obligations	97 460	89 433	79 307	71 233	69 725

		2014
The principal actuarial assumptions at the reporting date:		
Discount rate	(%)	8,7
Medical inflation	(%)	8,4
Sensitivity of results		
A 1% increase in medical aid inflation would result in:		
An increase in the accrued liability of	(R000's)	11 028
	(%)	11,3
An increase in the service and interest cost of	(R000's)	1 059
	(%)	12,3
A 1% decrease in medical aid inflation would result in:		
A decrease in the accrued liability of	(R000's)	(9 303)
	(%)	(9,5)
A decrease in the service and interest cost of	(R000's)	(888)
	(%)	(10,3)
A 1% decrease in the discount rate would result in:		
An increase in the accrued liability of	(R000's)	11 515
	(%)	11,8
A 1% increase in the discount rate would result in:		
A decrease in the accrued liability of	(R000's)	(9 547)
	(%)	(9,8)

20 BORROWINGS

	GROUP 2015 R000's	GROUP 2014 R000's
Bank borrowings	**670 806**	369 402
Instalment sale and finance lease agreements	**–**	5 751
Other borrowings	**169 277**	4 560 351
Carrying value of borrowings	**840 083**	4 935 504
Current portion of borrowings	**(339 082)**	(67 161)
Non-current portion of borrowings	**501 001**	4 868 343
Secured borrowings		
Bank borrowings	**650 753**	369 402
Instalment sale and finance lease agreements	**–**	5 751
	650 753	375 153
Unsecured borrowings		
Bank borrowings	**20 053**	–
Other borrowings	**169 277**	4 560 351
	189 330	4 560 351
Carrying value of borrowings	**840 083**	4 935 504

Secured bank borrowings bearing interest at various rates include prime overdraft less 1,5% (2014: prime overdraft less 1,5%) and JIBAR plus 1,75% and 1,80% (2014: JIBAR plus 1,75%), repayable in monthly and quartely instalments. The secured bank borrowings mature until August 2020. A mortgage bond has been registered for R362 million (2014: R235 million). Secured instalment sale and finance lease agreements have been derecognised by way of the dividend through demerger transaction. For further details refer to note 48.

The following represents the carrying value of the security for these secured bank borrowings:

	2015 R000's	2014 R000's
Property, plant and equipment	**633 772**	716 536
Trade receivables	**236 615**	280 586
	870 387	997 122

Unsecured bank borrowings include a demand loan of R20,1 million (2014: RNil) bearing interest at 7%. The loan was fully settled on 20 April 2015.

Unsecured other borrowings includes loans from non-controlling shareholders, in particular Venfin Media Beleggings Proprietary Limited (R156,6 million) (2014: RNil) and other (R12,7 million) (2014: R6,6 million). These loans from non-controlling interest entities bears interest at a rate varying from 0% to 9% and have no set terms of repayment.

Unsecured other borrowings as at 31 March 2014 included amounts payable to SACTWU and Hosken Treasury Proprietary Limited of R1 363,9 million and R3 183,1 million respectively, these loans were settled during the current year.

Maturity of borrowings are as follows:

	2015 R000's	2014 R000's
Due within one year	**339 082**	67 161
Due within two to five years	**381 418**	4 868 343
Due after five years	**119 583**	–
	840 083	4 935 504
Analysis by currency:		
South African Rand	**840 083**	4 935 504
	840 083	4 935 504

As at 31 March 2015, the fair value of non-current borrowings approximates their carrying amount as market related rates have been applied to discount the instruments. The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

21 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2015 R000's	2014 R000's	2015 R000's	2014 R000's
Trade payables	**356 103**	573 857	**–**	–
Fair value of outstanding foreign exchange contracts	**–**	3 628	**–**	–
Operating lease liabilities	**1 421**	1 702	**–**	–
Accruals and other current liabilities	**104 394**	281 860	**435**	251
	461 918	861 047	**435**	251
Fair value of trade and other payables				
Trade and other payables	**461 918**	861 047	**435**	251
The carrying value approximates fair value because of the short period to settlement of these obligations.				
Business acquisition				
Trade and other payables acquired through business combinations refer to note 32	**46 348**	560 600	**–**	–

22 GOVERNMENT GRANTS

	GROUP	
	2015 R000's	2014 R000's
Receivable balance brought forward	**33 875**	39 456
Total income from government grants, recognised during the year amounted to	**3 644**	33 875
Total cash received during the year from government grants amounted to	**–**	(39 456)
Dividend through demerger	**(37 519)**	–
	–	33 875

The government grants received related to the Production Incentive Scheme established by the Department of Trade and Industry.

There are no unfulfilled conditions or contingencies relating to the government assistance recognised.

23 PROVISIONS

	GROUP	
Restructuring and retrenchment costs	2015 R000's	2014 R000's
Carrying amount at the beginning of the year	**23 309**	355
Additional provisions made in the year, including increases to existing provisions	**–**	23 309
Unused amounts reversed during the year	**–**	(6)
Amounts utilised during the year	**(23 309)**	(349)
	–	23 309

As at 31 March 2014, the directors resolved to exit the Seardel Group's apparel manufacturing business through the closure of its Western Cape and KwaZulu-Natal operations. Seardel sold the apparel manufacturing business to an associate company of SACTWU.

These provisions related to management's restructuring plans implemented and/or communicated before 31 March 2014.

It was anticipated that the majority of costs associated with restructuring and retrenchments would occur within 12 months from 31 March 2014. The uncertainties surrounding the provisions related to the exact costs of restructuring and which employees would be retrenched and which would be reassigned.

24 REVENUE

	GROUP		COMPANY	
	2015 R000's	2014 R000's	**2015 R000's**	2014 R000's
Media and broadcasting revenue	**2 396 374**	1 223 603	**–**	–
Dividend and other income	**11**	–	**113 219**	7266
	2 396 385	1 223 603	**113 219**	7 266

25 EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION

The following items have been taken into account in arriving at earnings before interest, taxation, depreciation and amortisation:

	GROUP					
	Continuing operations		Discontinued operations		Total	
	2015 R000's	2014 R000's	**2015 R000's**	2014 R000's	**2015 R000's**	2014 R000's
Income						
Gain on revaluation of share-based liability	**34 719**	–	**–**	–	**34 719**	–
Gain on disposal of property, plant and equipment	**2 412**	930	**237**	2 958	**2 649**	3 888
Gain on bargain purchase	**1 639**	–	**–**	–	**1 639**	–
Forex exchange gain unrealised	**7 325**	–	**3 722**	4 187	**11 047**	4 187
Forex exchange gain realised	**–**	–	**3 722**	31 569	**3 722**	31 569
Gain on revaluation of investment property	**–**	–	**46 792**	20 726	**46 792**	20 726
Government grants	**–**	–	**3 644**	33 875	**3 644**	33 875
Litigation settlement	**–**	–	**–**	38 703	**–**	38 703
Expenditure						
Staff costs included in administrative and other expenses	**310 594**	133 153	**324 962**	662 808	**635 556**	795 961
Operating lease charges – premises	**26 619**	14 524	**19 909**	22 467	**46 528**	36 991
Operating lease charges – equipment and vehicles	**1 308**	1 104	**2 228**	1 973	**3 536**	3 077
Consulting fees	**16 170**	13 729	**7 484**	18 528	**23 654**	32 257
Loss on disposal of property, plant and equipment	**–**	–	**–**	31 707	**–**	31 707
Forex exchange loss unrealised	**–**	–	**1 957**	27 382	**1 957**	27 382
Forex exchange loss realised	**–**	–	**2 297**	3 697	**2 297**	3 697
Write-down of inventory to net realisable value	**–**	–	**10 562**	12 244	**10 562**	12 244

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

26 DEPRECIATION, AMORTISATION AND IMPAIRMENTS

	GROUP					
	Continuing operations		Discontinuing operations		Total	
	2015 R000's	2014 R000's	2015 R000's	2014 R000's	2015 R000's	2014 R000's
Recognised in profit or loss						
Depreciation	104 807	51 956	22 837	40 628	127 644	92 584
Amortisation of intangible assets	104 110	67 743	15 532	4 287	119 642	72 030
Amortisation of programming rights	372 549	167 880	–	–	372 549	167 880
Impairment of goodwill	2 151	–	130 170	–	132 321	–
Impairment of property, plant and equipment	–	–	14 605	–	14 605	–
Impairment of intangible assets	–	–	–	4 617	–	4 617
	583 617	287 579	183 144	49 532	766 761	337 111
Amortisation included in cost of sales						
– Intangible assets	(23 048)	(27 139)	(13 667)	–	(36 715)	(27 139)
– Programming rights	(372 549)	(167 880)	–	–	(372 549)	(167 880)
	188 020	92 560	169 477	49 532	357 497	142 092
Company: Impairments – interest in subsidiaries					–	245 413

