CAXTON & CTP publishers & printers LIMITED

Integrated Annual Report 2022

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

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

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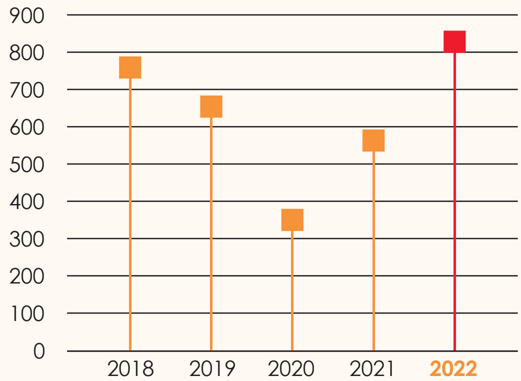
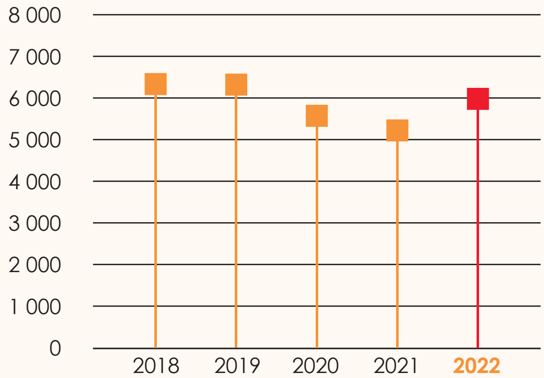
HIGHLIGHTS

- *Revenue* ***R5 979 million***
- *Operating profit before depreciation and amortisation* ***R828 million***
- *Profit before tax* ***R686 million***
- *Cash resources* ***R1 664 million***

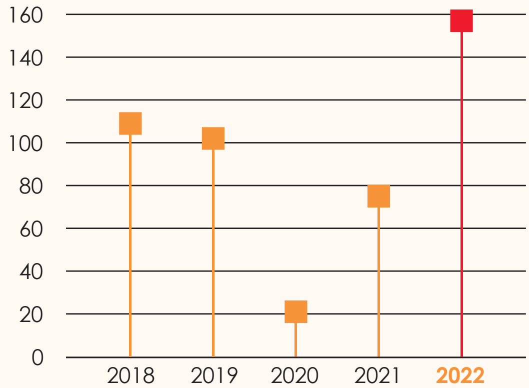
EBITDA (Rm)



Revenue (Rm)



Headline earnings per share (cents)



HIGHLIGHTS – FIVE YEARS TO 30 JUNE 2022

		2022 Rm	2021 Rm	2020 Rm	2019 Rm	2018 Rm
Revenue		**5 979**	5 220	5 572	6 321	6 334
Operating profit before depreciation and amortisation (EBITDA)		**828**	563	350	654	759
Finance income		**142**	87	127	140	124
Profit/(Loss) attributable to equity holders of the parent		**551**	550*	(57)	336	386
Headline earnings per share	(cents)	**157**	75	21	102	109
Dividends per share	(cents)	**50**	50		60	60
Cash generated by operating activities		**249**	672	490	477	626
Cash and cash equivalents		**1 664**	1 989	1 743	1 698	1 544
Total assets		**8 825**	8 056	6 509	7 248	7 227
Net asset value per share	(cents)	**1 887**	1 717	1 384	1 484	1 464

* The profit attributable to equity holders of the parent in 2021 includes capital gain of R305 million relating to the sale of associates, Octotel (Pty) Ltd and RSAWeb (Pty) Ltd.

DIRECTORATE

EXECUTIVE

TD Moolman (78) **(Chief Executive Officer)**
Terry is the founder of Caxton and CTP Publishers and Printers Limited.

TJW Holden (58) **(Managing Director) (Financial Director)**
BCom, CA(SA)
Tim joined the group as group general manager: finance in 2003 and was appointed as financial director in 2006. He is a qualified chartered accountant and has had a number of years' experience in the retail and manufacturing industries. Tim has been the financial director of a number of companies. In addition, he has also held a number of senior and executive operational posts within these companies.

L Witbooi (50) **(Managing Director: Western Cape Operations)**
MBA
Leon has an MBA from the University of Cape Town and has been with the group for 28 years in a variety of positions. He currently heads the group's Western Cape commercial print and packaging operations.

NON-EXECUTIVE

PM Jenkins* (63) **(Chairman)**
BCom, LLB
Paul qualified at Randse Afrikaanse Universiteit with BCom and LLB degrees and was admitted as an attorney and notary in February 1986. He became a partner of Webber Wentzel in 1988 and left his position as senior commercial legal partner in 1999 to join the Johnnic group full time. In this capacity he served as a Director of numerous listed companies and was CEO of Johnnic Entertainment. He is currently self-employed and provides business and legal advisory services to a select group of clients.

ACG Molusi* (60)
BJournalism, MA
Connie has been involved with the media industry for many years and holds a number of directorships.

NA Nemukula* (67)
Albert qualified as a teacher and has a marketing sales diploma. He has taught at various high schools and was responsible for marketing and publishing at Juta & Co. He has several business interests in publishing and printing, jewellery and retail stores.

JH Phalane* (47)
BA, LLB, LLM, MCom, MBA
Jack qualified as a teacher in 1996 and then went on to study at Wits University where he graduated with BA, LLB, LLM and MBA degrees. He also obtained an MCom (Taxation) degree from the North-West University (Potchefstroom) in 2006. He became a partner at Fluxmans in 2007. He practices as a commercial attorney at Fluxmans, specialising in mergers and acquisitions.

T Slabbert* (55)
BA, MBA
Tania is a co-founder and non-executive director of WDB Investment Holdings Proprietary Limited and previously served as its CEO for 12 years. She has held numerous past directorships and also serves as a Trustee of the Energy Mobility Education Trust.

* Independent non-executive.

MANAGING DIRECTOR'S REPORT

In the full year to June 2022, the Caxton group has posted exceptionally strong results, reflecting the resilience of the group through the two years of the Covid-19 pandemic, and the adaptability of the group to profound changes in our markets. The group has continued the strong growth trajectory reported upon at the half year and delivered a stellar full year set of results driven by continued recovery in revenues, market share gains and a well-controlled cost base. This performance is particularly pleasing in the face of post-pandemic challenges – most notably supply chain constraints, continuing price escalations in raw materials, inflationary pressures on operating costs, unprecedented load shedding and lastly the floods in KwaZulu-Natal that affected our large commercial printing operation. It is testament to the resilience of our management and employees that in the face of these challenges, such a set of results can be delivered.

EARNINGS

The group has delivered an excellent operating performance as follows:

- Profit before depreciation and amortisation increased by R264.1 million (46.8%) to R828.0 million compared to R563.9 million in the prior year.
- Depreciation and amortisation absorbed R237.7 million compared to R253.4 million in the prior year.
- Profit after depreciation and amortisation increased by R279.9 million (90.2%) to R590.3 million compared to R310.4 million in the prior year.

Revenue grew strongly by R758.9 million (14.5%) from R5 220.4 million to R5 979.3 million, reflecting volume increases across all operations, especially in the second half of the financial year. The group's local newspaper business experienced a robust return of retailer advertising spend, mainly in the form of advertising brochures, and this demand had a corresponding positive impact on throughputs in our commercial printing plants. The commercial printing operations also managed to increase market share due to the availability of increased levels of raw materials. All packaging units experienced strong revenue growth where organic volume growth, new products/markets and market share gains were the main contributors. This was particularly evident in the alcohol and quick service restaurant ("QSR") market sectors.

Raw material pricing was and remains volatile with significant cost increases across all grades of paper and board, with more increases in the pipeline. The unprecedented tightening of supply lines and raw material shortages placed upward pressure on costs that affected all our operations and does not appear to be abating any time soon. Not only is pricing difficult to manage with customers, due to the short notice and energy surcharges being applied by the mills, but the access to supply is not improving and this is further driving up costs as mills pre-allocate tonnage offtake to their historical customer base on a take it or leave it price basis. The group is fortunate that it has always procured from a wide supplier base and, combined with earlier management decisions to hold increased stock levels, this has meant we have been in a position to successfully navigate the challenges, service all our customers and also gain new customers in certain instances. Over the reporting period, margins were maintained but have required transparency and flexibility with our customer base, with pricing reviews on a more regular basis.

Inflationary pressures were felt across all operations and this intensified in the second half of the financial year and resulted in operating costs growing by R134.9 million (14.6%), largely in support of the increased operating activity but also driven by large increases in insurance and energy costs. In addition, the devastating floods in KwaZulu-Natal affected our large commercial printing site and resulted in the group incurring direct costs of R30.9 million, to the end of the reporting period, associated with restoring production. This cost will form part of the insurance claim currently being formulated.

Staff costs were well controlled and grew by R59.6 million (5.1%) to R1 223.1 million.

After depreciation of R237.7 million, profit from operating activities grew by R279.9 million (90.2%) to R590.3 million.

A loss on the disposal of a subsidiary (R3.4 million) and impairment of intangibles (R8.2 million) was recognised by our listed subsidiary, Cognition Holdings Limited, as part of its restructure in January 2022, to focus on sustainable business segments. Impairments of goodwill (R3.9 million), investments (R5.3 million) and loans (R11.4 million) were accounted for by the group. Equipment that is in excess of ongoing operational requirements was impaired (R2.1 million).

Net finance income grew by R32.0 million (37.0%) on the back of increased dividend flow from our investments, notably MPact Limited (R24.9 million) and Novus Holdings Limited (R27.4 million). Even though interest rates have started to rise in response to inflationary pressures, this was more than offset by the reduced cash balances, as the group invested heavily in working capital to support growth and mitigate supply chain challenges. The loss on foreign exchange translation (R19.7 million) was as a result of the volatile exchange rates over the reporting period and also the increased volume of imports as the group built up stock levels.

Income from associates declined by R25.9 million to R11.8 million, as the prior year included the profits of associates, notably Octotel Proprietary Limited and RSA Web Proprietary Limited, that were sold in the previous financial year.

The group's profit before taxation was R686.2 million and the taxation charge was R142.4 million, inclusive of a statutory tax rate adjustment from 28% to 27% (R10.0 million), resulting in profit after taxation of R543.8 million – representing earnings per share of 151.2 cents (prior year 148.1 cents which included the profit on sale of associates – Octotel Proprietary Limited and RSA Web Proprietary Limited of R305.2 million). Excluding this sale, prior year earnings per share would have been 66.0 cents, and compared to this lower adjusted base, current year earnings per share represent a year-on-year growth of 129.1%.

Headline earnings per share of 157.0 cents (prior year 75.4 cents) represents substantial growth of 108.2%. The headline earnings per share is at a 10-year record high, and is reflective of the correct strategic decisions being made in the group, of replacing declining earnings in the publishing operations with our growing packaging presence.

Net asset value per share has grown from R17.17 to R18.87 (an increase of 9.9%).

CASH FLOW

Cash and cash equivalents at year end were R1 664.7 million, a decrease of R324.9 million over the prior year, mainly as a result of the strategic decision to increase stock levels.

Cash generated by operating activities decreased to R249.1 million, a reduction of R423.5 million (63.0%) over the prior year. All operations experienced robust revenue growth and cash inflows from operating activities before depreciation was R828.0 million, an increase of 46.8% over the prior year.

This was largely offset by the need to reinvest in working capital in support of the growth experienced and also the need to hold higher than normal levels of inventory in mitigation of the risks in the supply chain. Access to raw materials, longer lead times with respect to imports and the substantial price increases have meant there was a need to ensure adequate supply and thus inventory was increased by R545.9 million (55.4%) over the corresponding prior year.

Management is critically assessing these levels of stockholding and where we feel there is some room to reduce holdings without increasing the risk of stockouts or access to supply, corrective action will be taken, but any impact will only be felt in the second half of the new financial year.

After paying taxation of R156.0 million the cash inflow from operating activities generated only R93.1 million, a substantial decline over the prior year, but driven by the extraordinary requirement to invest heavily in working capital as explained above.

The net investment in property, plant and equipment amounted to R194.2 million. This constitutes mainly of further capital investments in growing the packaging segment and solar generating capacity including:

- new equipment to support the volume growth in beer labels;
- new equipment to support the growth in the wine-in-the-box market, including equipment to support the acquisition of the Amcor operations effective 1 August 2022; and
- solar investments – currently the group has installed or is close to completing 2.4 MW and has purchased another 8 MW of solar capacity for future roll out. Once completed this will bring our installed solar capacity to a total of 10.4 MW.

The group made further investments in MPact Limited shares and Novus Holdings Limited shares of R103.4 million. This brings our shareholding in MPact Limited to 33.7%, whilst our investment in Novus Holdings Limited to 9.3%.

During the reporting period the group resumed the payment of dividends, with a total outflow of R188.1 million and also returned R73.1 million to shareholders in repurchasing 8 584 125 shares at an average share price of R8.52.

PERFORMANCE REVIEW

PUBLISHING, PRINTING AND DISTRIBUTION

Newspaper publishing and printing

The local newspaper business continued its recovery both from a revenue and profitability point of view on the back of increased volumes of advertising inserts from national retailers and further recovery in the advertising spend at a local level. This performance is particularly pleasing in the face of some difficult trading conditions, more particularly those that affected the local business customers in KwaZulu-Natal hit by the devastating floods and the unprecedented load shedding that has been harsh on many small businesses in all the metro areas. In addition, the operation has been faced with significant increased costs of printing due to the increasing price of newsprint and will be faced with another significant increase towards the end of the current calendar year.

National advertising revenue continued its strong trend and grew by 13%, but this is still some way off from pre-pandemic levels. The success of reaching 3 million homes weekly, through the local newspapers, is crucial for the major national retailers. This year's recovery was driven largely by the major food retailers but encouragingly, the other categories also showed signs of returning to our papers.

Local advertising revenues, even in the face of the challenges mentioned above, showed growth of 9%. This was fuelled by a resurgence of local insert revenue and also a greater focus on digital revenues. A strong focus on the re-invigoration of revenue generation created by the new centralised metro sales team and also the benefits of cross selling digital and print opportunities has contributed to this turnaround.

This business is faced with further cost pressures, including the price of newsprint and the cost of distribution and thus the focus on cost control will be paramount in the coming year, as well as focus on media rate increases to ensure the sustainability of the business.

The group's daily newspaper, *The Citizen*, continues to show improved performance and returned to profitability in the year under review. This is a commendable performance in the face of the decline in circulation revenue which was offset by increased digital and advertising spend. *The Citizen* has managed to capture the dominant share in the legal advertising market and has proved to be popular among Gauteng readership mainly because of the impartial and excellent news coverage. Our associate in *KZN, Capital Newspapers*, has added *The Witness* to its stable of publications. *The Witness*, which was acquired from Media 24, is the oldest newspaper in South Africa and represents an exciting addition to the group's publications.

The group's newspaper printing facilities produced stellar results and exceeded pre-pandemic levels. This performance was largely driven by substantial market share gains in the commercial retail pamphlet area as well as the positive impact of the prior year's restructure at the major printing plant in Gauteng. Customers are recognising the advantage of our 8 printing plants strategically placed around the country in delivering quick turnarounds as well as significant reductions in transport costs. In addition, there are further cost savings for customers to print their advertising material, for insertion, in the same plant that prints the local newspaper. This configuration sets us apart from our competitors in the market.

The print orders and paginations of daily and weekly newspaper publications continue to decline but at a slower rate than that experienced in the recent past. These declines has been somewhat offset by higher print volumes in our own local newspaper publications.

The newspaper publishing and retail market is faced with unprecedented challenges in the supply of newsprint paper and the cost thereof. Our loyal support of Sappi, the last local newsprint supplier, has allowed us to secure substantial volumes but at much higher pricing. We anticipate that the price will continue to rise in the short term, and thus management is focused on managing these increases with customers.

Digital assets

The group's major digital asset is Private Property that is held through our subsidiary, Cognition Holdings Limited. This business performed to expectations from a revenue perspective but showed a decline in profitability as a consequence of the decision to make a significant and sustained further investment into technology and user experience. At the time of writing, Cognition Holdings Limited has published a cautionary announcement relating to the potential sale of this asset.

Cognition Holdings Limited's core operations, excluding Private Property, underwent a restructure following management and board changes at the end of 2021, which has realised significant cost savings and a greater focus on revenue generation in those business segments that are viewed as sustainable. The new management has also introduced a greater collaboration with the other Caxton operations. The outcome appears encouraging and ensures greater access to a broader range of prospective customers.

Web and gravure printing

The group's commercial printing operations delivered a substantial improvement in profitability as the demand for retail catalogues showed robust growth on a reduced operational cost base. The revenue growth was mainly driven by the food and liquor sectors which underlines the importance of printed advertising materials as a part of the overall media mix to reach consumers, with many large retailers increasing print orders and paginations over the reporting period. These operations also managed to grow market share and secured additional volumes on the back of access to paper and quality of service. Having said this, the tonnage throughput is still some 14% off pre-pandemic levels.

The print industry is faced with unprecedented challenges with respect to the sourcing of paper where there is a global shortage due to increased demand, which is exacerbated by mill closures. This has led to significant price increases as the remaining mills implement a tonnage allocation model based on historical offtakes. This has further been compounded by the mills applying an energy surcharge to combat the steep increase in energy costs caused by the Russian/Ukraine conflict.

The group is in a fortunate position that we have historically had a wide supplier base and thus have been able to secure the required tonnages, but we cannot avoid the steep price escalations. Management has, at an early stage, engaged with all customers and remains focused on offering various alternatives to combat these increases to the extent possible. These price escalations remain a concern and although we are convinced that print will remain an important part of our customers' media mix, it is too early to forecast the impact this will have on volumes.

In April 2022, our large gravure commercial printing factory in Prospecton, Durban was severely affected by the tragic floods and was literally under water. We were extremely grateful that none of our employees were injured in this devastating flood. This left the site without power for close on 3 months but, due to the efforts of our employees and the understanding of our loyal customers, we managed to move the work to our other printing facilities around the country whilst we repaired our machines and installed generator power. At the end of the reporting period the site is back to 70% capacity and the team is confident that full capacity will be in place to meet the seasonal demand over the festive season. The direct costs of the floods are estimated at R30.9 million that have been expensed in the current year results, while we are formulating the insurance claim.

Book and magazine printing

This operation in the Western Cape delivered solid results against the backdrop of a very competitive market. The management team managed to recover rising input costs and maintain margins while the control of overhead costs resulted in improved profitability.

Activity in the education book market remained constrained with unpredictable demand from government. There appeared to be signs of improved demand towards the end of the financial year which bodes well for the new financial year. The group was unsuccessful in its bid to secure the Department of Basic Education workbook tender.

The operation increased its share in the magazine market by securing agreements to print Media24 weekly magazines and also The Foschini Group publications, which will have a positive impact for the new financial period.

The greatest challenge facing our operation is raw material pricing and access to supply. The global supply chain has been affected by the energy crisis, as well as the recovery in global markets resulting in increased demand on mills and the reduction of mill capacity that has affected certain grades of paper. This was further compounded by a prolonged strike at a large Finnish mill which effectively cancelled our first quarter orders. In addition, the floods in KwaZulu-Natal meant an interruption of supply from Mondi. The operation was fortunate it had built up sufficient stocks as well as having a diversified purchasing strategy and thus was successful in navigating these headwinds. Raw material pricing continues to be unpredictable with mills often giving short notice of further increases or energy surcharges. This has necessitated regular pricing reviews with customers and is taking a large proportion of management efforts to ensure that these increases are recovered.

PACKAGING AND STATIONERY

Packaging

The group's packaging operations showed tremendous revenue growth, benefiting from robust market demand, especially in the alcohol and QSR markets, as well as new product and market share gains. This resulted in an excellent increase in profitability that is attributable to the quality and service that our operations provide to our customer base.

Our long run label operation serving the beer market gained market share after a major competitor decided to exit its supply agreement with the country's largest brewer. The operation was successful in gearing up its operations to absorb the large increase in volumes and has placed equipment orders to ensure that it can meet future demand and improve on efficiencies.

The short to medium run label operation in the Western Cape also delivered impressive results as it benefited from growth in the food, wine and spirit segments. The resilience of this demand will be tested as consumer spending is impacted by the inflationary pressures being faced.

The group's flexible packaging operation experienced a turnaround of fortunes on the back of improved operational efficiencies and also supply of raw materials into new markets, most notably the Amcor bag in the box bladder operation. The group has subsequently purchased this operation from Amcor along with its tyre liner business in Port Elizabeth with an effective date of 1 August 2022. This business complements our existing bag in the box carton offering and enables the group to supply all the components in this growing market.

Our multiple folding carton operations also delivered good results, driven by organic growth and new product lines. Tremendous growth was evident in the QSR sector where volumes are now starting to exceed pre-pandemic levels, driven by good value meal offerings, home delivery options and consumers looking for hot meals during loadshedding. We have entered other product lines to fully service the QSR customer base and have started the supply of cold cups and expect to grow this offering. Management has also developed innovative packaging designs that have resulted in market share gains.

The supply of bag in the box cartons for the wine industry continued its impressive growth trajectory with many new product lines being developed that are targeting a more discerning wine customer with well-known brands. We have ordered a new printing press which should be operational towards the third quarter of the new financial year and this investment will bring operational efficiencies as well a broader range of embellishments that will suit this market and offer the customers more options.

The management team in the Western Cape has managed to penetrate the agriculture market with a high graphic product offering that has found a niche in an area that has been traditionally serviced by lower quality graphics. This includes offering a paper punnet format to replace plastic punnets, an area of exciting growth potential.

Our cigarette carton manufacturing operation has managed to find areas of growth in the African market which has offset the decline from our major South African customer and forecasts indicate this growth should be sustainable and thus the need for capital expenditure to support this growth.

As with all our manufacturing operations, sourcing and pricing of raw materials is of serious concern. We have managed to secure adequate supply through a diverse supplier base and the build-up of stock levels has assisted in navigating the supply chain issues. The increase in the price of raw materials is not abating, which has meant continued engagement with our customers.

Stationery

Our stationery division experienced increased revenues and, with lower operating expenses, improved profitability. The revenue growth was particularly pleasing as management succeeded in offsetting lower offtakes by our largest customer, by growing market share in diaries. This operation is faced with increased raw material costs, which is applying margin pressures that need to be carefully managed.

DIVIDENDS

The board has declared a dividend of 50.00 cents (2021: 50.0 cents) per ordinary share (gross) and a preference dividend of 410.00 cents (2021: 410.00 cents) per preference share (gross) for the year ended 30 June 2022. The dividends are subject to the Dividend Withholding Tax.

PROSPECTS

There is no doubt that the rising inflationary environment, that is evident locally and globally, will play an important role in the forthcoming year and it remains to be seen how this will ultimately impact on the resilience of consumer demand. Subsequent to year end, demand has held up but it is too early to say that this will be the case for the remainder of the new financial year. This may put certain markets under margin pressure and thus the focus of management is on managing these cost pressures with customers. The uncertainties posed by the global tensions surrounding Russia/Ukraine could have a profound effect on business, exacerbated by climate change and unprecedented drought conditions in Europe and China.

As a 34% shareholder in MPact Limited ("MPact"), the group continues to persevere in its efforts to obtain clarity regarding competition related issues as between MPact and Golden Era, MPact's major customer and competitor and co-accused in a cartel case still pending before the Competition Tribunal. The threat of customer flight by Golden Era in the event of a Caxton merger filing is a matter of concern, which according to affidavits filed by MPact, would have a devastating effect on its business and shareholders. Caxton is considering the implications of these disclosures by MPact.

TJW Holden
Managing Director

Johannesburg
26 October 2022

TEN-YEAR REVIEW – SALIENT FEATURES

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenue	(Rm)	**5 979**	5 220	5 572	6 321	6 334	6 407	6 405	6 261	5 390	5 157
Profit/(Loss) before taxation	(Rm)	**686**	739	(47)	452	541	610	590	597	545	686
Operating profit before depreciation and amortisation (EBITDA)	(Rm)	**828**	563	350	654	759	749	762	758	690	837
Finance Income	(Rm)	**142**	87	127	140	124	141	129	117	104	105
Profit/(Loss) attributable to equity holders of the parents	(Rm)	**551**	550	(57)	336	386	445	448	423	427	491
Cash generated by operating activities	(Rm)	**249**	672	490	477	626	782	646	817	696	724
Weighted average number of shares in issue	(000's)	**364 869**	371 786	382 889	387 422	392 427	396 219	397 982	396 463	406 494	422 657
Earnings/(Loss) per share	(cents)	**151**	148	(15)	87	99	112	113	107	105	116
Headline earnings per share	(cents)	**157**	75	21	102	109	116	116	109	98	123
Dividends per share	(cents)	**50**	50		60	60	70	70	65	60	55
Dividend cover	(times)	**3.0**	3.0		1.5	1.6	1.6	1.6	1.6	1.7	2.1
Ordinary shareholders' equity	(Rm)	**6 841**	6 359	5 229	5 740	5 696	5 682	5 523	5 240	4 976	5 347
Cash and cash equivalents	(Rm)	**1 664**	1 989	1 743	1 698	1 544	1 886	2 018	1 989	2 222	1 418
Net asset value per share	(cents)	**1 887**	1 717	1 384	1 484	1 462	1 436	1 406	1 337	1 283	1 277
Number of employees		**4 460**	4 636	5 270	6 197	6 030	6 311	6 310	6 434	6 053	6 025

KING CODE

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

The Directors have accordingly established procedures and policies appropriate to the Company's business in keeping with its commitment to best practices in corporate governance. Governance is not static, and the directors are proactive in assessing their procedures and policies against prevailing circumstances. Enhanced ESG responsibilities and strategies will become increasingly important and will require greater focus in the future. Accordingly, procedures and policies will be reviewed by the directors from time to time.

Set out below is an explanation of the measures taken by the Company pursuant to the King Code and the JSE Listings Requirements. The Company notes the King IV Guidance Paper on Climate Change and is aligned to the JSE's voluntary Climate Disclosure Guidance and Sustainability Disclosure Guidance, in developing its leadership response to enhanced ESG reporting and strategies to mitigate climate change.

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

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

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

BOARD OF DIRECTORS

The Board

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

In the period under review, the Chairman obtained independent advice on his obligations to the Company and the Board, following the merger filing dispute with MPact Holdings Limited ("MPact") over information disclosed to him by way of a Competition Tribunal order – which information was material and price sensitive to the Company, but claimed as confidential by MPact. This matter is ongoing, with MPact alleging that the Company and the Chairman have breached the Competition Act and/or the Tribunal Order. The Company is now aware of the information, owing to non-confidential disclosures by MPact, and as a result, the Company is proceeding with caution in its further merger processes *vis-à-vis* MPact.

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

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

Chairman and Chief Executive Officer

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

Board balance

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

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

Attendance at Board meetings

	Oct 21	Mar 22	May 22	Sep 22
PM Jenkins	P	P	P	P
TD Moolman	P	P	P	P
TJW Holden	P	P	P	P
ACG Molusi	P	P	P	P
NA Nemukula	P	A	P	A
JH Phalane	P	P	P	P
T Slabbert	P	P	P	P
L Witbooi	P	P	P	P

A: Apology
P: Present

The Board of Directors has the following committees:

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has adopted a written charter based on the Companies Act, 71 of 2008 ("the Companies Act") and the approved Memorandum of Incorporation. The Audit and Risk Committee members have considered and are of the opinion that they are adequately independent from the Company and group and management thereof.

The independent auditor has unrestricted access to the committee.