27 FINANCE INCOME AND EXPENSES

	Continuing 2015 R000's	Continuing 2014 R000's	Discontinuing 2015 R000's	Discontinuing 2014 R000's	Total 2015 R000's	Total 2014 R000's
Recognised in profit or loss						
Finance income						
Interest received from financial institutions	12 264	–	1 396	1 901	13 660	1 901
Other interest received	2 086	–	5 507	245	7 593	245
	14 350	–	6 903	2 146	21 253	2 146
Finance expense						
Interest paid to financial institutions	34 066	9 536	32 902	59 784	66 968	69 320
Interest paid to connected persons	5 987	33 138	–	–	5 987	33 138
Preference dividends	13 972	77 341	–	–	13 972	77 341
Other interest paid	1 282	943	484	3 124	1 766	4 067
	55 306	120 958	33 386	62 908	88 692	183 866

28 TAXATION

	GROUP		COMPANY	
	2015 R000's	2014 R000's	**2015 R000's**	2014 R000's
South African taxes				
Current tax	**162 759**	69 145	**–**	–
Prior year tax	**(471)**	5 027	**–**	–
Deferred taxation	**(22 642)**	9 807	**(12)**	(621)
Securities transfer tax	**8 602**	–	**–**	–
	148 248	83 979	**(12)**	(621)
Reconciliation of tax rate	**%**	%	**%**	%
Normal tax rate	**28,0**	28,0	**28,0**	28,0
Prior year	**(0,1)**	4,1	**–**	–
Deferred tax not raised on losses	**8,5**	34,8	**–**	–
Exempt income	**(2,7)**	–	**(28,3)**	0,8
Non-deductible items	**5,8**	1,8	**0,3**	(28,8)
Capital gains on asset disposals	**–**	–	**–**	0,3
Equity-accounted investees	**(0,0)**	–	**–**	–
Securities transfer tax	**0,7**	–	**–**	–
Differential tax rates – CGT and foreign	**0,4**	0,4	**–**	–
Effective rate	**40,6**	69,1	**(0,0)**	0,3
The income tax relating to each component of other comprehensive income is set out below:				
Post employment medical benefit – actuarial loss	**–**	(1 670)	**–**	–
Fair value adjustment on available-for-sale financial assets	**–**	12	**–**	–
	–	(1 658)	**–**	–

Various subsidiaries have incurred operating losses which result in losses for tax purposes. Deferred tax assets have not been raised unless it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Losses for tax purposes available for set off against future taxable income and which deferred tax assets have not been raised are estimated at R329 million (2014: R218 million) resulting in a tax relief of R87 million (2014: R61 million) at current tax rates of 28% (2014: 28%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

29 DISCONTINUED OPERATIONS

	GROUP	
	2015 R000's	2014 R000's
(Loss)/profit from discontinued operations, net of taxation	(64 431)	4 061

Longkloof Limited group entities classified as held for sale
During the year ended 31 March 2015 a decision was made by the Longkloof board of directors to dispose of the Group's interest in Power Entertainment Limited and its subsidiaries (a wholly-owned subsidiary), Media Film Services Incorporated and its subsidiary (a wholly-owned subsidiary), Africa Media Group (a wholly-owned subsidiary), e.tv China Limited and its subsidiary (an 80% subsidiary) and Setanta Sports Asia Limited (an associate). The results of these operations have therefore been classified as discontinued operations for the Group.

Loss from discontinued operations relating to the Longkloof Limited disposal group are as follows:

	2015 R000's	2014 R000's
Revenue	27 273	–
Operating and other costs	(35 553)	–
Impairment of goodwill	(129 597)	–
Impairment of property, plant and equipment	(14 605)	–
Amortisation of intangible assets	(13 667)	–
Profit on equity-accounted investees	9 073	–
Loss before taxation	(157 077)	–
Taxation	168	–
Loss for the year from discontinued operations	(156 909)	–
Attributable to equity holders of the company	(152 876)	–
Attributable to non-controlling interest	(4 033)	–
Loss for the year from discontinued operations	(156 909)	–

29 DISCONTINUED OPERATIONS continued

	The Africa Channel Limited R'000	Power Entertainment Limited and its subsidiaries R'000	Media Film Services Incorporated and its subsidiary R'000	Africa Media Group R'000	e.tv China Limited and its subsidiary R'000	Setanta Sports Asia Limited R'000	Total R'000
Revenue	–	23 153	1 218	–	2 901	–	27 273
Operating and other cost	–	(20 710)	(2 187)	(667)	(11 989)	–	(35 553)
Impairment of goodwill	–	(129 597)	–	–	–	–	(129 597)
Impairment of property, plant and equipment	–	–	–	–	(14 605)	–	(14 605)
Amortisation of intangible assets	–	(13 667)	–	–	–	–	(13 667)
Profit in equity-accounted investees	9 383	–	–	–	–	(310)	9 073
Loss before taxation	9 383	(140 821)	(969)	(667)	(23 693)	(310)	(157 077)
Taxation	–	168	–	–	–	–	168
Profit/(loss) for the year from discontinued operations	9 383	(140 653)	(969)	(667)	(23 693)	(310)	(156 909)
Attributable to equity holders of the company	9 383	(140 653)	(911)	(667)	(19 718)	(310)	(152 876)
Attributable to non-controlling interest	–	–	(58)	–	(3 975)	–	(4 033)
Profit/(loss) for the year from discontinued operations	9 383	(140 653)	(969)	(667)	(23 693)	(310)	(156 909)

The Longkloof board of directors disposed of its interest in The Africa Channel Limited (an associate), effective 31 January 2015. A profit on disposal of R17,5 million was realised and is included under profit in equity-accounted investees above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

29 DISCONTINUED OPERATIONS continued

e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited classified as held for sale

During the year ended 31 March 2015 a decision was made by the Sabido Investments board of directors to dispose of the Group's interest in e.Botswana Proprietary Limited (a 49% subsidiary) and e.tv Botswana Proprietary Limited (an 80% subsidiary). The results of these operations have therefore been classified as discontinued operations for the Group.

Loss from discontinued operations relating to e.Botswana Proprietary Limited are as follows:

	GROUP	
	2015 R000's	2014 R000's
Revenue	4 344	–
Operating and other costs	(5 813)	–
Impairment of goodwill	(573)	–
Loss before taxation	(2 042)	–
Taxation	–	–
Loss for the year from discontinued operations	(2 042)	–

The loss from discontinuing operations is attributable entirely to equity holders of the company.

Refer to note 16 for details of assets and liabilities relating to the above discontinued operations that have been classified as held for sale.

29 DISCONTINUED OPERATIONS continued

Seardel's non-media businesses classified as held for sale

Deneb Investments Limited (Deneb) (a wholly-owned subsidiary) of Seardel Investment Corporation Limited (Seardel) has on 1 October 2014 acquired all of Seardel's non-media assets and was then unbundled on 1 December 2014 and seperately listed on the JSE Limited, details of which are set out in the circular to Seardel Shareholders dated 14 November 2014 ("Circular"). The results of the non-media businesses (Deneb) were reclassified to discontinued operations in the statement of comprehensive income and its assets and liabilities in the statement of financial position have been unbundled on 1 December 2014 in accordance with IFRIC 17: Distributions of Non-cash Assets to Owners.

Profit from discontinued operations relating to the non-media businesses (Deneb) are as follows:

	GROUP	
	2015 R000's	2014 R000's
Revenue	**1 927 457**	2 767 975
Cost of sales	**(1 481 116)**	(2 143 084)
Gross profit	**446 341**	624 891
Other income	**84 256**	126 395
Selling and distribution expenses	**(177 321)**	(330 048)
Administrative and other expenses	**(205 804)**	(263 727)
Earnings before interest, taxation, depreciation and amortisation	**147 472**	157 511
Depreciation, amortisation and impairments	**(24 642)**	(49 298)
Restructuring and retrenchment costs	**–**	(46 099)
Operating profit	**122 830**	62 114
Finance income	**6 903**	2 146
Finance expenses	**(33 386)**	(62 908)
Profit before taxation	**96 347**	1 352
Taxation	**(1 827)**	2 709
Profit for the year from discontinued operations	**94 520**	4 061
Attributable to equity holders of the company	**94 699**	4 061
Attributable to non-controlling interest	**(179)**	–
Profit for the year from discontinued operations	**94 520**	4 061
Cash flows from discontinued operations		
Cash flows from operating activities	**(748 412)**	100 444
Cash flows from investing activities	**729 479**	(102 866)
Cash flows from financing activities	**554 507**	(29 334)
	535 574	(31 756)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

30 PROFIT/(LOSS) PER SHARE

	Gross R000's	Net R000's	Number of shares R000's	Per share cents
2015				
Number of shares in issue – 31 March 2015			4 318 212	
Weighted average number of shares				
Weighted average number of shares at 31 March 2015			4 123 996	
Issued shares as at 1 April 2014			1 207 764	
Effect of own shares cancelled			(7 153)	
Effect of share options exercised			4 428	
Effect of rights issue			2 918 956	
Diluted average number of shares				
Diluted weighted average number of shares			4 123 996	
Weighted average number of shares			4 123 996	
Dilution effect			–	
Earnings per share				
Basic earnings				
Profit attributable to equity holders of the parent		124 813	4 123 996	3,03
Continued operations		134 637		3,26
Discontinued operations		(9 824)		(0,23)
Diluted earnings				
Profit attributable to equity holders of the parent		124 813	4 123 996	3,03
Continued operations		134 637		3,26
Discontinued operations		(9 824)		(0,23)
Headline earnings				
Reconciliation between profit and headline earnings				
Profit attributable to equity holders of the parent		124 813		
Gains on disposal of plant and equipment	(1 735)	(1 249)		
Impairment of plant and equipment	9 587	9 587		
Impairment of goodwill	86 862	86 862		
Gain on bargain purchase	(1 077)	(1 077)		
Gain on disposal of equity-accounted investees	(11 500)	(11 500)		
Remeasurement of investment property	(46 792)	(38 058)		
Headline earnings		169 378	4 123 996	4,11
Continued operations		161 495		3,92
Discontinued operations		7 883		0,19
Diluted headline earnings		169 378	4 123 996	4,11
Continued operations		161 495		3,92
Discontinued operations		7 883		0,19

Issue and repurchase of shares

During the year 3,125 billion N ordinary shares were issued in terms of a rights offer issue at R1,60, fairly valued to R5 billion. An underwriting fee of R34,2 million has been charged to stated capital during the year. Further detail on the rights issue offer can be found on the SENS publication, dated 29 April 2014.