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

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

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

- met on three separate occasions to review, *inter alia*, the year-end and interim results of the Company as well as to consider regulatory and accounting standards compliance;
- considered and satisfied itself that the external auditors are independent, satisfied itself that the fees payable to the external auditors were appropriate, and recommended the external auditors for appointment for the following financial year;
- determined the non-audit-related services that the external auditors are permitted to provide to the Company. This included pre-approving all non-audit-related service agreements concluded between the Company and the external auditors;
- confirmed the 2022 financial year audit plan;
- held separate meetings with management and the external auditors to discuss any problems and reservations arising from the year-end audit and any related matters which management and the external auditors wished to discuss;
- reviewed the effectiveness of internal controls in the group with reference to the findings of the internal and external auditors; and
- reviewed and evaluated the risks facing the group and satisfied itself that management has put plans and steps in place for the mitigation of these risks across the group.

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

The committee members are Mr JH Phalane (Chairperson) and Messrs ACG Molusi and NA Nemukula.

Attendance at Audit and Risk Committee meetings

	Oct 21	Mar 22	Sep 22
ACG Molusi	P	P	P
NA Nemukula	P	A	P
JH Phalane	P	P	P

A: Apology
P: Present

REMUNERATION COMMITTEE

The Remuneration Committee comprises Messrs TD Moolman, PM Jenkins and ACG Molusi. The Remuneration Committee reviews senior executive management salaries and performance incentives as well as group remuneration principles.

Remuneration policy

We reported last year that there had been no changes to the group's remuneration policy. This position remains unchanged and the Remuneration Committee continues to apply its historic remuneration policy on the basis that we have achieved workplace stability and consistency. The remuneration approach has served the group well, by ensuring that it weathered the Covid-19 pandemic and emerged to achieve a significant improvement in profits. However, even as the effects of the pandemic begin to recede, the global crisis of Ukraine and Russia, climate change, global inflation and supply challenges all signal the need to maintain tight control on remuneration and employment policies.

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

While the group's businesses have stabilised in the past year, the importance of job creation in South Africa requires no explanation. The group seeks to preserve its workforce, unless unavoidable downsizing is necessary and is positive about the prospects of growth in its packaging businesses.

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

The Company continues to review its remuneration strategies and is attentive to concerns by shareholders. Innovative retention and alignment strategies of the Company in relation to its staff are in place. The share appreciation bonus scheme continues to provide executives with an interest in the growth of the group and the continuing recovery of the Caxton share price has begun to create embedded retention value for the participants. Furthermore, traditional balanced remuneration packages have served the Company's and its staff's interests well in the past, and consistent future remuneration strategies will be applied.

The traditional media industry continues to contract although the Caxton media interests have stabilised and begun to show encouraging growth. This stability is enhanced by growth in the group's packaging businesses. At the same time, the digital environment is a growth area, but revenues and profitability are difficult to achieve. The biggest challenge now facing the group is that of spiralling input costs and resurgent price inflation. These costs are not easily transferred to customers, resulting in eroded margins.

Across the group, ongoing staff optimisation is unavoidable but retrenchments have been limited as far as possible. A balance is necessary between the ability to attract and retain top talent and the need to contain the overall cost of employment, without creating a remuneration gap between new and old forms of media and our inherently industrial and manufacturing operations.

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

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

The fees of non-executive directors are increased annually by the average baseline percentage increase in remuneration applicable to the Company.

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

A small special once-off bonus allocation was paid to management in February 2022, excluding the CEO and Managing Director, in recognition of the extraordinary efforts management has made in delivering half year profits far exceeding pre-pandemic levels. The improved performance of the group in the past full financial year has seen a further bonus allocation to key management after year end and will be reported in the 2023 financial year.

Whilst the CEO and the Managing Director's annual remuneration did not increase in the 2022 financial year, all other increases were industry-aligned.

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

The group believes that the remuneration reporting reflects a no-frills approach to this subject which has served the group well for many years and that the remuneration report and the implementation report accurately reflect the basic tenets of the group's remuneration determination, which is subject to the active moderation of the group's controlling shareholder and CEO, within the framework of the remuneration committee.

Attendance at Remuneration Committee meetings

	Jun 22	Oct 22
TD Moolman	P	P
PM Jenkins	P	P
ACG Molusi	P	P

P: Present

SOCIAL AND ETHICS COMMITTEE

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

The committee comprises Mr PM Jenkins (chairman), Mrs J Edwards, Mr TJW Holden and Mr L Witbooi.
The committee met formally once during the year under review. The committee members engaged regularly outside the structure of the formal meeting, as and when required. Consultation with management occurs on a continual basis and implementation of decisions and policies are monitored pro-actively.

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

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

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

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

Attendance at Social and Ethics Committee meeting

	Oct 21
PM Jenkins	P
J Edwards	P
TJW Holden	P
L Witbooi	P

P: Present

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

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

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

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

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

EXECUTIVE MANAGEMENT

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

INTERNAL CONTROL AND INTERNAL AUDIT

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

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

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

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

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT

Equitable employment policies are in place throughout the group to ensure individuals from all demographic groupings are given the opportunity to be employed and trained by the group. The group places an increased emphasis on maintaining and training those members of staff who can provide excellent service in a small team environment.

GOING CONCERN

The going concern basis has been adopted in preparing the financial statements. The group remains in a strong financial position with revenue growth and tight control on expenditures in an inflationary environment and significant cash on the balance sheet that assure the directors that the business of the group will continue to function as a going concern for the foreseeable future.

COMPANY SECRETARIAL AND PROFESSIONAL ADVICE

A Company Secretary has been appointed to ensure compliance with the Companies Act and JSE Listings Requirements. She is not a Director of the Company. All directors have unlimited access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed. All directors are entitled to seek independent professional advice, at the group's expense, concerning the affairs of the group, after obtaining the approval of the chairman.

The annual certificate by the Company Secretary is reflected on page 33.

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

CODE OF CONDUCT

Ethics

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

Whistleblowing

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

Conflict of interest

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

Stakeholder engagement

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

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

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

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

Staff members receive regular Company and divisional newsletters and communications.

KEY RISKS AND RISK MITIGATION

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

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

Key risks	Risk mitigation
TRADING CONDITIONS:	
• Subdued GDP growth due to socio-political uncertainty • High inflationary environment • Structural changes facing the daily and weekly print media • Highly competitive trading in the packaging market that can lead to reduced revenue and profits	• Innovative product design to meet customer demands • Continued realignment of cost structures to take account of any revenue declines • Allocation of the group's cash resources to new acquisitions that can be a source of growth in the future.
WATER AND ELECTRICITY SUPPLY:	
• Unreliable supply of energy due to loadshedding can lead to loss of production. • More expensive energy, and alternative forms of energy can lead to Increased cost • Supply and deteriorating quality of water can lead to loss of production and impact workforce.	• Monitoring of power consumption at key sites to monitor municipality billing. • Generators installed at major sites • Solar installations at two production plants completed with plans in place for a further two sites. • Major sites in the Western cape have installed boreholes.
INFORMATION TECHNOLOGY AND SYSTEMS:	
• Unauthorised access to company information via hacking, malware and viruses. • Prolonged disaster recovery will negatively impact the business	• Antivirus and malware detection software is kept up to date. • With the assistance of various service providers there is a regular attack and penetration review. • Automated replication of all company databases is in place daily. This is done to an off-site computer. • Disaster recovery plans are in place that is regularly tested and updated
INTERRUPTION OF SUPPLY TO CUSTOMERS:	
• Loss of key sites to natural disasters or social unrest will have a material negative impact on revenues and profit • Key plant breakdown or failure could result in prolonged loss of production and increased cost in mitigation.	• Major sites are reviewed annually by third parties to assess risks and measures in place to mitigate such risks. • Adequate insurance is in place to mitigate loss. • Critical spares are held for the key equipment and such equipment undergo continual preventative maintenance. • In many instances there is contingency sites in place that can be used should the need arise.
WORKFORCE AND KEY MANAGEMENT:	
• Labour unrest affecting customer supply • Loss of key management	• Adherence to all relevant legislation governing employment practices.

Key risks	Risk mitigation
LEGISLATION:	
• Evolving legislation applicable to the business has increased complexity and cost of compliance, and the risk of fines.	• The group continues to engage with government and industry organisations. • Experts in their respective disciplines are retained to advice the business on changes in legislation, and compliance steps. • Stringent audits conducted by experts in the applicable disciplines, and reported to management for implementation. • Process in place to adhere to carbon footprint and end user waste management legislation.
RAW MATERIAL SUPPLY:	
• The impact of the Covid-19 pandemic, followed shortly after by the invasion of Ukraine by Russia, raw materials especially paper and board has seen major shortages and cost increases. • The additional cost in procuring raw materials cannot be passed on to the customers.	• Critical suppliers are insured against interruption of supply. • Strategic stockholdings are held with respect to many key imported items. • The group continues to develop secondary suppliers of raw materials to mitigate risk.
B-BBEE AND TRANSFORMATION:	
• Transformation in the workplace required for future sustainability • Maintaining and improving B-BBEE annual rating is key to enable competitiveness. • Implementation and scorecard disputes with B-BBEE Commissioner, resulting in fines and/or reputational harm	• The transformation and B-BBEE rating is reviewed and strategies developed by the Transformation Committee on a monthly basis. • The progress is monitored quarterly by the Audit and Risk Committee. • Currently reviewing options to improve Ownership score • Ongoing implementation compliance and rating agency audits, and remedial action taken where problems identified
CORPORATE ACTION:	
• Merger activity giving rise to risks relating to takeover target • Regulatory and confidentiality compliance disputes	• Require full due diligence and disclosure of price-sensitive information • Ensure appropriate consultation with professional advisors at all times
SOCIAL UNREST:	
• Socio-political and economic uncertainty, high unemployment, and service delivery protests that turn violent poses a physical and economical threat to the business.	• Active engagement with unions and communities and social investment programs are some of the steps taken by the group. • The group has partially insured it's risk to the maximum capacity available, and continue looking for further capacity to insure it's full risk.

APPROACH TO SUSTAINABILITY

Caxton supports the importance of improved performance and enhanced disclosure on environmental, social and governance ("ESG") and climate-related issues. Whilst climate change and the drive towards net-zero carbon emissions grows in focus worldwide, it is equally important, as a responsible South African manufacturer and employer, to also maintain the focus on corporate governance (and zero tolerance for corruption) and our broader social responsibilities (and commitment to uplifting our workforce).

Caxton's sustainability reporting is set out in this Integrated Annual Report ("IAR") and provides all material disclosure of the effect of ESG issues on our operational and financial results and on the impact we have on the economy, the society and the environment.

Caxton will continually assess its disclosure, in order to improve in all aspects of reporting and to cover additional metrics. Caxton will seek to comply with the Sustainability Disclosure Guidance and the Climate Disclosure Guidance of the JSE.

Caxton is a mid-size publishing, manufacturing and packaging group, focused mainly on paper based and environmentally friendly products. Our strong governance ethics and principles stem from being a responsible newspaper and magazine publisher for over 40 years with a commitment to transparency and disclosure. We serve local and national communities with our media and packaging products and our ongoing success depends on remaining aligned with the social needs of these communities, as well as with the interests of our customers, shareholders and employees. Our impact on the environment is a key issue and our customers and consumers demand that we are responsible custodians of the resources we use. Caxton's core values and its focus on excellence and success are embedded in the organisational philosophy from the controlling shareholder to the board, to management and our staff. ESG issues affecting enterprise value, and sustainability issues affecting our broader society and environment, are important at every level in the Caxton group.

Our management, governance and reporting systems are designed to identify, measure, monitor and mitigate ESG issues, with regular reporting to the board.

We will adopt a greater focus of climate specific issues in coming years, in developing strategies to achieve net-zero carbon emissions by 2050. We have made significant strides in the climate disclosure section of this sustainability report in the last year, and our mitigation strategies and benefits of measuring Scope 1, 2 and 3 emissions are beginning to yield results.

In addition to our focus on governance and transparent disclosure, supporting our customers, ESG reporting and enhancing shareholder value, we use our resources to make a difference by financially assisting educational institutions, promoting health and wellness in our operations and continually training and supporting our employees by offering them access to new opportunities.

Caxton adopts a holistic view of sustainability and has done so throughout its long history. We believe we set high standards and have a no-frills, no waste, zero-tolerance to fraud approach to how we run our businesses. We have a similar expectation from our business partners and prospective acquisition targets.

SCOPE OF REPORT

This report reflects the ESG and sustainability considerations which the Caxton group has applied across all its 70 plus facilities that are owned by the group, for the 2021/22 financial year. These considerations can be broadly defined into several categories. We believe each of these focus areas to be vital to improving the group's sustainability, whilst paying due attention to our impact on people and the environment. The major areas of focus for our sustainability journey are in:

- Governance
  - Embedding Sustainability
  - Committees
  - Standards and Certifications
  - Legal Compliance
- Health and Safety
  - Employee Wellness
  - Employee Relations
- Broad-Based Black Economic Empowerment
- Social Development
- Environment/Climate

We believe that our increased attention in all these areas have spurred us towards continued improvements to our group. The Board oversees our strategy, risk and performance. Both the Social and Ethics Committee and the Transformation Committee are charged at an operational level, with continuously monitoring our progress and removing the barriers to our transition.

GOVERNANCE

Embedding ESG/Sustainability

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

We are generically affected by climate change risk and stand to benefit from a move away from plastic to paper-based packaging, where this is feasible. Apart from our Durban Gravure operation which recently experienced severe flooding, none of our operations is exceptionally susceptible to climate change and no specific mitigation strategies, apart from greater renewable energy generation and storage, have yet been identified. However, this aspect will enjoy further strategic attention as we develop new models to assess our business in a low carbon environment and in a scenario where global warming exceeds 2 degrees Celsius by 2050.

Committees

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

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

Standards and certifications

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

FOGRA works with, and is associated with, the German Print Federation ("GPF") and thus the standards that are set are endorsed by the European printing community. In order to attain the certification, 70% is required as a minimum standard from all aspects that are tested.

CTP Printers Cape Town (FSC-C017578), SA Litho Label Printers (FSC-C084368), CTP Packaging (FSC-C108896), CTP Printers Johannesburg (FSC-C146398), Caxton Works (FSC-C146398), Gravure Durban (SGS_COC-011502), Boland Printers (FSC-C150864) and CTP Cartons and Labels (FSC-C108896 and FSC-C124452) have also attained the Forestry Stewardship Council® (FSC®) Chain of Custody certification. This allows these divisions to produce work carrying the FSC logo and provides assurance that the raw material used as well as the production process conforms to standards of social and environmental awareness. The paper manufacturers that we use are also either FSC® or PEFC(TM) certified and some of the paper mills have also been awarded the EU Flower for environmental excellence. CTP Flexibles, SA Litho Label Printers, CTP Cartons and Labels, Boland Printers and CTP Printers are also members of the Supplier Ethical Data Exchange ("SEDEX").

SA Litho is ISO FSSC 22000 certified (secondary food packaging certification) while CTP Cartons & Labels and CTP Packaging are ISO FSSC 22000 certified (primary food packaging certification). CTP Flexibles is BRCGS certified, this global standard for packaging materials incorporates the quality management system based on ISO 9001 principles. The 4 pillar SMETA audit covers labour standards, health and safety, environment and business ethics. The FSSC 22000 and the BRCGS food safety and high hygiene packaging system certifications provide frameworks for effectively managing an organisation's food safety and high hygiene packaging responsibilities.

FSSC 22000 is fully recognised by the Global Food Safety Initiative ("GFSI") and is based on existing ISO Standards. It demonstrates that our divisions have a robust Food Safety Management System in place that meets the requirements of customers and consumers. The FSSC 22000 food safety certification is a prerequisite for suppliers of all major food and beverage brands – major brands will not entertain business with suppliers who do not have this certification as a minimum. In the Packaging arena, this means that our customers can use our packaging for direct food contact applications, and be secure in the knowledge that we have met the necessary food safety requirements, ensuring that our packaging is contaminate free.

Thuthuka Packaging, CTP Gravure Johannesburg, CTP Cartons & Labels, and Boland Printers are ISO 9001:2015 accredited. Thuthuka Packaging is also PEFC chain of custody certified, a sustainable sourcing accreditation similar to FSC.

Legal compliance

The Social and Ethics Committee is responsible for monitoring all workplace, B-BBEE and environmental legislation and regulatory compliance requirements across the group. We have engaged specialist consultants to assist in the ongoing gap analysis between new environmental legislation and current practice. The Company Secretary and the group B-BBEE practitioner ensure regular updates of changes to standards. Professional advisers and attorneys who understand our business provide advice and input as required.

HEALTH AND SAFETY

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

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

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

Employee wellness

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

Employee relations

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

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Caxton and CTP Publishers and Printers Limited's ("CAT") subsidiaries and jointly-controlled entities are measured against the Department of Trade and Industry's ("DTI") Amended Broad-Based Black Economic Empowerment ("B-BBEE") Codes. In November 2021, CTP Limited obtained a Level 4 BEE rating, enhanced to a Level 3 due to the company's participation in the Yes4Youth initiative.

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

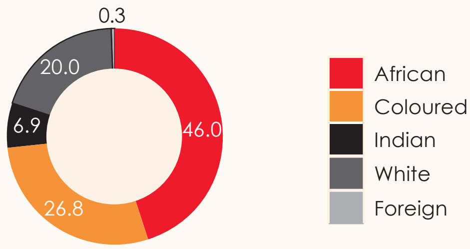
Driving diversity and inclusion is an integral part of the group's transformation and human resource strategies.

The group ensures that it is compliant with the Employment Equity Act as all the designated employers within the group report annually via the Department of Employment and Labour's ("DOEL") website on progress towards reaching the individual workplace Employment Equity Plan targets. Employment Equity Committees meet on a quarterly basis where progress towards reaching Employment Equity targets is measured. The Group also provided input, via Printing South Africa for the proposed Printing and Packaging sub-sector targets that are expected to be implemented by the DOEL in 2022.

Ownership and management control

The Black Ownership of group entities is measured using the flow-through principle from CAT. Overall Black Ownership decreased slightly to 13.62%, with the Black Female shareholding decreasing to 6.09% in economic interest and 5.8% in voting rights.

Diversity (%)



The CTP measured entity staff profile at September 2022 was as follows:

	Male				Female				Foreign Nationals		
Occupation Levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	**Total**
Executive management	–	1	–	1	–	1	–	–	–	–	3
Senior management	–	2	3	40	1	2	3	14	1	–	66
Professionally qualified and experienced specialists mid-management	22	17	8	44	11	5	7	50	–	–	164
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	380	340	107	272	225	172	82	318	2	1	1 899
Semi-skilled and discretionary decision-making	639	286	46	30	237	126	12	22	6	–	1 404
Unskilled and defined decision-making	175	55	7	2	144	62	1	3	–	–	449
Total	1 216	701	171	389	618	368	105	407	9	1	3 985

Skills development

The group continues with its focus on providing as many opportunities as possible for its employees to obtain various qualifications through initiatives such as the bursary programme, skills programmes, learnerships and apprenticeships. In addition, unemployed learners are provided with opportunities to get work experience through internship and graduate work experience programmes as well as learnerships.

YES4Youth Programme

In 2019, the group participated for the first time in the Yes4Youth programme which provides a 12-month quality work experience for unemployed youth. The programme enables the youth to receive training as well as work experience, thereby enhancing their chances to obtain permanent work placements. For the 2020/2021 year, 73 youth were hosted by IT Varsity, which is an accredited online training institute specialising in preparing youth for careers in app, web and software development. Youth are provided with coding skills and are placed in jobs such as system tech support agents. For the 2021/2022 year, 60 youth were engaged with Implementation Partner CapaCiti. The youth will receive at least three months of IT-related training before being placed at host employers for the rest of the twelve month programme.

Learnerships, apprenticeships and internships

The group had 353 people in learnerships, 163 in apprenticeships and 33 in internships the past financial year. The learnerships include National Certificate in Production at NQF 2 and 3 levels, Supervisory Management at NQF 3, Generic Management at NQF 4 and the National Diploma in Productivity at NQF 5. In addition, learnerships were implemented for the sales employees at the Newspaper divisions for the qualification Customer Management.

The apprenticeship programme provides opportunities for new and existing employees to obtain a trade certificate in disciplines such as printer mechanics, printer electricians, lithography, carton making, electronic origination, gravure machine minding, rotary printing and re-reeling flexographic machine minding, coldest rotary offset and heat-set rotary offset machine lithography technician, mechanised softcover bookbinding and millwrights.

CTP provided 25 disabled black unemployed learners with an opportunity to obtain a National Certificate: New Venture Creation NQF 2 or a National Certificate: Contract Centre Support NQF 2 qualification.

Bursary programme

Employees can apply for various fields of study where the group pays the full cost of the course. Currently employees are studying in the following fields: Management, Supply Chain Management, Marketing, Communication Sciences, HR Management and Grade 12.

Graduate and Internship programme

The group assists recent graduates with a 12 month work experience opportunity within our print media divisions.

In addition, in partnership with the Tshwane University of Technology, students in journalism are provided with six months practical work experience so that the student are able to complete their National Diploma in Journalism.

Enterprise and supplier development

Preferential procurement

The BEE status of suppliers is monitored on an ongoing basis. Changes to a supplier's BEE status are reported to the Transformation Committee. Procuring from BEE compliant suppliers is implemented at divisional level.

Enterprise and supplier development

The group's enterprise and supplier development initiatives focus on exempted small enterprises who are at least 51% black-owned. Free advertising is provided to enterprise development beneficiaries. Feedback from the beneficiaries indicate that the advertising has had a significant positive impact on their businesses. Supplier development focuses on providing qualifying beneficiaries with administrative assistance and transport.

SOCIAL DEVELOPMENT

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

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

SA Litho supports Ubuntu House, a place of safety for newborn babies who have been abandoned, orphaned or neglected, as well as babies born as a result of an unplanned or crisis pregnancy, through monthly monetary donations that contribute towards the feeding and caring of the babies. Currently SA Litho's annual financial contribution to Ubuntu is R84 000. Our sponsorship of Ubuntu House goes back almost 12 years now, and we are incredibly honoured to be able to continue to make a difference in the lives of the children cared for by this home.

CTP Printers Johannesburg and Caxton Works have supported a number of 100% Black-Owned Small Enterprises in the Logistics and Wooden Pallet industries.

CTP Printers Johannesburg donated to The Little Fighters Cancer Trust, a registered NPO that provides practical and emotional support to children with cancer, and CTP Cartons & Labels donated cartons with a value of R165 236 to Wykes Foundation, for use in their "Feeding Outreach Programme" to dispense hot meals to the less fortunate.

Boland Printers again donated R120 000 to Wamakersvallei Training Centre, a registered 21 company based in Wellington in the Western Cape. This community-based centre provides training which is a much needed and affordable service, giving individuals who would otherwise never have had the opportunity, a new beginning in life.

Caxton Local Media donated advertising of R568 170 to CHOCK Childhood Cancer Foundation of SA, R597 213 to HOSPICE Palliative Care Association of SA, R625 202 to CANSA ("The Cancer Association of SA") and R604 586 to Johannesburg Child Welfare.

Caxton Works supports Itshepeng, a skills development training centre and NPO, with quarterly donations for Grade 10, 11 and 12 learners. Caxton Works also pays for extra classes and textbooks, and towards a soup kitchen. The beneficiaries are from Bosmont and surrounding areas, which are close to the Caxton Works factory. Caxton Works hosts two Christmas parties each year for the local children and the elderly.

CTP Head office and Impala Stationers made donations to 71 charitable organisations totalling R857 560.

ENVIRONMENT/CLIMATE

Overview

Around the world, companies are being ushered towards sustainability by their governments and consumers. This has led to the uptake of several international reporting standards, including the Taskforce for Financial Related Climate Disclosures, The Carbon Disclosure Project, and the Sustainable Stock Exchange Initiative. These have informed new Sustainability and Climate Disclosure Guidance publications in our local context, which the JSE issued in June this year. These represent voluntary standards and the guidance frameworks draw on the Standards mentioned above, as well as a few others, to define what climate and sustainability information South African companies should be disclosing to their stakeholders.

Caxton is fully supportive of these developments and looks forward to growing our reporting capacity to cover some of the recommended disclosures, such as biodiversity impacts, which we have not previously reported on.

The Social and Ethics Committee is responsible for ensuring the integrity of our sustainability and climate change reporting going forward – it aims to complete a 2023 Climate Change Report that will more specifically address the material matters relating to climate change from a double materiality perspective and more fully represent the group's climate change performance.

Caxton's Journey Towards Sustainability

Caxton's resolve to embed sustainability into our business processes has a direct impact on the bottom line. We are therefore continuing our journey towards sustainability for the benefit of our planet, our people, and our business. In line with JSE recommendations, the following "Narrative Disclosures" describe the levels at which sustainability is considered in the decision-making process at all levels of our organisation.

We harness our knowledge and expertise to integrate sophisticated technologies and processes into national-scale operating facilities. We strive to safely and sustainably source, produce and market a range of high-quality products that are resourced, converted and distributed globally. We are committed to sustainability and accelerating our ambition to transition to carbon neutrality by 2050.

Governance

Owing to our relatively flat management structure, Caxton enjoys the benefits of being able to introduce new policies which can be applied throughout the organisation quickly. We believe this has been a strength when it comes to change management without affecting the dynamic nature of our operations, especially given the large number of sites over which the group has operational control.

Caxton has significant experience in accommodating operational change and has already successfully managed significant sustainability-linked change-resulting from the onset of digital media which has dramatically affected paper-based newspapers and magazines. Caxton also has a proven ability to deal with acute climate events, such as the floods in Durban, where Caxton quickly rebuilt and re-operationalised our biggest gravure production plant.

In the face of these issues, we have already accepted that sustainability needs to be a top priority for the group, and the board and management has endorsed this focus. Caxton has the experience and facilities to pivot its experience in sustainable paper-based products and media into emerging industries and technologies.

The board oversaw the management initiative that made the necessary investment available for the group to undertake carbon and environmental assessments starting in 2019 and continuing on an ongoing basis. These assessments which take place in every operation in the group, served as the catalyst for creating a reporting framework that integrates climate awareness and the collection of sustainability data in all levels of the organisation.

In overseeing this integration, the Social and Ethics Committee has been charged with reviewing the group's climate and sustainability performance and reporting their findings back to the board. This committee is chaired by the Group's Non-Executive Chairperson, Mr PM Jenkins, and other members include Mrs J Edwards (Company Secretary), Mr TJW Holden (CFO) and Mr L Witbooi (Executive Director). The committee members meet on a regular basis and engage regularly outside of the formal meeting structure. The committee reports back to the board on the implementation of sustainability strategies and sustainability disclosures. These strategies are based on the board's intention to understand the sustainability of Caxton's entire value chain and to strive towards having insight into as much of its local raw material and delivery value chain as is economically feasible.

2030 target setting and ambition by 2050

1. Reduce by 30% absolute Scope 1 and 2 GHG emissions by 2030 across Caxton Operations Nationally.
2. Reduce by 20% absolute Scope 3 emissions by 2030 for Category 11: of our sold products.
3. Reduce absolute Scope 1, 2 and 3: GHG emissions to achieve a net zero emissions ambition by 2050 across Caxton Businesses.

Why: Caxton will play its part in the global effort to meet the Paris Agreement goals and we intend to use a science-based approach to set our targets. Caxton is an emitter of GHGs in South Africa and we are responding to the need to do much more to meet the Paris Agreement goals.