During the year 6 275 694 ordinary shares were issued in terms of the Group's share incentive scheme.

30 PROFIT/(LOSS) PER SHARE continued

	Gross R000's	Net R000's	Number of shares 000's	Per share cents
2014				
Number of shares in issue				
Net number of shares in issue – 31 March 2014			1 186 936	
Number of shares in issue – 31 March 2014			1 207 764	
Number of treasury shares in issue – 31 March 2014			(20 828)	
Weighted average number of shares				
Weighted average number of shares at 31 March 2014			884 013	
Issued shares as at 1 April 2013			703 720	
Effect of own shares held			(20 828)	
Effect of share options exercised			1 808	
Effect of Sabido transaction			199 313	
Diluted average number of shares				
Diluted weighted average number of shares			908 655	
Weighted average number of shares			884 013	
Dilution effect of share options granted			24 642	
Earnings per share				
Basic earnings				
Profit attributable to equity holders of the parent		(11 157)	884 013	(1,26)
Continued operations		(15 218)		(1,72)
Discontinued operations		4 061		0,46
Diluted earnings				
Profit attributable to equity holders of the parent		(1 077)	908 655	(1,26)
Continued operations		(15 761)		(1,72)
Discontinued operations		14 684		0,46
Headline earnings				
Reconciliation between profit and headline earnings				
Loss attributable to equity holders of the parent		(11 157)		
Gains on disposal of plant and equipment	(3 888)	(3 396)		
Loss on disposal of property, plant and equipment	31 707	27 005		
Impairment of assets	4 617	3 324		
Insurance claim for capital asset	(73)	(73)		
Loss on disposal of investment property	100	81		
Remeasurement of investment property	(20 726)	(16 861)		
Headline earnings		(1 077)	884 013	(0,12)
Continued operations		(15 761)		(1,78)
Discontinued operations		14 684		1,66
Diluted headline earnings		(1 077)	908 655	(0,12)
Continued operations		15 761		(1,73)
Discontinued operations		14 684		1,62

Issue and repurchase of shares

The Group acquired a 100% interest in HCI Invest 3 Holdco Proprietary Limited ("Sabido Holdco"), which holds a 63,9% interest in Sabido Investment Proprietary Limited ("Sabido"). The acquisition was funded through a combination of R4,4 billion of debt and 500 million N ordinary shares issued at R1,60, fairly valued to R1,37 billion.

During the prior year 4 044 426 ordinary shares were issued in terms of the Group's share incentive scheme.

Headline earnings for the prior year has been restated compared to previously reported resulting in headline loss amounted to R1,077 million (previously reported: headline earnings of R0,844 million) and headline loss per share of 12 cents (previously reported: headline earnings per share of 9 cents).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

31 DIRECTORS' EMOLUMENTS

Paid by a subsidiary company	Salary R000's	Bonus R000's	Retirement and medical contri-butions R000's	Share options R000's	Directors' fees R000's	Other benefits R000's	Total R000's
2015							
Executive directors*							
T G Govender**	3 000	1 463	–	1 424	50	502	6 439
A S Lee***	680	170	51	–	–	–	901
S A Queen****	2 352	3 201	–	659	–	–	6 212
A M Ntuli****	588	–	113	–	–	–	701
G D T Wege****	1 096	1 711	165	–	–	–	2 972
D Duncan****	1 698	1 581	207	–	–	–	3 486
Non-executive directors							
J Copelyn (Chairman)	5 763	3 242	–	3 497	70	1 404	13 976
E V Mphande***	–	–	–	–	571	–	571
M H Ahmed*****	–	–	–	–	70	–	70
R Watson	–	–	–	–	376	–	376
Y Shaik****	–	–	–	–	70	–	70
N Jappie****	–	–	–	–	–	–	–
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Seardel Group	(8 763)	(4 705)	–	(4 921)	(771)	(1 906)	(21 066)
	6 414	6 663	536	659	436	–	14 708
2014							
Executive directors							
S A Queen	3 345	–	–	2 054	–	–	5 399
A M Ntuli	841	71	157	–	–	–	1 069
G D T Wege	1 556	–	233	435	–	–	2 224
D Duncan	2 394	–	291	293	–	–	2 978
Non-executive directors							
J Copelyn (Chairman)	5 449	4 085	–	3 579	136	1 521	14 770
N N Lazarus	–	–	–	–	43	–	43
M H Ahmed	–	–	–	–	136	–	136
T G Govender	2 503	1 626	–	1 167	97	582	5 975
R Watson	–	–	–	–	117	–	117
Y Shaik	–	–	–	–	157	–	157
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Seardel Group	(7 952)	(5 711)	–	(4 746)	–	(2 103)	(20 512)
	8 136	71	681	2 782	686	–	12 356

31 DIRECTORS' EMOLUMENTS continued

Additional disclosure in terms of the share options:

	Opening balance of share options 000's	Share options cancelled during the year 000's	Number of shares exercised 000's	Closing balance of share options 000's	Strike price of share options awarded R	Exercised price of shares exercised R
2015						
Executive directors*						
T G Govender (Acting Chief Executive Officer)**	–	–	–	–	–	–
A S Lee***	–	–	–	–	–	–
S A Queen****	8 820	(6 820)	(2 000)	–	–	1,81
A M Ntuli****	–	–	–	–	–	–
G D T Wege****	2 773	(2 773)	–	–	–	–
D Duncan****	2 047	(1 347)	(700)	–	–	1,95
Non-executive directors						
J Copelyn (Chairman)	–	–	–	–	–	–
E V Mphande***	–	–	–	–	–	–
M H Ahmed*****	–	–	–	–	–	–
R Watson	–	–	–	–	–	–
Y Shaik****	–	–	–	–	–	–
N Jappie****	–	–	–	–	–	–
2014						
Executive directors*						
S A Queen	8 820	–	–	8 820	–	–
A M Ntuli	–	–	–	–	–	–
G D T Wege	3 523	–	(750)	2 773	–	2,75
D Duncan	2 572	–	(525)	2 047	–	2,75
Non-executive directors						
J Copelyn (Chairman)	–	–	–	–	–	–
N N Lazarus	–	–	–	–	–	–
M H Ahmed	–	–	–	–	–	–
T G Govender	–	–	–	–	–	–
R Watson	–	–	–	–	–	–
Y Shaik	–	–	–	–	–	–

* There is no distinction made in the remuneration packages of executive directors for services as directors and services for carrying on the business of the Group.

** Appointed as Acting Chief Executive as of 1 December 2014.

*** Appointed as of 1 December 2014.

**** Resigned on 1 December 2014.

***** Resigned on 14 April 2015.

L Govender was appointed to the board as an independent non-executive director as of 14 April 2015.

N N Lazarus resigned during the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

32 BUSINESS COMBINATIONS

Subsidiaries acquired through the year

For the year ended 31 March 2015

Subsidiary name	Principle activity	Date of acquisition	Proportion of shares acquired
Longkloof Limited – see below for details	A Media Group with television programming distribution	1 September 2014	100%
Crystal Brook Distribution Proprietary Limited	Television programming distribution	1 September 2014	100%
TVPC Media Proprietary Limited	Sports production	1 July 2014	70%
Coleske Arstist Proprietary Limited	Music record company	1 March 2015	50% plus 1 share
Afrikaans Is Groot Proprietary Limited	Events management company	1 March 2015	50% plus 1 share
Limtech Biometric Solutions Proprietary Limited	Provider of access security	1 April 20014	100%
Deneb Invest 141 Holdco Proprietary Limited	Distributor of stationery	1 August 2014	51%

Detail on principle business acquisition during the year

Acquisition of Longkloof Limited

Sabido Investments Proprietary Limited, a subsidiary of the Company, acquired 100% of the issued share capital in Longkloof Limited, which was previously owned 80% by Deepkloof, a subsidiary of Hosken Consolidated Investment Limited and 20% by Iprop Holdings Limited, a subsidiary of Remgro Limited for a purchase consideration of R497 million. The acquisition was fully funded by way of shareholder loans to Sabido Investments Proprietary Limited from Seardel Investment Corporation Limited and Venfin Media Investments Proprietary Limited, a wholly-owned subsidiary of Remgro Limited.