How: We have set a 30% emission-reduction target, which supports South Africa in potentially achieving the lower end of its Nationally Determined Contribution (NDC) target of 350 $MtCO_2$ by 2030. Our medium-term target is a foundation to support achievement of our 2050 ambition. We are in the process of defining roadmaps for our relevant operations, utilising mitigation technology levers we will implement across the group. There are several pathways to achieve net zero so that we have options as our Industry will have great flux over the future years. We are also working collaboratively with customers and suppliers to reduce Scope 3 emissions across our value chains.

Management
At a management level Caxton has ensured that sites across the entire group are aware of sustainability issues which the group faces, and those which might be specific to each site. This has come about, *inter alia*, from the group's Carbon Footprint Assessments, which the group has now carried out three years in a row. Through this assessment, site managers and management teams now have increased awareness and training regarding:

- Waste management
- Extended producer responsibility laws
- Energy monitoring and accounting
- Renewable energy implementation
- Energy efficiency
- Air emission licensing
- Greenhouse gas emission tracking
- Circular economy
- Strategic product developments
- Scope 3 Emission reporting

Caxton's management teams are hands on in the upstream and downstream value chains, having developed proactive relationships with customers and suppliers. In some cases, this has resulted in Caxton sites reporting their emissions directly to customers.

Strategy
Caxton's strategies are already informed by issues surrounding sustainability and climate as the raw materials which Caxton uses are already subject to various laws and standards which were designed to embed sustainability into any business activities which use those materials.

Caxton has identified two core principles to its sustainable development, these are:

- Reducing reliance on plastic packaging, especially single use plastic production.
- Innovating towards the next generation of smart, biodegradable packaging which is made possible by recognising and focussing on upstream supply of raw material and downstream usage of our products. This strategy places local resources first.

Whilst the board, Social and Ethics Committee and management teams across the group are already aware of the more obvious climate-based risks and opportunities, we are committed to furthering our organisational understanding of how climate risks will affect our business model, and which resultant opportunities will be most viable for us to pursue. Thus, to further inform our strategy Caxton has commissioned a group-wide Climate Change Report, which will explore climate risks and opportunities. This will include both physical and transition risks, as recommended by the TCFD, and opportunities including resource efficiency, energy procurement and market opportunities amongst others.

This report will also include recommendation for a formal transition plan and two scenario analyses, in line with the TCFD's recommendations.

Metrics and targets
Caxton's adoption of a group-wide sustainability data inventory has formed the backbone of our reliance on quantitative data sets. These data sets include various metrics, which each site captures monthly. The results are then available for site managers to draw down data reports for any period in the last two years. The metrics tracked in this system include energy usage, water usage, waste and recycling tonnages, process emissions, fugitive emissions and material Scope 3 emissions such as outsourced logistics. These are typically reported in the relevant mass unit for raw materials (i.e. kilolitres of water) and the corresponding GHG Emission amounts from those sources, in tonnes of carbon dioxide equivalents.

Legal Compliance

With South Africa striving for GHG reductions in line with our Nationally Determined Contribution, the government has implemented several stick and carrot measures, in order to ensure that South African businesses are motivated towards the same end. There are several core legislative requirements with which the Caxton Group complies. These are as follows:

National Greenhouse Gas Emissions Reporting Regulations (NGERs)
This subsection of South Africa's Air Quality Act requires organisations above a certain threshold to report the GHG Emissions on a yearly basis. Caxton has now reported into South Africa's National Air Emissions Inventory System (NAEIS) for the 2020 and 2021 calendar years, and will continue to do so on yearly basis, as required by the Department of Forestry, Fisheries and Environment.

Air emission licences
Recently promulgated legislation requires manufacturers who use over 25 tonnes of Volatile Organic Compounds (e.g. alcohols) in their production processes to register for air emission licences. Caxton is underway with the emission measurements required to apply for these licences and we are confident that we will comply with this law well before it is legislated to be enforced in 2026.

Regulatory requirements and limits

Carbon emissions unit of measurement: mgC/Nm^3 – Milligram of carbon per cubic metre of air emissions into the atmosphere. N stands for "normal", which is measured at a temperature of 25 degree centigrade, and 1 atm pressure: 101 325 pascals. It is the pressure and temperature requirements in which that volume of air is measured. If we change temperature or pressure, then the volume would change, changing the final value.

Emission threshold for new equipment is 100mg/Nm^3.

Emissions standards for existing printing industry of 150mgC/Nm^3 by 1 April 2026.

Carbon tax

The Government has promulgated the Carbon Tax Act 2019 ("CTA"), with first time registration and reporting due by end October 2020. This tax is regarded as an environmental levy in terms of the Customs and Excise Act. As distinct from NAEIS reporting on a group basis, the carbon tax threshold differs under the CTA and is not applied on a group level, but on an entity-by-entity basis. We have determined that we are not liable for registration under the CTA.

Extended producer responsibility

Promulgated in September 2020, EPR is a waste management policy approach founded on product stewardship and the "polluter-pays principle" and was established in section 2 of National Environmental Management Act 107 of 1998 ("NEMA"). This was set up with the goal of expanding manufacturers responsibility for their products over the entire lifecycle. Caxton has registered with the Producer Responsibility Organisations ("PRO") Fibre Circle and Polyco, in order to ensure that we comply with these laws.

Fibre Circle is a government-recognised producer responsibility organisation. They manage extended producer responsibility programmes to keep paper and paper packaging, which are renewable and recyclable products, out of South Africa's landfills.

As the registered PRO for the South African paper and paper packaging sector, Fibre Circle has elected to collect EPR fees from registered companies. These fees are based on tonnages manufactured locally or imported into South Africa – whether as primary product packaging or secondary transit packaging – and placed on the South African Market.

The regulations define a producer as 'any person or category of persons, including a brand owner, who is engaged in the commercial manufacture, conversion, refurbishment (where applicable) or import of new or used identified products.'

The identified paper products are as follows:

- Newspaper/newsprint
- Magazines
- Office and graphic paper
- Corrugated cases and kraft paper
- Liquid board packaging
- Label backing paper
- Paper sacks
- Multilayer paper-based packaging

Our registration 19/7/5/P/M/20210517/006 – ensures that we have selected Fibre Circle as the Producer Responsibility Organisation that will manage our paper and paper packaging Extended Producer Responsibilities in collaboration with other entities and end users in our sector.

Sourcing sustainable raw materials

Caxton remains committed to sourcing its pulp from FSC Certified suppliers. The chain of custody certification is how the Forest Stewardship Council ("FSC") verifies that forest-based materials produced according to our rigorous standards are credibly used along the product's path from the forest to becoming finished goods.

The FSC label on a finished product signals that the materials used during production have met the chain of custody requirements at every step in the supply chain, from sourcing to distribution.

To qualify for chain of custody certification we must implement a management system that ensures the following. The forest-based materials used in part, or all our production are FSC-certified. This includes reclaimed materials. FSC-certified materials are identified and tracked during the manufacturing and distribution processes and all documents and records relating to FSC-certified product production, purchase and sales are kept.

FSC is the world's most trusted forest certification organisation, which is a proven, impactful method to prevent deforestation, preserve biodiversity, and protect human rights that unites an extensive certified supply chain network to increase market access.

Emissions

Carbon audit

For the third consecutive year Caxton has conducted an in-depth carbon audit of all facilities we have operational control over. This has involved the implementation of a group-wide Emissions Inventory Tracking system, where each site captures their carbon emission data monthly. This system and resultant site inspections are carried out by an independent contractor and verified by an independent third party. This carbon audit is carried out in compliance with the Greenhouse Gas Protocol and covers the financial year, July 2021 to June 2022.

In line with the GHG Protocol, Caxton has measured all Scope 1 and Scope 2 emissions, and material Scope 3 emissions. These include:

Scope 1 – Direct emissions from Caxton's sites of operation

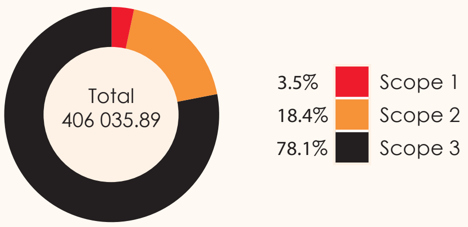
- Natural gas
- Fuel in generators (stationery combustion)
- Liquid petroleum gas
- Paraffin
- Equipment
- Rental vehicles
- Fleet vehicles
- Reimbursed driving

Scope 2 – Indirect emissions from purchased electricity

Scope 3 – Indirect emissions

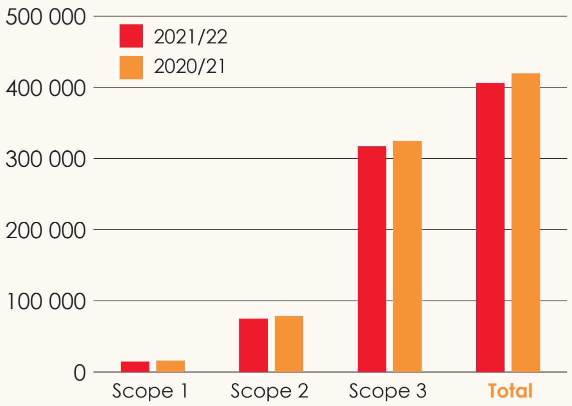
- Outsourced logistics
- General waste
- Paper waste
- Plastic waste
- Glass waste
- Aluminium waste
- Steel waste
- Water (embedded emissions)
- Raw paper (embedded emissions)

Total emissions by Scope FY2021/22 (tCO_2e)



* tCO_2e refers to tons of Carbon Dioxide Equivalents, the universal measure of Greenhouse Gas Emissions

Emissions by Scope (tCO_2e)



Total emissions by Scope (tCO_2e)			
	2021/22	2020/21	2019/20
Scope 1	**14 135.5**	15 489.11	13 361.35
Scope 2	**74 772.99**	78 584.15	89 412.40
Scope 3	**317 127.39**	324 911.26	107 769.17*
Total	**406 035.89**	418 984.52	210 542.92

* Caxton begun measuring Scope 3 emissions from outsourced logistics in 2020/21.

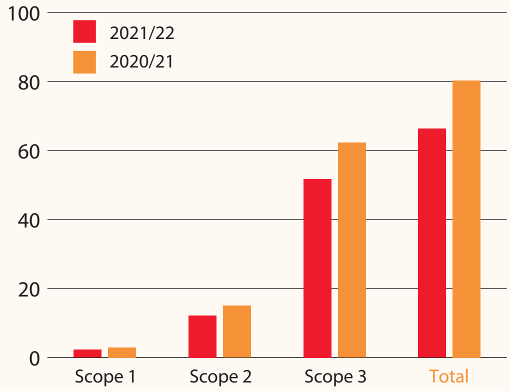
Emissions Intensity

A key consideration for Caxton's carbon emissions reporting is calculating our emission intensity. This makes it easier to compare performance between years as this considers changes in our operations and how active each site was during the year.

Intensity Metric 1:

Revenue of entities under our control: R5 979 million

Intensity metrics by revenue (tCO_2e/Rand millions)

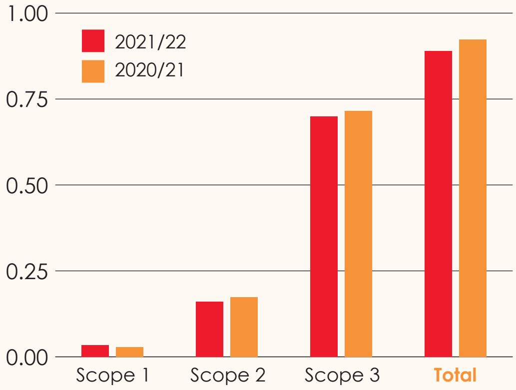


Intensity metrics by revenue (tCO_2e/Rm)			
	2021/22	2020/21	2019/20
Scope 1	**2.36**	2.97	2.40
Scope 2	**12.51**	15.05	16.05
Scope 3	**53.04**	62.24	19.34
Total	**67.91**	80.26	37.79

Intensity Metric 2:

Gross operational area

Intensity metrics by GOA (tCO_2e/m^2)



Intensity metrics by gross operational area (tCO_2e/m^2)			
	2021/22	2020/21	2019/20
Scope 1	**0.03**	0.03	0.03
Scope 2	**0.16**	0.17	0.20
Scope 3	**0.70**	0.72	0.24
Total	**0.89**	0.92	0.46

Air emission licences

Following the promulgation of new legislation under the National Environmental Management: Air Quality Act, which identified certain printing industry activities as "Controlled Emitters", Caxton has implemented data collection and monitoring measures to ensure we comply with these emission reporting regulations. This has entailed the measurement of Volatile Organic Compounds ("VOC") concentrations leaving factory vents under normal operating conditions. In parallel, Caxton is developing an alternative methodology which employs mass balance calculations to accurately estimate these emissions. In combining these two methods we are developing a low-cost solution in order to comply with the legislative requirements to report these emissions on an annual basis.

RESOURCE MANAGEMENT

Water

Whilst South Africa's water supply has stabilised since the threat of Day Zero was avoided, it is still true that we are in a water crisis, and as such Caxton accepts the role it has to play in water stewardship and ensuring that this resource is protected.

Water management is expected to take a more pronounced role amongst the metrics for sustainability. This is backed by the reality that freshwater resources are facing extensive stresses which are leading to events of potential scarcity.

To this end Caxton monitors and controls water usage across all sites in order ensure that water is conserved wherever possible. This has included the installation of automatic water meters at some of the sites which use the most water in their operations. Through this monitoring we can identify changes in consumption and implement corrective actions where necessary.

We have rainwater harvesting plants at several of these larger facilities to further reduce our dependence on council water. These sites include our Ndabeni plant, which uses water extraction to feed into the ablution blocks. At Boland Printers and Boxes for Africa there are rainwater catchment systems installed on the roofs which then lead into tanks. This water can then be used for production processes.

Going forward into 2023 and for commitments to the Carbon Disclosure Project, Caxton will begin an evaluation of the water footprint by means of an approved assessment tool and this assessment method will be evaluated against criteria relevant for assessing water sustainability within in the local context. Areas to be addressed would be accurate metering and data regarding water use, determining the desired outcome of the water management strategy (reduce costs, mitigate business risk, limit environmental impact), insight into water flows within a facility, water conservation, potential for recycling and reusing water and determining the level of effort and resources to dedicate to water management.

Energy

Reducing the brown energy use of our properties and optimising energy efficiency not only reduces our emissions and fossil fuel resource dependence, but also makes good business sense, and thus we have developed our energy master plan. The Plan sets out how we will achieve our carbon neutral targets and mitigate risk by reducing energy costs, energy price volatility, the impact of rising energy prices on our cost of manufacturing, as well as meet and exceed regulatory requirements and customer expectations.

Monitoring and metering

Monitoring and adjusting the energy use of our properties is an important part of our approach to energy management and emissions reduction. Through our energy monitoring and management system, we have been able to improve on energy inefficiencies and reduce energy as our utilities are strictly managed by metering and monitoring, producing detailed monthly reports and enabling quick identification of abnormalities in usage which prompts investigations and action to resolve issues.

LED lighting

We have over the past years implemented LED lighting exchange in areas of buildings. Going forward we are looking at comprehensive LED programmes at all industrial and commercial sites, inclusive of motion detection sensors, day light harvesting and lighting level control. This is an ongoing group programme. To date from 2016 we have a saving of an estimated 188 000 kWh per annum – an energy efficiency program ensuring 475 tCO_2e avoided per year.

Renewable energy

Private power generation by way of renewable energy is not a new technology in 2022. Instead, it is part of a firmly established global trend for technological, economic and climate change reasons and already forms an integral part of SA's energy solution. The reduction of CO_2 emissions is a major driver to adopt alternative energy sources, and having our own independent supply comes with the added benefit of having more control over that supply. Caxton has therefore continued a renewable energy path and plans to ramp up investment in self-provisioning of electricity (PV Power).

At Caxton we have implemented the following Renewable Energy Road Map since FY2020:

Pilot PV Site – CTP Industria, Gauteng, has installed a 660 KW AC rooftop PV plant that has been operational for a full two years, July 2020 to date. In two calendar years the plant has produced 2 539 458 kWh of green energy. This displacement of brown energy proved a tCO_2e reduction of 2 742 tCO_2e and financial saving of R4 126 024 on energy bills.

The success of this system unlocked the Renewable Energy Path of Caxton, and over this last year we implemented a further 1,8 MW of rooftop solar that came online July 2022, adding a further 6 300 MWh per year of green energy and potential 6804 tCO_2e reduction.

In 2023, we will implement PV installations across, numerous operational roofs. Caxton has already procured over 8 MW worth of PV panels. This additional PV installation will enable a further 35 000 MWh of green energy production with a potential 37 800 tCO_2e reduction.

An exciting initiative on our energy decarbonisation planning table is the procurement of green energy via wheeling. Wheeling is one of the key enablers in the South African Energy landscape that will help provide reliable and sufficient electricity for the economy. Wheeling is primarily a financial concept which, in a South African context, encompasses the rules for accounting for privately generated energy in the unregulated market, evacuated into the Grid anywhere in South Africa, with the withdrawal of an equivalent amount of energy from another point in the Grid. The accounting reflects a 'virtual' transaction.

The existing regulatory position in South Africa is permissive of Wheeling and there are no legal impediments to Wheeling, *per se*. Caxton's participation in wheeling will unlock our planned renewable path of 100% carbon neutral energy by 2030 in line with the National Determined Contributions (NDC) that South Africa has made to COP 26 and will ensure huge economic benefits on cost of energy with fixed base increases.

Energy storage

Energy storage solutions such as Lithium-Ion battery storage has become an important conversation at Caxton. Batteries can offer many solutions to a variety of challenges faced by the energy operating environment in South Africa. Firstly, continuity of power supply and on a larger scale, batteries offer a solution to load shedding. Secondly batteries will be used to smooth the energy curve, by reducing the exaggerated peaks and reducing demand on the grid supply and so reducing the cost of grid supply, but moving the load demand out of high peak tariffs. Thirdly reducing amount of diesel being burned in back up diesel generation, resulting in a reduction in carbon emissions. Caxton is proud to announce its first Microgrid, at CTP Industria, where a 1.6 MW 2.8 MWh lithium ion, intelligent battery system, has been added to the 660 kWp PV plant. This commercial microgrid generates, stores and distributes power and operates either independently or alongside the primary utility grid, supplementing energy supply to the site, and easing the burden on the national grid and regional infrastructure and voiding high diesel generation consumption. It will also enable a further economic saving of R1.2 million per annum on the energy bill.

Caxton acknowledges that the ability of its RE projects to become dispatchable (base-load capability) is a reality and when coupled with the exponential technological advancement of Battery Energy Storage Systems ("BESS") at reducing prices, BESS will become increasingly viable for hybrid projects. This will form a second phase, post the roll out of the procured PV systems.

Waste

Caxton is aware that we are currently seeing rapid developments in South Africa's waste sector, with developments such as Extended Producer Responsibility and a huge drive towards a Circular Economy. Caxton supports this shift and recognises the opportunity that we must lead the paper and packaging industries, by developing an inclusive waste model which will engage the NPO Recycling partners in our areas.

The table below shows the amount of waste disposed of by the group for the previous two financial years:

Waste (tons)		
	2021/22	2020/21
General	**1 412.42**	1 378
Paper	**25 421.57**	24 011.66
Plastic	**679.05**	761
Aluminium	**288.25**	328.67
Steel	**1.68**	2.02
Total	**27 802.97**	26 481.35

Whilst the amount of waste across the group increased slightly this year, we have maintained a high recycling rate, which increased very slightly from 94.8% in FY2020/21 to 94.92% in FY2021/22.

We will deliver further key improvements in this area via our partnership with the Producer Responsibility Organisation, Fibre Circle.

OTHER AREAS

Initial Climate Change Report

Caxton remains resolute in its commitment to decarbonise and enable a just transition so that it is sustainable and contributes to a thriving society.

In order to further inform Caxton's strategic approach to medium- and long-term timeframes, we have commissioned the group's first Climate Change Report. This report will provide insights into which risks and opportunities the group is facing and conduct scenario analyses in line with the TCFD recommendations. Further in line with the TCFD recommendations, this report will establish which areas of Caxton's value chain can be considered material, using the concept of "Double Materiality".

Caxton's precursor to a Climate Response Paper, has noted in the past months alone profound changes in aspects of global and local South African energy, which highlights the critical importance of energy security, this comes close on the heels of a country that has been adjusting to the damage of the Covid-19 pandemic and grappling with climate change risks that need to help align our decarbonisation goals.

The types of risks to be considered are the physical risks which climate change poses to our operations, as well as the transition risks, which the transition to Net Zero poses to our operations.

Supporting of the Paris Agreement requires:

- to be aligned with the global goal of limiting global warming to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C.
- to implement measures based on mitigation potential and our fair share responsibility.
- understanding and incorporating unique South African circumstances and the embracing just transition principles.
- setting science-based targets.
- delivering towards a net zero ambition by 2050.

Caxton Climate Change Position

- support the Paris Agreement.
- Utilise mainstream climate science assessed by the IPCC for net zero CO_2 emissions to be reached by 2050.
- Agree that Caxton has our role to play in managing the risks of climate change, as well as respecting and contributing to the societal requirements within the transition.
- Understanding and planning for the importance of adaptation and resilience to a changing climate that is already in play.

Science-Based Targets

We have assessed the Science-Based Target initiative ("SBTi"), which is the majority approved Standard against which corporate GHG targets are being assessed.
We will develop our methodology, our target setting and roadmap development by benchmarking using a bottom up and top-down reasoning based on climate science based documented data and global Climate Action Tracker ("CAT") programs. This will enable us to indicate responsibility for historical emissions as a baseline and devise mitigation solutions based on economic, technical, and financial reasoning to reduce emissions.

Roadmap

Caxton expects to reduce 30% of emission by 2030 and net zero by 2050. We note that on this basis, our 2030 goal is well below 2°C and therefore aligned with the Paris Agreement.

South Africa is a developing country and thus in accordance with COP 26 will require more flexibility on our ability to achieve net zero by 2050 as South Africa faces increasing access to energy challenges whilst trying to reduce emissions, and this in the core of our subscribing support to a Just Energy Transition. Our 2050 net zero goal supports the 1,5°C temperature goal and is aligned with the mandate of COP 26, that all of society must stop adding to the total global GHG emissions by 2050. We are thus working on our pathways to net zero which have a primary focus on fossil-fuel-free energy consumption for both our Scope 1 and Scope 2 emissions. Second major area of focus is the mitigation of our VOC emissions.

Caxton is proactively looking for climate related opportunities in the areas of Resource efficiency, Green Energy Generation, Innovative Products, Accessing New Markets and building climate resilience.

As part of our commitment to continuous improvement, we undertake periodic reviews and updates to our GHG inventory, its methodologies and emission factors. We do this to enable a well-designed and maintained corporate GHG inventory and to continuously align with the IPCC and GHG Protocol.

Climate Change Enterprise Risk Management

Caxton is serious about Enterprise Risk Management ("ERM") and how we identify and understand what our responses should be to risks to our business because of climate change, as this is an imperative in our medium- and long-term Climate Change Strategy.

> ***Plan***
> Identify and understand -climate-related risks relevant to our business and specific to our operational sites. Risk events will be analysed, assessed and prioritised.

Action
Manage and monitor on a dashboard and map all existing production processes, procedures and standards and map the responses planned for risks and that the efficacy of the responses is regularly reviewed.

Governance and assurance
Climate change risks are tracked, reviewed and assured at the Board level.

Analyse and improve
The final level of climate risks will be assessed, as well as the mitigating gaps which will be investigated along with opportunities for improvement. Out of this action plans will be developed, and learnings shared.

The Board provides governance oversight over the identified top risks, including climate change. The Board receives regular assurance on the risks, based on the reporting of the Social and Ethics Committee and the risk models and reporting. Climate change risks form part of long-term business viability and require sustainable execution of strategy and shareholder support.

Responding to climate change
During April 2022 in KwaZulu-Natal, extremely high rainfall was experienced in a short period, resulting in flooding of major parts of the province, including Caxton's operation in Prospecton. This facility was submerged below more than 1,5 metres of water rendering the site inoperable and affecting major roads, transportation, communication, and electrical systems. The damage greatly hampered recovery and relief efforts. Our response teams were able to successfully service and restore critical infrastructure and the interventions we undertook did not result in any occupational safety, process safety or environmental incidents.

This has focussed us on our climate event responses and Caxton is crafting a structured response to ensure that we adapt appropriately to the physical impacts of climate change, which is posing an increasingly material risk to our operating assets. Noting impacts are increasing because of the growing prevalence and severity of extreme weather events, particularly hurricanes, flooding and drought. We will be tabling measures to protect our operations, employees and supply chain from these events and provide support for our extended communities and employees to build their resilience.

Governing climate change
The Social and Ethics Committee must provide an integrated strategic direction and neutral oversight (via independent advisors) and make recommendations to the board for approval on all climate-related matters and the roadmap to net zero vision (2050), and interim steps to obtaining 2030 goals. This needs to include Scope 1, 2 and 3 reductions and contributions to a national vision of a just transition. They are responsible for consolidated performance reporting and disclosure against targets and alignment with the TCFD recommendations, and the monitoring of continued resilience of all operations through risk assessments.

The resolution focuses on Caxton's:

- support for the goals of Articles 2.1 and 4.1 of the Paris Agreement, as set out in its 2030 and 2050 emission-reduction roadmap in particular its just transition levels and pursuing efforts to limit the temperature increase to 1,5°C above pre-industrial levels;
- short-, medium- and long-term quantitative GHG targets (Scope 1 and 2) in support of the goals of Articles 2.1(a) and 4.14 of the Paris Agreement for operations in Eurasia, the North America and South Africa; and
- medium- and long-term quantitative GHG emission-reduction targets including Scope 3 emissions.

Supply chain focus
Caxton recognises that the vast majority of most organisations' emissions are Scope 3 emissions, along the supply chain. Understanding this, Caxton has identified material Scope 3 emissions, such as embedded emissions in water, and the emissions created by our outsourced logistics chain. This has served as a valuable tool for Caxton to identify climate-related risks along our entire value chain. This means Caxton can be proactive about managing risks in both the upstream and downstream value chains. Additionally, this mindset has made Caxton aware of the opportunities for increasing the sustainability of our entire value chain.

Climate advocacy and policy statement
Globally businesses and boards recognise that global warming is a significant threat and will have an increasingly profound impact on society. Caxton acknowledges that the industrial and built environment impacts South Africa's emissions and wider consumption of resources and that we are also positively positioned to reduce resource consumption and emissions though efficient and responsible management of our buildings and operations. Caxton is committed to reducing the environmental impact of our operations by integrating resource efficiency and emissions reduction and our Environmental sustainability pledge is as follows:

Through awareness, understanding, education, and action we will continue to minimise our intrusion on the environment. As a printing and packaging company, we choose to make responsible choices and we have built our business on sensible solutions in careful consideration of sustainability of the environment and its preservation for future generations.

Advocacy commitments

Commitment to climate science

The IPCC provides evidence of how global warming and its effect if unmitigated. The scientific evidence for the warming of the global climate system is in the 2021 IPCC findings. Caxton supports the anthropogenic science base rating of climate change and our responsibility in mitigating emissions to hold the global average temperature increase below targeted levels.

Support for the Paris Agreement goal

The Paris Agreement articulates the need for society to act with great urgency to limit global warming to well below 2 degrees Celsius above pre-industrial levels and much more than the current global effort is required to support the aims of the Paris Agreement, especially where it relates to developing countries.