For the year ended 31 March 2014

Subsidiary name	Principle activity	Date of acquisition	Proportion of shares acquired
HCI Invest 3 Holdco Proprietary Limited ("Sabido Holdco")	Media group with a variety of broadcasting, content and production businesses.	1 October 2013	63,9%
Clever Little Monkey Proprietary Limited	Online furniture and décor shop.	1 August 2013	100%
Custom Extrusion Proprietary Limited	Extrusion and weaving of polyprolene.	1 July 2013	100%
Strika Entertainment Proprietary Limited	Produces comic and animation entertainment content.	1 December 2013	70%
Afrikaans Satelliet Televisie Proprietary Limited	Afrikaans community-based television programming.	1 October 2013	80%

Detail on principle business acquisition during the year

Acquisition of HCI Invest 3 Holdco Proprietary Limited

Seardel Investment Corporation Limited acquired a 100% interest in Sabido Holdco, which holds a 63,9% interest in Sabido Investments Proprietary Limited ("Sabido"). The Group acquired 70% of Sabido Holdco on the 1 October 2013 and the remaining 30% on 1 February 2014. The acquisition was funded by way of 500 million shares issued at R1,60, fairly valued to R1 370 million, and R4 436 million of interest-bearing debt. The equity was settled by the issue of R350 million N ordinary shares to Hosken Consolidated Investment Limited and 150 million N ordinary shares to SACTWU and the debt consisted of R1 330 million loan from SACTWU and R3 106 loan from Hosken Consolidated Limited.

32 BUSINESS COMBINATIONS continued

The ordinary shares in Sabido Holco were sold to Seardel ex the right to receive any dividends which will be declared by the company, based on the dividend which it will receive from Sabido in May 2013 and November 2013. Both such dividends will accrue to Hosken Consolidated Investment Limited or its nominee. This dividend amounted to R71,8 million

On 30 January 2014 the loan of R3 106 million from Hosken Consolidated Investment Limited was settled by the issue of 1 000 000 redeemable convertible preference shares of no par value by Sabido Holdco and which attracts a dividend equal to 72% of the prime rate. The preference shares were redeemed on 25 April 2014 on conclusion of the rights issue.

Impact of acquisitions on the results of the Group

Subsidiary name	Revenue contributed to the Group R000's	Net profit/ (loss) contributed to the Group R000's	Revenue contributed to the Group had the acquisition been effective 1 April 2014 R000's	Net profit/ (loss) contributed to the Group had the acquisition been effective 1 April 2014 R000's
2015				
Longkloof Limited				
– Continuing operations	3 204	4 288	3 510	(23 308)
– Discontinued operations	27 273	(152 876)	55 043	(171 937)
Crystal Brook Distribution Proprietary Limited	11 023	2 181	18 977	3 899
TVPC Media Proprietary Limited	2 184	(2 572)	2 728	(4 189)
Coleske Arstist Proprietary Limited	–	–	56 528	2 548
Afrikaans Is Groot Proprietary Limited	–	–	26 578	3 048
Limtech Biometric Solutions Proprietary Limited – Discontinued operations	6 267	339	6 267	339
Deneb Invest 141 Holdco Proprietary Limited – Discontinued operations	1 528	(365)	1 528	(365)

Subsidiary name	Revenue contributed to the Group R000's	Net profit/ (loss) contributed to the Group R000's	Revenue contributed to the Group had the acquisition been effective 1 April 2013 R000's	Net profit/ (loss) contributed to the Group had the acquisition been effective 1 April 2013 R000's
2014				
HCI Invest 3 Holdco Proprietary Limited ("Sabido Holdco")	1 223 603	37 552	2 364 039	250 825
Clever Little Monkey Proprietary Limited – Discontinued operations	2 898	(318)	2 898	(318)
Custom Extrusion Proprietary Limited – Discontinued operations	66 888	6 637	89 685	8 898
Strika Entertainment Proprietary Limited	8 800	(300)	24 200	(500)
Afrikaans Satelliet Televisie Proprietary Limited	300	(2 600)	400	(2 900)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

32 BUSINESS COMBINATIONS continued

Consideration transferred

The following table summarises the consideration paid for the entities:

Subsidiary name	Cash R000's	Contingent consider-ation R000's	Total consider-ation R000's
2015			
Longkloof Limited	497 256	–	497 256
Crystal Brook Distribution Proprietary Limited	11 000	–	11 000
TVPC Media Proprietary Limited	6 000	–	6 000
Coleske Arstist Proprietary Limited	35 453	–	35 453
Afrikaans Is Groot Proprietary Limited	8 443	–	8 443
Limtech Biometric Solutions Proprietary Limited – Discontinued operations	–	1 400	1 400
Deneb Invest 141 Holdco Proprietary Limited – Discontinued operations	–	–	–
	558 152	1 400	559 552

Subsidiary name	Cash R000's	Contingent consideration R000's	Own shares issued R000's	Total consideration R000's
2014				
HCI Invest 3 Holdco Proprietary Limited ("Sabido Holdco"), Strika Entertainment Proprietary Limited and Afrikaans Satelliet Televisie Proprietary Limited	9 440	–	1 370 000	1 379 440
Clever Little Monkey Proprietary Limited	500	786	–	1 286
Custom Extrusion Proprietary Limited	13 500	11 892	–	25 392
	23 440	12 678	1 370 000	1 406 118

Contingent consideration

The contingent consideration arrangement requires the Group to pay the former owners a fixed amount based future operational profits. The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between RNil and R14,5 million.

The fair value of the contingent consideration arrangement of R12,7 million was estimated by applying a discount rate of 9,05%.

Identifiable assets acquired and liabilities assumed

The following table summarises the amount of the assets acquired and liabilities assumed recognised at the acquisition date:

32 BUSINESS COMBINATIONS continued

	Longkloof Limited R000's	Crystal Brook Dis-tribution Limited R000's	TVPC Media Proprietary Limited R000's	Coleske Arstist Proprietary Limited R000's	Afrikaans Is Groot Proprietary Limited R000's	Limtech Biometric Solutions Proprietary Limited – Dis-continued operations R000's	Deneb Invest 141 Holdco Proprietary Limited – Dis-continued operations Proprietary R000's	Total R000's
2015								
Recognised amounts of identifiable								
assets acquired and liabilities assumed:								
Property, plant and equipment	17 984	184	2 350	653	107	94	–	21 372
Intangible assets	176 434	–	–	–	–	–	–	176 434
Equity-accounted investees	118 726	–	–	–	–	–	–	118 726
Long-term receivables	21 589	–	–	–	140	–	–	21 729
Deferred tax assets	339	–	–	–	–	–	–	339
Trade and other receivables	37 344	14 396	420	4 479	404	3 210	–	60 253
Cash and cash equivalents	30 569	3 816	206	13 448	2 606	256	–	50 901
Other assets	121	2 391	–	–	–	701	–	3 213
Deferred tax liabilities	(5 760)	–	–	–	–	–	–	(5 760)
Trade and other payables	(25 930)	(7 095)	(687)	(8 306)	–	(4 330)	–	(46 348)
Bank overdrafts	–	–	–	–	–	(70)	–	(70)
Other liabilities	(158)	(1 053)	(5 185)	(1 316)	(209)	–	–	(7 921)
Total identifiable net assets	371 258	12 639	(2 896)	8 958	3 048	(139)	–	392 868
Less: Non-controlling interest	1 206	–	1 159	(4 470)	(1 521)		–	(3 627)
Goodwill	124 792	–	7 738	30 965	6 916	1 539	–	171 950
Gain on bargain purchase	–	(1 639)	–	–	–	–	–	(1 639)
Total consideration	497 256	11 000	6 000	35 453	8 443	1 400	–	559 552
Cash flow from investing activity								
Cash consideration transferred	(497 256)	(11 000)	(6 000)	(35 453)	(8 443)	–	–	(558 152)
Cash and cash equivalents								
in the business acquired	30 569	3 816	206	13 448	2 606	256	–	50 901
Bank overdraft in the								
business acquired	–	–	–	–	–	(70)	–	(70)
Net cash (outflow)/inflow from investing operations	(466 687)	(7 184)	(5 794)	(22 005)	(5 837)	186	–	(507 321)

The acquisition of Coleske Artist Proprietary Limited and Afrikaans Is Groot Proprietary Limited took place close to year-end resulting in the information required to account for the acquisitions being incomplete. The accounting for the acquisitions was therefore made on a provisional basis in terms of IFRS 3: Business Combinations for the year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