Support for carbon pricing that incentivises low-carbon paths

Carbon pricing provides an incentive to accelerate the low-carbon transition through emission trading schemes or taxes. Setting a price on carbon requires an integrated, well-designed, nationally determined policy response to climate change. Caxton supports carbon pricing to enable a transition to a low-carbon economy. The use of carbon offsets ensure the viability of our projects and long-term

Strategy

Transparency and disclosure

Increased transparency is critically important to enable informed decision making and instils confidence with our stakeholders and customers. Caxton is committed to the measurement of and accounting for climate impacts.

Caxton will establish in 2023 our membership of Climate Disclosure Project (CDP) to partner in collective action towards various goals. The CDP supports many different initiatives and has forged strong alliances around the world.

We also intend aligning work with intergovernmental agencies, governments, business and regional associations to drive further action.

"This Earth is our only home. Together, we must protect and cherish it."
Ban Ki-moon

REMUNERATION REPORT

The year under review encompasses a full year post the Covid pandemic and has seen significant recovery in most of the group's business segments. The recovery is however largely due to the strategic decision of management to stockpile paper and to back growth areas in the group. The headwinds of global conflict, warming and inflation are growing cause for concern and require ongoing strict control over payroll and headcount. The local issues of load-shedding and political and socio-economic instability reinforce the need to maintain discipline in limiting expenses.

The management and staff of the group made extraordinary sacrifices through the pandemic and it is a great relief to be able to put 2020 and 2021 behind us. However, faced with fresh concerns, the management and board need to rely even more heavily on the innovative and adaptive leadership of its management, to maintain the group's growth trajectory.

Given the achievement of business stability post-Covid, the core remuneration principles of the group, as set out in the Corporate Governance and Risk Management section, remained unchanged during the year.

Shareholder voting on remuneration is an acknowledged component of the executive remuneration debate and board accountability. Thus, shareholder votes at AGM's are always a welcome barometer, but the group's conservative no-frills approach has been maintained, and will hopefully provide shareholders with assurance that this remains an area of tight control.

In the 2022 financial year, a new share appreciation bonus scheme, intended to align executives and senior management interests with the group and to retain executives, was implemented with a baseline of R7 per share and vesting over 4 years. This follows the unwinding of a defunct executive share scheme in 2020. The new scheme will be cash settled and will be taxable as remuneration in the hands of executives. No allocation was made to the CEO, Mr TD Moolman or Mr Holden. Mr Witbooi was allocated 1 million shares at a base of R7 per share. A total of some 10 million shares were allocated across the senior management of the group. The growth of the share price on the back of a resilient performance by the group in the 2022 financial year has resulted in the embedding of value for participants, which has a significant retention effect.

Aside from the above limited share appreciation bonus scheme, the group continues to focus the remuneration for its executives and staff on equitable market related salaries and with short-term bonuses for performance. Remuneration determination remains, at its core, a subjective process. Senior executive remuneration is benchmarked against remuneration in peer companies. Bonuses for the 2021 financial year were paid in August 2021 – Mr Holden received an annual bonus of R2.5 million and Mr Witbooi received R600 000.

A further special once off bonus allocation for a broad section of management was implemented in February 2022, reflecting the profit achievements of the group at the half year. A bonus award of R800 000 was made to Mr Witbooi. Subsequent to year end, an annual bonus to a broad section of management was implemented, reflecting the enhanced growth and earning of the group for the 2022 financial year. Details will be reported in the 2023 financial report.

As in previous years, the remuneration of executives and staff alike was subject to review for the financial year at all levels within the group. In the review process,

- Mr Moolman's annual remuneration package was increased by 6.5% from R4.0 million per annum to R4.4 million per annum, on a cost to company basis,
- Mr Holden's annual remuneration package was increased by 5.8% from R4.3 million per annum to R4.6 million per annum, on a cost to company basis, and
- Mr Witbooi's annual remuneration package was increased by 9.6% from R2.9 million per annum to R3.2 million per annum, on a cost to company basis.

In view of their adjustments in the 2021 financial year, no increase in the packages of the Chief Executive Officer or Managing Director were granted in the current financial year.

Non-executive directors have been granted a 5% increase.

Executive and non-executive remuneration has been implemented in accordance with the disclosures in the Annual Financial Statements.

PM Jenkins
Non-executive Chairperson

TD Moolman
Chief Executive Officer

Remuneration Committee
26 October 2022

CAXTON & CTP publishers & printers LIMITED

CONTENTS

STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE BOARD OF DIRECTORS

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

The directors are required, in terms of the Act, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company and the group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS, the Act and the Listings Requirements of the Johannesburg Stock Exchange.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group, and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group, and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group.

While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, after due, careful and proper consideration of the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Company and the group's cash flow forecast for the year to 30 June 2023 and, in light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors, BDO South Africa Incorporated, are responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their unqualified report is presented on page 34.

The preparation of the annual financial statements was supervised by the Financial Director, Mr TJW Holden, BCom, CA(SA). The annual financial statements set out on pages 41 to 83, which have been prepared on the going-concern basis, were approved by the Board of Directors and are signed on its behalf by:

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
26 October 2022

DECLARATION BY COMPANY SECRETARY

In terms of sections 88 and 89 of the South African Companies Act 2008 ("the Act"), I, in my capacity as Company Secretary, hereby certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that all such returns are true and up to date.

J Edwards
Company Secretary

Johannesburg
26 October 2022

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

In line with paragraph 3.84(k) of the JSE Listings Requirements, each of the directors, whose names are stated below, hereby confirms that:

- the annual financial statements set out on pages 41 to 83 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
26 October 2022

Independent Auditor's Report
To the Shareholders of
Caxton and CTP Publishers and Printers Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated and separate financial statements of Caxton and CTP Publishers and Printers Limited (the group and company) set out on pages 41 to 83, which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Caxton and CTP Publishers and Printers Limited as at 30 June 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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

Key Audit Matters
We have determined that there are no key audit matters to communicate in our report.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the document titled "Caxton and CTP Publishers and Printers Limited Annual Financial Statements for the year ended 30 June 2022", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: LD Mokoena

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Caxton and CTP Publishers and Printers Limited for 14 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Paul Badrick
Director
Registered Auditor

26 October 2022

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

DIRECTORS' REPORT

NATURE OF BUSINESS

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

REVIEW OF BUSINESS OPERATIONS

Revenue for the year increased by R759 million to R5 979 million (2021: R5 220 million). Profit from operating activities before depreciation and impairment increased by R265 million to R828 million (2021: R563 million). Net finance income received amounted to R138 million (2021: R82 million) with capital expenditure during the year totalling R206 million (2021: R182 million). Cash and cash equivalents amounted to R1 664 million (2021: R1 989 million).

ORDINARY DIVIDEND

An ordinary dividend of 50.00 cents (2021: 50.00 cents) (gross) (net 40.00 cents (2021: net 40.00 cents)) per ordinary share was declared on 9 September 2022, payable to shareholders registered on 6 December 2022.

PREFERENCE DIVIDEND

A preference dividend of 410.00 cents per share (2021: 410.00 cents) (gross) (net 328.00 cents (2021: net 328 cents)) per share was declared on 9 September 2022, payable to shareholders registered on 6 December 2022.

SHARE CAPITAL

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

SUBSIDIARY COMPANIES

Particulars of subsidiary companies are set out on page 82. The aggregate attributable interest of the Company in the after-tax profits and losses of the subsidiaries were:

	2022 R000	2021 R000
Profits	**465 845**	556 927
Losses	**(53 520)**	(53 012)
	412 325	503 915

DIRECTORATE AND COMPANY SECRETARY

The names of the directors and the Company Secretary are set out on pages 3 and 33 of this report. In terms of the memorandum of incorporation of the Company, no fewer than a third of the non-executive directors retire at the forthcoming annual general meeting. Mr PM Jenkins and Mr JH Phalane retire as directors and, being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDING

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

Directors	**2022 Direct**	2021 Direct	**2022 Indirect**	2021 Indirect
TD Moolman*	**–**	–	**4 005 695**	4 005 695
PM Jenkins	**8 000**	8 000	**–**	–
Total	**8 000**	8 000	**4 005 695**	4 005 695

There were no changes in directors' shareholding between the end of the financial year and the date of this report.

* At the date of this report, the Moolman Coburn Partnership, through various intermediate companies controlled by it, controls Caxton Holdings Proprietary Limited, which holds 45.69% (30 June 2022: 45.69%) of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The Moolman Coburn Partnership and its intermediate companies control an additional 5.67% (30 June 2022: 5.67%), and its associates acting in concert hold a further 0.9% (30 June 2022: 0.9%) of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The partnership therefore controls a total of 52.26% (30 June 2022: 52.26%) of the issued ordinary shares of the Company. The directors do not have any non-beneficial shareholdings in the Company.

SHAREHOLDER SPREAD

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

	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
Non-public shareholders				
Directors of the holding and subsidiary companies	**3**	**0.06**	**4 045 024**	**1.12**
Shareholders holding more than 5% of the issued ordinary shares				
– Caxton Holdings Proprietary Limited	**1**	**0.02**	**165 652 708**	**45.69**
– Alan Gray Balanced Fund	**1**	**0.02**	**20 984 653**	**5.76**
	5	**0.10**	**190 682 385**	**52.57**
Public shareholders	**4 834**	**99.90**	**171 852 263**	**47.43**
Total	**4 839**	**100.00**	**362 534 648**	**100.00**

According to the records of the Company, other than as indicated above, no shareholder held five per cent or more of the Company's shares at 30 June 2022 or at the date of this report.

SUBSEQUENT EVENTS

On 1 August 2022, the group acquired the operations of Amcor Flexibles South Africa Proprietary Limited for a consideration of approximately R90 million.

On 12 August 2022, Cognition Holdings Limited, a subsidiary of the group, entered into separate agreements constituting one indivisible transaction, with BetterHome Group Limited, ooba Proprietary Limited and Fledge Capital Proprietary Limited in terms of which it will, subject *inter alia* to the conditions precedent dispose of its 50.01% interest in Private Property for an amount of R150 million. The effective date of the disposal is expected to be on or around 16 November 2022.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements, which appear on pages 41 to 83, have been approved by the Board and are signed on its behalf by:

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
26 October 2022

AUDIT AND RISK COMMITTEE'S REPORT

The Audit and Risk Committee ("the committee") is pleased to present this report on its activities for the financial year ended 30 June 2022.

BACKGROUND

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

TERMS OF REFERENCE

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

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

The charter is available on request from the Company Secretary.

OBJECTIVE AND SCOPE

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

MEMBERSHIP

The committee comprises Mr JH Phalane (Chairperson) and Messrs ACG Molusi and NA Nemukula. All the members are independent non-executive directors.

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

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

The financial director attends all meetings by standing invitation.

EXTERNAL AUDIT

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

Both audit and non-audit services performed by the external auditors were reviewed and approved. There is a formal procedure that governs the process whereby the auditor is considered for non-audit services, and each instruction for such work is reviewed by the committee.

The committee, in consultation with executive management, agreed to an audit fee for the 2022 financial year.

The fee is considered appropriate for the work that was done. Meetings were held with the external auditor and no matters of material concern were raised.

The committee reviewed the performance of the external auditor and nominated and recommended for approval at the annual general meeting of BDO South Africa Incorporated as the external auditor for the 2022 financial year.

FINANCIAL DIRECTOR

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

COMMITTEE ACTIVITIES

For the financial year ended 30 June 2022, the committee performed its duties in terms of its charter and a summary of the main activities is set out below:

- Enquired and satisfied itself regarding the auditor's compliance with section 22.15(h) of the JSE Listings Requirements.
- Nominated the appointment and retention of the external auditors, BDO South Africa Incorporated, with the designated partner Mr PR Badrick, after satisfying itself, through enquiry, that BDO South Africa Incorporated is independent.
- Managed the external audit function, including:
  - determining the nature and scope of the audit engagement;
  - determining the fees for the audit; and
  - determining the nature and extent of any other non-audit services, ensuring they are not material and do not have any impact on their independence.
- Reviewed the going-concern assumptions as prepared by management for the Company and the group.
- Reviewed the accounting practices and internal controls of the Company and the group.
- Reviewed the annual report and annual financial statements taken as a whole to ensure they fairly present a balanced and understandable assessment of the Company's financial position, performance and prospects.
- Reviewed the external auditors' management letters and management's response to these letters.
- Received and dealt appropriately with any concerns or queries.
- Considered and satisfied itself on the appropriateness of the experience and expertise of the financial director as well as the adequacy of the finance function and its resources.
- Considered the JSE proactive monitoring report of 2020/21 and has taken appropriate action.

RECOMMENDATION OF ANNUAL FINANCIAL STATEMENTS

The committee evaluated the annual financial statements for the year ended 30 June 2022 and considered that they comply, in all material aspects, with the requirements of the Act and International Financial Reporting Standards.

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

BDO South Africa Incorporated, the external auditor, has provided the shareholders with an unqualified independent audit opinion on whether the financial statements for the year ended 30 June 2022 fairly present, in all material respects, the financial results for the year and the financial position of the Company and the group as at 30 June 2022.