32 BUSINESS COMBINATIONS continued

	Clever Little Monkey Proprietary Limited R000's	Custom Extrusion Proprietary Limited R000's	HCI Invest 3 Holdco Proprietary Limited ("Sabido Holdco"), Strika Entertainment Proprietary Limited and Afrikaans Satelliet Televisie Proprietary Limited R000's	Total R000's
2014				
Recognised amounts of identifiable assets acquired and liabilities assumed:				
Property plant and equipment	11	11 875	659 657	671 543
Long-term receivables	–	93	19 742	19 835
Equity-accounted investees	–	–	131 364	131 364
Inventories	96	8 305	20 935	29 336
Programming rights	–	–	390 599	390 599
Intangible assets	–	–	2 805 210	2 805 210
Deferred tax asset	–	–	8 823	8 823
Trade and other receivables	48	13 032	588 419	601 499
Current tax asset	–	–	12 658	12 658
Cash and cash equivalents	58	–	87 269	87 327
Non-current loan	–	–	(1 576 851)	(1 576 851)
Preference shares	–	–	(3 105 764)	(3 105 764)
Deferred liabilities	–	(3 707)	–	(3 707)
Deferred tax liability	–	(1 023)	(487 208)	(488 231)
Share base payment liability	–	–	(122 465)	(122 465)
Trade and other payables	(111)	(11 505)	(548 983)	(560 599)
Current Loans	–	–	(63 967)	(63 967)
Current tax liabilities	–	–	(8 780)	(8 780)
Bank overdrafts	–	(4 697)	–	(4 697)
Foreign currency translation reserve	–	–	425	425
Total identifiable net assets	102	12 372	(1 188 917)	(1 176 443)
Less: Non-controlling interest	–	–	(1 248 284)	(1 248 284)
Goodwill	1 184	13 020	3 694 633	3 708 837
Goodwill directly to equity as transactions with owners	–	–	122 008	122 008
Total consideration	1 286	25 392	1 379 440	1 406 118
Cash flow from investing activity				
Cash consideration transferred	(500)	(13 500)	(9 440)	(23 440)
Cash and cash equivalents in the business acquired	58	–	87 269	87 327
Bank overdraft in the business acquired	–	(4 697)	–	(4 697)
Net cash (outflow)/inflow from investing operations	(442)	(18 197)	77 829	59 190

32 BUSINESS COMBINATIONS continued

Measurement of fair values

The valuation techniques used to measure the fair value of material assets acquired were as follows:

Assets acquired: Owner-occupied buildings (2014 only) and Intangible assets.

Valuation techniques are as follows:

Owner-occupied buildings

Capitalisation of income: The valuation model considers the net operating income of the rent collected and dividing it by the capitalisation rate (investor's rate of return), taking into account expected rental income and anticipated expenses for the next twelve months, the properties' location, structure and rental producing capacity of similar buildings in similar locations.

Intangible assets

Certain intangible assets were identified but were not considered to be separable from other intangible assets. An important exception to the individual recognition of intangible assets is the value of assembled workforce.

The following valuation techniques were used:

Marketing-related intangible assets: Relief from income method.

This valuation approach recognises that intangible asset's have value insofar as use of these intangible assets give rise to an income stream. The value of these income streams are based on the income producing capability of the intangible assets, with the net present value of these income streams aggregated to determine the current economic worth of the intangible asset.

Customer-related intangible assets: Income method.

This entails the identification, separation and quantification of the cash flows attributable to the contracts, the application of a contributory asset charge and brand charge and the determination of the net present value of the resulting future cash flows by applying the discounted cash flow valuation methodology.

Broadcasting licences: Greenfield approach.

This approach values the license by calculating the value of a hypothetical start-up company that goes into business with no assets except the asset to be valued (the license). The value of the licence can be considered as equal to the value of this hypothetical start-up company.

Assembly workforce: IFRS 3 states that an assembled workforce shall not be recognised as an intangible asset apart from goodwill.

Goodwill

The goodwill is attributable mainly to intangible assets that are either not separable or can not be valued reliable as per IFRS3. This includes non-competition agreements, customer lists, production backlog, lease agreements, employment contracts, databases, patented/unpatented technology, computer software, service or supply contracts and service contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

33 LEASES

	GROUP	
	2015 R000's	2014 R000's
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	–	43 285
Between one and five years	–	47 465
	–	90 750
Non-cancellable operating lease rentals are receivable as follows:		
Less than one year	–	90 127
Between one and five years	–	435 529
More than five years	–	206 382
	–	732 038

No contingent rentals were recognised as income for the period.

The Group have previously, until the unbundling transaction date, leased a number of premises as distribution warehouses, factory and retail facilities, as well as office equipment, motor vehicles and fork lifts under operating leases.

34 BORROWING FACILITIES

	2015 R000's	2014 R000's
Available facility	**451 856**	837 500
Net utilised	**(374 839)**	(650 697)
Unutilised balance	**77 017**	186 803

As at 31 March 2015 borrowing facilities comprised a bank overdraft facility, a demand facility and a working capital loan facility. Available facilities to the Group as at 31 March 2014 was cancelled during the year as a result of an internal restructure.

35 COMMITMENTS

	Contractual commitments	
	2015 R000's	2014 R000's
Owner-occupied property	**42 671**	168 000
Investment property	–	2 152
Plant and equipment	–	14 578
Intangible assets	–	11 000
Business combinations	–	10 000
	42 671	205 730

The contractual commitments as at 31 March 2015 are expected to be incurred by August 2015.

Commitments authorised by the board but not yet contracted as at 31 March 2015 amounts as follows: plant and equipment (R110,6 million), intangible assets (R68,4 million) and programming rights (current assets) (R561,1 million).

36 CONTINGENCIES

There are no material contingencies at the date of this report.

37 POST-YEAR-END EVENTS

The directors are not aware of any event or circumstance occuring between the reporting date and the date of this report that materially affects the results of the Group or Company for the year ended 31 March 2015 or the financial position at that date.

38 CHANGE IN COMPARATIVES

The results of discontinued operations have been separately disclosed on the face of the statement of comprehensive income. The results of the change in accounting policy have been separately disclosed in the statement of changes in equity with further restatement and disclosure as per the note 39.

39 RESTATEMENT OF PRIOR YEAR RESULTS

During the period under review the Group changed the accounting policy as it relates to owner-occupied buildings, from initially being recognised at cost and subsequently revalued to approximate fair value, to the cost convention, whereby owner-occupied buildings are initially recognised at cost and subsequently measured at cost less accumulated depreciation and any impairment losses. The adjustments in respect of the measurement change were not treated as movements in the current financial year, but as adjustments to the comparative consolidated statement of comprehensive income for the year ended 31 March 2014 and the comparative consolidated statements of financial position as at 31 March 2014 and 31 March 2013. The comparative results were restated as follows:

	Previously reported policy R000's	Change in Restated R000's	Restated R000's
Impact of changes in accounting policy on consolidated statement of financial position on 31 March 2014:			
Non-current assets			
Property, plant and equipment	838 496	(121 960)	716 536
Equity			
Equity attributable to equity holders of the parent	2 717 969	(103 906)	2 614 063
Non-controlling interest	–	–	–
Non-current liabilities			
Deferred tax liabilities	486 583	(18 054)	468 529
Impact of changes in accounting policy on consolidated statement of financial position on 31 March 2013:			
Non-current assets			
Property, plant and equipment	418 605	(100 623)	317 982
Deferred tax assets	42 093	7 510	49 603
Equity			
Equity attributable to equity holders of the parent	1 460 586	(84 713)	1 375 873
Non-controlling interest	–	–	–
Non-current liabilities			
Deferred tax liabilities	8 400	(8 400)	–
Impact of changes in accounting policy on consolidated statement of comprehensive income on 31 March 2014:			
Decrease in other comprehensive income, net of tax	19 193	(19 193)	–
Impact of changes in accounting policy on consolidated statement of comprehensive income on 31 March 2013:			
Decrease in other comprehensive income, net of tax	23 489	(23 489)	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

40 SHARE INCENTIVE SCHEME

Equity settled

The Seardel Long-Term Incentive Trust was established on 17 February 2010. With effect from 1 October 2014 the participants of the Seardel Long-Term Share Incentive Scheme (the Scheme) have no further rights under the Scheme and all unvested share options issued in terms of the Scheme have lapsed. This is a result of the change in control of the relevant employer company which came as a result of an internal restructure. The information below relates mainly to informaiton of the prior year updated for relevant movements until the cancelation date.

Reconciliation of movements in options:

	2015	2014
Number of options		
Opening balance	**34 621 368**	43 819 982
Awarded during the period		–
Exercised during the period	**(6 275 694)**	(4 044 426)
Lapsed/forfeited during the period	**–**	(5 154 188)
Cancelled during the year	**(28 345 674)**	–
Closing balance	**–**	34 621 368
Number of options at year-end	**–**	13 125 315
Amount expensed during the year (included in employment costs) (Rand)	**–**	1 859 724
Value of shares issued during the year (Rand)	**11 193 147**	10 273 556
Weighted average share price of share options exercised during the year (Rand)	**1,78**	2,54

Cash settled

During the previous year Seardel acquired a 100% interest in Sabido Holdco, which holds a 63,9% interest in Sabido Investment Proprietary Limited "Sabido". Sabido has a share incentive plan that provides selected employees with the opportunity to acquire the ordinary shares in Sabido.

	2015	2014
Options in issue are as follows:		
Other, not being directors		
Number of options	**828 418**	839 918
Weighted exercise price per share option (Rand)	**92,94**	92,65
Total value (Rand)	**76 996 065**	77 815 440
Liability at year-end (Rand)	**102 430 845**	122 465 482
Reconciliation of movements in options:		
Opening balance	**839 918**	–
Acquired through business combination	**–**	839 918
Awarded during the year	**–**	–
Exercised during the year	**–**	–
Lapsed/forefeited during the period	**(11 500)**	–
Closing balance	**828 418**	839 918

Total expenses of R11,5 million (2014: RNil) relating to these cash-settled share-based payment transactions were recognised in profit and loss during the year.

Profit recognised on the revaluation of the liability at year-end amounted to R34,7 million (2014: RNil).

Valuation methodology

The fair value was determined using the information of the Seardel N ordinary share price as at year-end, applying a multiple 113 437 (2014: the purchase price of the subsidiary at the date of acquisition).

41 RELATED PARTIES

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, SACTWU (shareholder in Seardel), Remgro Limited ("Remgro") (shareholder in Sabido) and Venfin Media Investments Proprietary Limited ("Venfin") (a wholly-owned subsidiary of Remgro) are included in the following table:

	2015 R000's	2014 R000's
Income/(expense) transaction values with related parties		
Unbundled assets		
SACTWU – disposal of apparel manufacturing operation	**5 312**	(31 260)
SACTWU – loan advance relating to the disposal of the apparel manufacturing operation	**–**	(957)
HCI – fees for managerial and secretarial services paid	**(2 800)**	(4 200)
HCI – working capital loan advanced	**(1 943)**	(2 499)
HCI – loan at prime, repayable on demand	**3 245**	–
Formex Industries (subsidiary of HCI) – management fees received	**864**	1 296
HCI – fees for risk management received	**261**	617
Media assets		
SACTWU – loan relating to the acquisition of Sabido	**(5 987)**	(33 138)
HCI – preference shares relating to the acquisition of Sabido	**(13 972)**	(77 341)
HCI – management fees paid	**(14 205)**	(13 529)
Venfin – management fees paid	**(1 608)**	(1 532)
Longkloof Limited – management fees received	**1 331**	3 014
Balances owing (to)/by related parties		
Unbundled assets		
SACTWU – disposal of apparel manufacturing operation	**–**	107 588
SACTWU – loan advance relating to the disposal of the apparel manufacturing operation	**–**	(30 957)
HCI – fees for managerial and secretarial services paid	**–**	(10 195)
Media assets		
SACTWU – loan relating to the acquisition of Sabido*	**–**	(1 363 860)
HCI – preference shares relating to the acquisition of Sabido*	**–**	(3 183 105)
HCI – working capital loan	**(8 602)**	–
Venfin – loan relating to the acquisition of Longkloof Limited	**(156 605)**	–
Cape Town Film Studios – associate loan	**71 786**	63 685
Dreamworld Management Company – associate loan	**10 624**	10 313
Global Media Alliance Broadcasting Limited – associate loan	**73 772**	63 544

* The repayment of these balances as at 31 March 2014 was out of the capital raised through the rights issue.

Business combinations with related parties

Sabido Investments Proprietary Limited ("Sabido"), a subsidiary of Seardel, acquired the shares of the following entities:

- During the year Seardel purchased 100% of the issued share capital in Longkloof Limited, which was previously owned 80% by Deepkloof, a subsidiary of HCI and 20% by Iprop Holdings Limited, a subsidiary of Remgro for a purchase consideration of R497 million; and
- During the year Seardel purchased 100% of the issued share capital of Crystal Brook Distribution Proprietary Limited which was previously owned 80% by HCI International Holdings Limited, a wholly-owned subsidiary of HCI and 20% by Venfin Media Investments Proprietary Limited, a wholly-owned subsidiary of Remgro for a purchase consideration of R11 million.

Further detail of which was publish on SENS on 28 August 2014.

In respect of the unbundled assets, 100% of the issued share capital of Limtech Biometric Solutions Proprietary Limited, which was previously owned by HCI, for a purchase consideration of R1 was acquired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

41 RELATED PARTIES continued

During the previous year Seardel purchased a 100% interest in Sabido Holdco, which hold 63,9% interest in Sabido Investments Proprietary Limited ("Sabido"). Sabido is the investment vehicle that houses e.tv, e.sat tv, Yfm and Sasani Studios. The Group acquired 70% of Sabido Holdco on 1 October 2013 and the remaining 30% on 1 February 2014.

The acquisition was funded by way of 500 million shares issued at R1,6, fairly valued to R1 370 million and R4 436 million of interest-bearing debt. The equity was settled by the issue of 350 million N ordinary shares to HCI and 150 million N ordinary shares to SACTWU and the debt consisted of R1 330 million loan from SACTWU and R3 106 million loan from HCI.

On 30 January 2014, the loan of R3 105 769 960 from HCI was settled by the issue of 1 000 000 redeemable convertible preference shares of no par value by Sabido Holdco and which attracts a dividend equal to 72% of prime rate. The preference shares were redeemed on 25 April 2014 on conclusion of the rights issue.

Loans to associates
Loans to associates are disclosed as equity-accounted investees on the face of the Statement of Financial Position.

Transactions with companies with common directors

	2015 R000's	2014 R000's
Income transaction values with related parties		
Unbundled assets		
Zenzeleni Clothing – a company of which J Copelyn, K Govender and A Ntuli are directors	–	8 930
Balances owing by related parties		
Unbundled assets		
Zenzeleni Clothing – a company of which J Copelyn, K Govender and A Ntuli are directors	–	2 053
Remuneration key management personnel Key management personnel are directors and those executives having authority and responsibility for planning, directing and controlling the activities of the Group. The remuneration (all short-term benefits) paid by the Group to its key management personnel is as follows:		
Salaries and other short-term employee benefits	**15 950**	32 564

The percentage of shares held by directors of the company and their related entities at the reporting date are disclosed in the Analysis of Shareholders report in the Integrated Annual Report.

Company
The ultimate holding company is Hosken Consolidated Investment Limited.

Related parties: All subsidiaries qualify as related parties. All subsidiaries are listed in note 46.

42 FINANCIAL INSTRUMENTS

Financial instruments by category

Financial assets

The carrying amount of financial assets, which also represent the maximum credit exposure and reasonably approximate their fair values, are as follows:

	GROUP	
	2015 R000's	2014 R000's
Loans and receivables	**764 820**	1 363 726
Fair value through profit or loss	**36 866**	12 410
Available for sale	**–**	3 644
	801 686	1 379 780

Reconciliation with line items presented in the statement of financial position:

	Loans and receivables R000's	Fair value through profit or loss R000's	Available for sale R000's	Non-financial assets R000's	Total R000's
2015					
Equity-accounted investees	**143 287**	**–**	**–**	**63 698**	**206 985**
Long-term receivables	**2 935**	**–**	**–**	**–**	**2 935**
Trade and other receivables	**455 095**	**36 866**	**–**	**99 575**	**591 536**
Cash and cash equivalents	**112 977**	**–**	**–**	**–**	**112 977**
Assets of disposal groups	**50 526**	**–**	**–**	**198 879**	**249 405**
	764 820	**36 866**	**–**	**362 152**	**1 163 838**
2014					
Investments	–	–	3 644	–	3 644
Equity-accounted investees	119 278	–	–	13 420	132 698
Long-term receivables	146 582	–	–	–	146 582
Trade and other receivables	937 054	12 410	–	75 286	1 024 750
Cash and cash equivalents	160 812	–	–	–	160 812
Assets of disposal groups	–	–	–	54 536	54 536
	1 363 726	12 410	3 644	143 242	1 523 022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

42 FINANCIAL INSTRUMENTS continued

Financial instruments by category continued

Financial liabilities

The carrying amount of financial liabilities, which also reasonably approximate their fair values, are as follows:

	GROUP 2015 R000's	GROUP 2014 R000's
Fair value through profit or loss	**–**	3 628
Measured at amortised cost	**1 304 867**	6 309 789
	1 304 867	6 313 417

Reconciliation with line items presented in the statement of financial position:

	Fair value through profit or loss R000's	Measured at amortised cost R000's	Non-financial liabilities R000's	Total R000's
2015				
Borrowings – non-current	**–**	**501 001**	**–**	**501 001**
Borrowings – current	**–**	**339 082**	**–**	**339 082**
Trade and other payables	**–**	**444 331**	**17 587**	**461 918**
Bank overdraft	**–**	**1 255**	**–**	**1 255**
Liabilities of disposal groups	**–**	**19 198**	**5 681**	**24 879**
	–	**1 304 867**	**23 268**	**1 328 135**
2014				
Borrowings – non-current	–	4 868 343	–	4 868 343
Borrowings – current	–	67 161	–	67 161
Trade and other payables	3 628	832 873	24 546	861 047
Bank overdraft	–	537 784	–	537 784
	3 628	6 306 161	24 546	6 334 335

42 FINANCIAL INSTRUMENTS continued

Maturity profile of financial instruments

Maturity profile of financial assets and liabilities at 31 March is summarised as follows:

	Less than 1 year R000's	1 – 3 years R000's	3 – 5 years R000's	Over 5 years R000's	Total R000's
2015					
Assets					
Equity-accounted investees	–	–	–	143 287	143 287
Long-term receivables	–	2 935	–	–	2 935
Trade and other receivables	491 961	–	–	–	491 961
Cash and cash equivalents	112 977	–	–	–	112 977
Assets of disposal groups	50 526	–	–	–	50 526
Total financial assets	655 464	2 935	–	143 287	801 686
Liabilities					
Borrowings	339 082	229 360	152 058	119 583	840 083
Trade and other payables	444 331	–	–	–	444 331
Bank overdraft	1 255	–	–	–	1 255
Liabilities of disposal groups	19 198	–	–	–	19 198
Total financial liabilities – non-derivatives	803 866	229 360	152 058	119 583	1 304 867
Net financial liabilities	(148 402)	(226 425)	(152 058)	23 704	(503 181)
2014					
Assets					
Investments	–	3 644	–	–	3 644
Equity-accounted investees	–	–	–	119 278	119 278
Long-term receivables	–	154 832	–	–	154 832
Trade and other receivables	949 464	–	–	–	949 464
Cash and cash equivalents	160 812	–	–	–	160 812
Total financial assets	1 110 276	158 476	–	119 278	1 388 030
Liabilities					
Borrowings	67 161	4 868 343	–	–	4 935 504
Trade and other payables	832 873	–	–	–	832 873
Bank overdraft	537 784	–	–	–	537 784
Total financial liabilities – non-derivatives	1 437 818	4 868 343	–	–	6 306 161
Trade and other payables	3 628	–	–	–	3 628
Total financial liabilities – derivatives	3 628	–	–	–	3 628
Net financial liabilities	(331 170)	(4 709 867)	–	119 278	(4 921 759)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

42 FINANCIAL INSTRUMENTS continued

Contractual undiscounted cash flows

	Less than 1 year R000's	1 – 3 years R000's	3 – 5 years R000's	Over 5 years R000's	Total R000's
2015					
Liabilities – contractual undiscounted cash flows					
Borrowings	**352 174**	**265 241**	**175 767**	**128 851**	**922 032**
Trade and other payables	**444 331**	**–**	**–**	**–**	**444 331**
Bank overdraft	**1 333**	**–**	**–**	**–**	**1 333**
Liabilities of disposal groups	**19 198**	**–**	**–**	**–**	**19 198**
Total financial liabilities – non-derivatives	**817 036**	**265 241**	**175 767**	**128 851**	**1 386 895**
2014					
Liabilities – contractual undiscounted cash flows					
Borrowings	397 605	5 516 806	–	–	5 914 411
Trade and other payables	832 873	–	–	–	832 873
Bank overdraft	556 819	–	–	–	556 819
Total financial liabilities – non–derivatives	1 787 297	5 516 806	–	–	7 304 103
Trade and other payables	3 628	–	–	–	3 628
Total financial liabilities – derivatives	3 628	–	–	–	3 628

Fair value of financial instruments

The fair value of short-term financial assets and liabilities approximate their carrying values as disclosed in the statement of financial position.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than qouted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

42 FINANCIAL INSTRUMENTS continued

	Carrying value				
	Loans and receivables R000's	Fair value through profit or loss R000's	Available for sale R000's	Measured at amortised cost R000's	Total R000's
2015					
Financial assets measured at fair value					
Forward exchange contracts	–	13 208	–	–	13 208
Harlan Special Opportunities Fund LP	–	23 658	–	–	23 658
	–	36 866	–	–	36 866
Financial assets not measured at fair value					
Equity-accounted investees	143 287	–	–	–	143 287
Long-term receivables	2 935	–	–	–	2 935
Trade and other receivables	478 753	–	–	–	478 753
Cash and cash equivalents	112 977	–	–	–	112 977
Assets of disposal groups	50 526	–	–	–	50 526
	764 820	–	–	–	764 820
Financial liabilities measured at fair value	–	–	–	–	–
Financial liabilities not measured at fair value					
Secured bank loans	–	–	–	650 753	650 753
Unsecured loans	–	–	–	189 330	189 330
Trade and other payables	–	–	–	444 331	444 331
Bank overdrafts	–	–	–	1 255	1 255
Liabilities of disposal groups	–	–	–	19 198	19 198
Total financial liabilities	–	–	–	1 304 867	1 304 867

	Fair value			
	Level 1 R000's	Level 2 R000's	Level 3 R000's	Total R000's
Financial assets measured at fair value				
Forward exchange contracts	–	13 208	–	13 208
Harlan Special Opportunities Fund LP	–	23 658	–	23 658
	–	36 866	–	36 866
Financial liabilities measured at fair value	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

42 FINANCIAL INSTRUMENTS continued

	Carrying value				
	Loans and receivables R000's	Fair value through profit or loss R000's	Available for sale R000's	Measured at amortised cost R000's	Total R000's
2014					
Financial assets measured at fair value					
Equity securities	–	–	3 644	–	3 644
Forward exchange contracts	–	12 410	–	–	12 410
	–	12 410	3 644	–	16 054
Financial assets not measured at fair value					
Equity-accounted investees	119 278	–	–	–	119 278
Long-term receivables	146 582	–	–	–	146 582
Trade and other receivables	937 054	–	–	–	937 054
Cash and cash equivalents	160 812	–	–	–	160 812
	1 363 726	–	–	–	1 363 726
Total financial assets	1 363 726	12 410	3 644	–	1 379 780
Financial liabilities measured at fair value					
Forward exchange contracts	–	3 628	–	–	3 628
Financial liabilities not measured at fair value					
Secured bank loans	–	–	–	369 402	369 402
Instalment sale and finance lease	–	–	–	5 751	5 751
Unsecured loans	–	–	–	4 560 351	4 560 351
Trade and other payables	–	–	–	832 873	832 873
Bank overdrafts	–	–	–	537 784	537 784
	–	–	–	6 306 161	6 306 161

	Fair value			
	Level 1 R000's	Level 2 R000's	Level 3 R000's	Total R000's
Financial assets measured at fair value				
Equity securities	315	3 329	–	3 644
Forward exchange contracts	–	12 410	–	12 410
	315	15 739	–	16 054
Financial liabilities measured at fair value				
Forward exchange contracts	–	3 628	–	3 628

43 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated and separate financial statements.

43 FINANCIAL RISK MANAGEMENT continued

Risk management framework
The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established a risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Market risk
Currency risk
The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from exposure in the foreign operations due to trading transactions in currencies other than the functional currency. Foreign currency imports within the Group are managed using forward exchange contracts ("FECs"). FECs are not used for speculative purposes. FECs act as natural hedges and formal hedge accounting is not performed.

Refer to note 44 for detail on significant exchange rates applied during the year as well as notes 15 and 44 for detail on carrying amounts exposed to foreign currency exchange risk.

Interest rate risk
The Group's primary interest rate risk arises from long-term borrowings and placing funds in the money market. It is exposed to a lesser extent to interest rate changes on loans to non-controlling interests of fellow subsidiary companies. This risk is managed by maintaining an appropriate mix of fixed and daily call placements with a reputable financial institution.

Interest rate sensitivity analysis
At year-end the Group's interest-bearing borrowings amounted to R674,9 million (2014: R4 935,5 million). In the main the interest rates applicable to these loans are variable. A change of 100 basis points in interest rates would increase or decrease profit or loss by R6,8 million before tax.

Refer to note 20 for detail on borrowings.

Credit risk
The Group has no significant concentrations of credit risk. Overall credit risk is managed at an entity level. Credit risk arises from cash and cash equivalents and credit exposure to the Group's customer base, including outstanding receivables. Trade receivables comprise a large, widespread customer base and the Group performs ongoing credit evaluations of the financial condition of its customers. The utilisation of credit limits are regularly monitored. Refer to note 15 for further credit risk analysis in respect of trade and other receivables. No material credit limits were exceeded during the year under review and management does not expect any losses from non-performance by these counterparties.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Adequate liquidity is managed through the use of cash flow forecasts and by the maintenance of adequate borrowing facilities.

Refer to note 42 for detail on the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Defaults and breaches on loans
There were no breaches or defaults on the repayment of any loans payable during the current or prior year.

Capital risk management
The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital base of the business is viewed as being the shareholder equity and non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

44 FOREIGN CURRENCY COMMITMENTS

	Currency	Uncovered R000's	Covered R000's	Total R000's
2015				
Foreign currency monetary items are as follows:				
Foreign receivables	USD	**296**	**–**	**296**
		296	**–**	**296**
Foreign payables				
	EUR	**55**	**–**	**55**
	USD	**17 965**	**156 949**	**174 914**
	GBP	**3 902**	**–**	**3 902**
		21 922	**156 949**	**178 871**

	Currency	Uncovered R000's	Covered R000's	Total R000's
2014				
Foreign currency monetary items are as follows:				
Foreign receivables	AUD	–	882	882
	EUR	–	10 066	10 066
	USD	–	237 735	237 735
		–	248 683	248 683
Foreign payables				
	AUD	–	881	881
	EUR	–	928	928
	USD	–	76 135	76 135
	GBP	–	624	624
		–	78 568	78 568

Sensitivity analysis: All foreign currency receivables and payables were covered at year-end. Foreign exchange contracts are used as a natural hedge and hedge accounting was not applied.

	Average rate		Reporting date	
	2015	2014	**2015**	2014
The following significant exchange rates applied during the year:				
Australian Dollar	**9,6715**	9,4027	**9,4349**	9,7727
British Pound	**17,8319**	16,0892	**18,2882**	17,5479
Euro	**14,0220**	13,5461	**13,2886**	14,5489
United States Dollar	**11,0644**	10,1052	**12,2948**	10,5455

45 SEGMENT REPORT

The Group had an internal restructure on 1 October 2014 that resulted in the company selling its non-media assets to Deneb Investments Limited ("Deneb") which was subsequently unbundled and separately listed on the Johannesburg Stock Exchange on 1 December 2014. The financial performance and financial position of the non-media assets for purpose of unbundling was as at of 30 November 2014.

Previously the Group had the following operating segments:

Media assets: Media segment

Non-media assets: Property, branded product distribution, textiles, industrials and clothing segments. These operating segments have been aggregated as one reporting segment.

At year-end, as a result of the internal restructure with the consequent unbundling of the non-media assets, the Group only have one operating segment i.e. the media segment. In accordance with the applicable accounting standards (IFRS 5: Non-current Assets Held for Sale and Discontinued Operations) the non-media assets, which were unbundled as a separate listing on 1 December 2014 to the entity Deneb, have been accounted for as part of "discontinued operations" in the Statement of Comprehensive Income and the media segment as "continuing operations".

The chief operating decision-maker, identified as the board considers the operations of the Group at year-end as those of media only and therefore no separate disclosure for operating segments are required.

Refer to note 29 for detail on the financial performance and note 47 for detail on the financial position of the non-media assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

46 INTEREST IN SUBSIDIARY COMPANIES

Name of subsidiary companies
(Incorporated in the Republic of South Africa unless otherwise stated)

	Issued capital		% Interest		Shares at book value	
Direct holdings	**2015 R**	2014 R	**2015 %**	2014 %	**2015 R**	2014 R
HCI Invest 3 Holdco Proprietary Limited	**800 000 100**	800 000 000	**100**	100	**5 861 603 624**	1 370 000 000
Seardel Group Trading Proprietary Limited	–	2 500 050	–	100	–	728 076 850
Seartec Proprietary Limited	–	669 106	–	100	–	85 358 581
Prima Toy and Leisure Group Proprietary Limited	–	823 290	–	100	–	34 636 997
Custom Extrusion Proprietary Limited	–	100	–	100	–	4 871 986
Seardel Brand ID Proprietary Limited	–	1 000	–	100	–	5 283
Nyenye Clothing Manufacturers Proprietary Limited – Lesotho	–	1 000	–	100	–	1 000
Seartec Trading Proprietary Limited	–	1 000	–	100	–	1 000
Frame Industrials Proprietary Limited	–	100	–	100	–	100
Gold Reef Speciality Chemicals Proprietary Limited	–	100	–	100	–	100
Brits Automotive Systems Proprietary Limited	–	196	–	100	–	1
Seardel Number 16 Proprietary Limited*	–	180 895	–	100	–	–
Consolidated Textiles Proprietary Limited*	–	120 000	–	100	–	–
Val Hau et Cie Proprietary Limited*	–	10 000	–	100	–	–
Seardel Number 17 Proprietary Limited*	–	100	–	100	–	–
Adjust for share incentive scheme	–	–	–	–	–	(21 304 432)
Ordinary shares at book value					**5 861 603 624**	2 201 647 466
Preference shares at book value					–	69 760 000
Shares at book value					**5 861 603 624**	2 271 407 466

	Loans at book value	
	2015 R	2014 R
Seardel Group Trading Proprietary Limited	–	554 664 287
Other	–	3 328 710
Amounts owing by subsidiary companies	–	557 992 997

* Dormant

As at 31 March 2015 there was no loans owing by/to subsidiary companies (direct holding). Loans previously owing by subsidiary companies (direct holding) were interest free and were fully recovered.

HCI Invest 3 Holdco Proprietary Limited operates in South Africa.

46 INTEREST IN SUBSIDIARY COMPANIES continued

Indirect holdings	Issued capital 2015 R	Issued capital 2014 R	% Effective interest 2015 %	% Effective interest 2014 %	Shares at book value 2015 R	Shares at book value 2014 R
Sabido Investment Proprietary Limited	**56 238 927**	56 238 927	**63,9**	63,9	**644 368 851**	743 044 241
e.tv Proprietary Limited	**108 373**	108 373	**63,9**	63,9	**860 487 649**	860 487 649
Yired Proprietary Limited	**1 003**	1 003	**63,9**	63,9	**1 003**	1 003
Platco Digital Proprietary Limited	**1 000**	1 000	**63,9**	63,9	**1 000**	1 000
Silverline 360 Proprietary Limited	**200**	200	**63,9**	57,5	**20 791 900**	20 791 900
e.sat tv Proprietary Limited	**100**	100	**63,9**	63,9	**100**	100
Sasani Africa Proprietary Limited	**100**	100	**63,9**	63,9	**100**	100
Sabido Properties Proprietary Limited	**2**	2	**63,9**	63,9	**2**	2
Crystal Brook Distribution Proprietary Limited	**100**	–	**63,9**	–	**100**	–
Longkloof Limited	**100**	–	**63,9**	–	**506 015 859**	
Shares at book value					**2 031 666 564**	1 624 325 995

	Loans at book value 2015 R	Loans at book value 2014 R
Sabido Investment Proprietary Limited	**340 553 328**	–
Other	**–**	–
Amounts owing by subsidiary companies	**340 553 328**	–

Subsidiary companies (indirect holding) whose financial position or results are not material are excluded. Details of excluded subsidiaries are available from the company secretary.

The loan owing by Sabido Investment Proprietary Limited is interest free and has no set terms for repayment. The company regards this loan as part of the net investment in the subsidiary.

Longkloof Limited is incorporated and operate in the Channel Islands and all other subsidiary companies (indirect holding) listed above are incorporated and operate in South Africa.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH

47 NON-CONTROLLING INTEREST

The Group acquired 70% of HCI Invest 3 Holdco Proprietary Limited on 1 October 2013 and the remaining 30% on 1 February 2014. HCI Invest 3 Holdco Proprietary Limited holds 63,9% (65,7% excluding treasury shares) (2014: 63,9% (64,6% excluding treasury shares)) interest in Sabido Investments Proprietary Limited (Sabido).

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interest.

	Sabido Invesments Proprietary Limited	
	2015 R000's	2014 R000's
Non-controlling interest percentage	**36,1%**	36,1%
Non-current assets	**4 084 779**	3 884 285
Current assets	**1 164 981**	961 772
Assets of disposal groups	**249 405**	–
Non-current liabilities	**(1 123 002)**	(909 193)
Current liabilities	**(1 149 749)**	(466 732)
Liabilities of disposal groups	**(24 879)**	–
Net assets	**3 201 535**	3 470 132
Add/(less) non-controlling interest in Sabido's financials	**835**	(1 482)
Net assets attributable to the shareholders of Sabido	**3 202 370**	3 468 650
Carrying amount of non-controlling interest – 34,35% (2014: 35,42%)	**1 100 014**	1 228 596
(Less)/add non-controlling interest in Sabido's financials	**(835)**	1 482
Effect of change in interest of non-controlling interest from 35,42% to 34,35%	**(37 152)**	–
Total carrying amount of non-controlling interest	**1 062 027**	1 230 078
Revenue	**2 396 373**	1 223 603
Profit for the year	**120 213**	180 612
Other comprehensive income for the year	**22 728**	2 431
Total comprehensive income	**142 941**	183 043
Profit allocated to non-controlling interest	**27 536**	52 770
Other comprehensive income allocated to non-controlling interest	**7 808**	861
Profit allocated to non-controlling interest – Sabido	**27 536**	52 770
– other	**(179)**	–
Profit for the year	**27 357**	52 770

48 DIVIDEND THROUGH DEMERGER

The Group had an internal restructure on 1 October 2014 that resulted in the company selling its non-media assets to Deneb Investments Limited ("Deneb") which was subsequently unbundled and separately listed on the Johannesburg Stock Exchange on 1 December 2014. The financial performance and financial position of the non-media assets for purpose of unbundling was as at of 30 November 2014.

The restructuring represented a common control transaction as Hosken Consolidated Investments Limited ("HCI") was the ultimate controlling entity before and after the transaction. Book value accounting was selected to determine the dividend through demerger balance unbundled.

The dividend through demerger is summarised below:

	GROUP	COMPANY
	2015 R	2015 R
Property, plant and equipment	546 160	–
Investment property	748 940	–
Intangible assets	26 745	–
Goodwill	15 743	–
Interest in subsidiary companies	–	1 667 804
Other investments	3 644	315
Long-term receivables	187 537	35 631
Deferred tax assets	58 952	–
Inventories	672 944	–
Trade and other receivables	980 842	–
Current tax assets	2 810	–
Assets of disposal groups	1 686	–
Post employment medical aid benefits	(105 225)	–
Borrowings	(51 326)	–
Operating lease accruals	(10)	–
Current tax liabilities	(858)	–
Trade and other payables	(640 387)	–
Bank overdraft	(768 394)	–
Net asset value	1 679 803	1 703 750
Represented as follows:		
Other reserves	212 058	27 656
Retained income	1 467 924	1 676 094
Non-controlling interest	(179)	–
	1 679 803	1 703 750

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