JH Phalane
Chairperson

Audit Committee
26 October 2022

STATEMENTS OF FINANCIAL POSITION

at 30 June 2022

COMPANY 2021 R000	COMPANY 2022 R000	Notes		GROUP 2022 R000	GROUP 2021 R000
			ASSETS		
			Non-current assets		
–	**–**	2	Property, plant and equipment	**2 327 381**	2 361 040
–	**–**	19	Right-of-use assets	**16 016**	20 647
–	**–**	3	Intangible assets	**25 242**	38 672
–	**–**	4	Goodwill	**81 202**	85 067
1 356 202	**1 356 202**	5	Interest in subsidiaries	**–**	–
83 337	**69 503**	6	Interest in associates	**142 979**	142 278
1 417 345	**1 761 805**	7	Investments	**1 761 805**	1 417 345
–	**–**	15	Deferred taxation	**31 363**	15 076
2 856 884	**3 187 510**			**4 385 988**	4 080 125
			Current assets		
–	**–**	8	Inventories	**1 530 694**	984 799
7 753	**464**	9	Trade and other receivables	**1 240 919**	999 982
2 950	**2 170**	5	Amounts owed by group companies	**–**	–
–	**306**		Taxation	**3 447**	1 955
900 000	**900 000**	10	Cash equivalents	**900 000**	900 000
–	**–**	11	Cash	**764 743**	1 089 645
910 703	**902 940**			**4 439 803**	3 976 381
3 767 587	**4 090 450**		**TOTAL ASSETS**	**8 825 791**	8 056 506
			EQUITY AND LIABILITIES		
			Equity		
9 257	**9 041**	12	Ordinary share capital	**9 041**	9 257
79 767	**6 885**		Ordinary share premium	**6 885**	79 767
636 247	**823 289**		Non-distributable reserves	**1 228 100**	1 045 078
1 506 651	**1 418 882**		Retained income	**5 597 299**	5 225 792
2 231 922	**2 258 097**		**Equity attributable to owners of the parent**	**6 841 325**	6 359 894
100	**100**	12	Preference share capital	**100**	100
–	**–**	14	Non-controlling interest	**73 953**	77 189
2 232 022	**2 258 197**		**TOTAL EQUITY**	**6 915 378**	6 437 183
			Non-current liabilities		
110 855	**164 846**	15	Deferred taxation	**459 464**	424 706
–	**–**	19	Lease liabilities	**10 830**	12 373
110 855	**164 846**			**470 294**	437 079
			Current liabilities		
10 196	**10 567**	16	Trade and other payables	**1 150 095**	839 743
–	**–**	17	Provisions	**226 840**	305 774
1 298 612	**1 538 951**	18	Amounts owed to group companies	**–**	–
–	**–**	19	Lease liabilities	**7 125**	9 133
115 855	**117 889**	11	Bank overdraft	**–**	–
47	**–**		Taxation	**56 059**	27 594
1 424 710	**1 667 407**			**1 440 119**	1 182 244
3 767 587	**4 090 450**		**TOTAL EQUITY AND LIABILITIES**	**8 825 791**	8 056 506

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

COMPANY 2021 R000	COMPANY 2022 R000	Notes		GROUP 2022 R000	GROUP 2021 R000
61 697	**117 576**	21	Revenue	**5 979 339**	5 220 415
–	**–**	23	Other operating income	**145 269**	138 811
61 697	**117 576**		**Total operating income**	**6 124 608**	5 359 226
–	**–**		Changes in inventories of finished goods and work in progress	**(150 915)**	(81 194)
–	**–**		Raw materials and consumables used	**(2 864 233)**	(2 627 287)
–	**–**	22	Staff costs	**(1 223 121)**	(1 163 495)
(2 389)	**(2 128)**	23	Other operating expenses	**(1 058 332)**	(923 390)
(2 389)	**(2 128)**		**Total operating expenses**	**(5 296 601)**	(4 795 366)
59 307	**115 448**		Profit from operating activities before depreciation and amortisation	**828 007**	563 860
–	**–**	24	Depreciation and amortisation	**(237 709)**	(253 424)
59 307	**115 448**		**Profit from operating activities after depreciation and amortisation**	**590 298**	310 436
–	**–**	4	Impairment of goodwill	**(3 865)**	(9 720)
–	**–**		Profit on disposal of associate	**–**	399 692
–	**(9 302)**	6	Impairment of interests in associates	**(5 354)**	(3 159)
–	**–**		Loss on deemed disposal of associate on gain of control	**–**	(10 461)
–	**–**		Loss on disposal of associate	**(3 394)**	–
–	**(11 386)**		Impairment of loans	**(11 386)**	(17 315)
–	**–**	3	Impairment of intangibles	**(8 222)**	–
10 456	**–**		Profit on disposal of investment	**–**	10 455
–	**–**	2	Impairment of plant	**(2 167)**	(64 746)
69 763	**94 760**		**Profit from operating activities**	**555 910**	615 182
1 103	**134**	26	Finance income	**142 139**	87 814
(116)	**–**	27	Finance costs	**(3 949)**	(4 977)
–	**–**	28	(Loss)/profit on foreign exchange	**(19 700)**	3 628
–	**–**		Income from associates	**11 807**	37 676
70 750	**94 894**		**Profit before taxation**	**686 207**	739 324
(208)	**182**	29	Taxation	**(142 406)**	(173 399)
70 542	**95 076**		**Profit for the year**	**543 801**	565 925
464 295	**187 042**		**Other comprehensive income** **Items that will not be reclassified subsequently to profit or loss**	**185 619**	636 647
464 295	**187 042**	13	Fair value adjustments – investments	**187 042**	464 296
–	**–**	13	Fair value adjustments – properties	**(1 423)**	172 351
534 837	**282 118**		**Total comprehensive income for the year**	**729 420**	1 202 573
			(Loss)/profit attributable to:		
–	**–**		Non-controlling interest	**(7 952)**	15 170
70 542	**95 076**		Equity holders of the parent	**551 753**	550 755
70 542	**95 076**			**543 801**	565 925
			Total comprehensive (loss)/income attributable to:		
–	**–**		Non-controlling interest	**(7 952)**	15 170
534 837	**282 118**		Equity holders of the parent	**737 372**	1 187 402
534 837	**282 118**			**729 420**	1 202 572
–	**–**	30	Earnings and diluted earnings per ordinary share (cents)	**151.2**	148.1

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2022

COMPANY 2021 R000	COMPANY 2022 R000	Notes		GROUP 2022 R000	GROUP 2021 R000
			CASH FLOWS FROM OPERATING ACTIVITIES		
(2 389)	**(2 128)**	37.1	Cash generated by/(utilised in) operations	**730 340**	619 079
(211)	**805**	37.2	Changes in working capital	**(481 228)**	53 619
(2 600)	**(1 323)**		Cash generated by/(utilised in) operating activities	**249 112**	672 697
(161)	**(171)**	37.3	Taxation paid	**(155 957)**	(104 443)
(2 761)	**(1 494)**		Cash flows from/(utilised used in) operating activities	**93 155**	568 254
			CASH FLOWS FROM INVESTING ACTIVITIES		
			Property, plant, equipment and intangibles		
–	**–**		– additions	**(206 158)**	(182 745)
–	**–**		– proceeds from disposals	**12 186**	81 285
–	**–**			**(193 972)**	(101 460)
			Investments		
–	**–**	37.5	Business combination	**–**	10 832
(658 179)	**(102 646)**	37.6	Associates, other investments and loans	**(102 240)**	(239 163)
1 103	**134**		Interest received	**41 781**	42 633
49 717	**104 547**		Dividends received	**100 358**	45 181
(607 359)	**2 035**			**39 899**	(140 517)
(607 359)	**2 035**		Cash (utilised in)/flows from investing activities	**(154 073)**	(241 977)
			CASH FLOWS FROM FINANCING ACTIVITIES		
631 903	**253 368**	37.10	Receipts from group companies	**–**	–
(56 310)	**(73 098)**		Own shares acquired	**(73 098)**	(56 310)
–	**–**	14	Rights offer	**9 999**	–
–	**–**	19	Principal paid on lease liabilities	**(8 808)**	(11 956)
(116)	**–**	27	Interest paid	**(3 949)**	(4 977)
–	**(182 845)**	37.4	Dividends paid	**(188 128)**	(6 669)
575 477	**(2 575)**		Cash flows (utilised in)/from financing activities	**(263 984)**	(79 912)
(34 643)	**(2 034)**		Net (decrease)/increase in cash and cash equivalents	**(324 902)**	246 365
818 788	**784 145**		Cash and cash equivalents at beginning of year	**1 989 645**	1 743 280
784 145	**782 111**	37.7	Cash and cash equivalents at end of year	**1 664 743**	1 989 645

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2022

R000	Notes	Ordinary share capital	Ordinary share premium	Preference share capital	*Non-distributable reserves	**Marked to market reserves	Retained earnings	Non-controlling interest	Total
GROUP									
Balance at 1 July 2020		9 443	135 891	100	198 386	210 878	4 674 204	37 675	5 266 577
Total comprehensive income for the year		–	–	–	172 351	464 296	550 755	15 170	1 202 572
Non-controlling interest acquired		–	–	–	–	–	–	31 013	31 013
Own shares acquired		(186)	(56 124)	–	–	–	–	–	(56 310)
Ordinary dividends paid		–	–	–	–	–	–	(6 669)	(6 669)
Realisation of land and buildings revaluation reserve		–	–	–	(833)	–	833	–	–
Balance at 1 July 2021		**9 257**	**79 767**	**100**	**369 904**	**675 174**	**5 225 792**	**77 189**	**6 437 183**
Total comprehensive income/(loss) for the year		**–**	**–**	**–**	**(1 423)**	**187 042**	**551 753**	**(7 952)**	**729 420**
Own shares acquired		**(216)**	**(72 882)**	**–**	**–**	**–**	**–**	**–**	**(73 098)**
Ordinary dividends paid	31	**–**	**–**	**–**	**–**	**–**	**(182 640)**	**(5 283)**	**(187 923)**
Preference dividends paid	32	**–**	**–**	**–**	**–**	**–**	**(205)**	**–**	**(205)**
Rights offer	14	**–**	**–**	**–**	**–**	**–**	**–**	**9 999**	**9 999**
Realisation of land and buildings revaluation reserve		**–**	**–**	**–**	**(2 597)**	**–**	**2 597**	**–**	**–**
Balance at 30 June 2022		**9 041**	**6 885**	**100**	**365 884**	**862 216**	**5 597 297**	**73 953**	**6 915 376**
COMPANY									
Balance at 1 July 2020		9 443	135 891	100	4 469	167 483	1 436 109	–	1 753 495
Total comprehensive income for the year		–	–	–	–	464 295	70 542	–	534 837
Own shares acquired		(186)	(56 124)	–	–	–	–	–	(56 310)
Ordinary dividends paid	31	–	–	–	–	–	–	–	–
Preference dividends paid	32	–	–	–	–	–	–	–	–
Balance at 1 July 2021		**9 257**	**79 767**	**100**	**4 469**	**631 778**	**1 506 651**	**–**	**2 232 022**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**187 042**	**95 076**	**–**	**282 119**
Own shares acquired		**(216)**	**(72 882)**	**–**	**–**	**–**	**–**	**–**	**(73 098)**
Ordinary dividends paid	31	**–**	**–**	**–**	**–**	**–**	**(182 640)**	**–**	**(182 640)**
Preference dividends paid	32	**–**	**–**	**–**	**–**	**–**	**(205)**	**–**	**(205)**
Balance at 30 June 2022		**9 041**	**6 885**	**100**	**4 469**	**818 820**	**1 418 882**	**–**	**2 258 198**

* The non-distributable reserve originated from the revaluation of properties (refer to note 2). These reserves are reviewed annually and updated every five years.

** The market-to market reserve originated from listed and unlisted investments (refer to note 7). These investments are valued based on the share price at an applicable date and are valued at every reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2022

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

Caxton and CTP Publishers and Printers Limited ("the Company") is a South African-registered company. The consolidated financial statements of the group for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as "the group") and the group's interest in associates and jointly-controlled entities.

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the requirements of the Companies Act 71 of 2008 of South Africa and the listings requirements of the Johannesburg Stock Exchange.

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

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

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the prior year.

1.2 Basis of consolidation

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group in the period in which it occurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are initially measured at their respective fair values at acquisition date.

1.3 Property, plant and equipment

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

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

Depreciation is calculated on the straight-line method to write off the cost of assets to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Land	not depreciated
Buildings	50 years
Plant and machinery	2 to 20 years
Vehicles	5 years
Furniture and equipment	3 to 6 years
Leasehold improvements	shorter of useful life or remaining period of the lease

Revaluation increases will be recognised in other comprehensive income. Revaluation decreases will be recognised to the extent of a credit balance existing in the revaluation surplus of the asset otherwise it will be recognised in profit or loss.

1.4 Goodwill

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

Subsequently, goodwill is carried at cost less any accumulated impairment. Goodwill is tested at least annually for impairment and whenever there is an indicator of impairment. Impairment losses recognised for goodwill shall not be reversed in a subsequent period.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Publication titles and intangible assets other than goodwill

Newspaper and magazine publication titles arise on acquisition of newspapers and magazines and are generally considered to have an indefinite life as these assets usefulness to the group is not limited by age and will yield returns for an indeterminable period. Active publication titles are measured at cost less accumulated impairment. The useful lives of publication titles are reviewed on an annual basis to determine whether events and circumstances continue to support the indefinite useful life assessment. Indefinite useful live publication titles are tested for impairment annually and when there is an indication of impairment. Non-active publication titles are written off in the year the newspaper or magazine ceases publication.

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

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

1.6 Investments in subsidiaries

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

1.7 Investments in associates

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

1.8 Cash and cash equivalents

For the purpose of presentation in the Statements of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.9 Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

Group as a lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use asset

The group recognises right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.9 **Leases** continued

ii) Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable; and
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The rate is calculated using a build-up approach that starts with a risk-free interest rate adjusted for credit risk.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The group's lease liabilities are included on the face of the Statements of Financial Position.

iii) Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term lease of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT and office equipment that are considered low value.

Lease payments on short-term leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

i) Operating Leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.10 Inventories

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

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

1.11 Share capital

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

1.12 Deferred taxation

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

Deferred tax liabilities are recognised on taxable temporary differences, and deferred tax assets are recognised in respect of deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit or loss nor the accounting profit or loss.

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

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

1.13 Provisions

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

1.14 Financial instruments

Financial instruments recognised on the statement of financial position include investments, trade and other receivables, cash and cash equivalents, amount owing to or from group companies and trade and other payables. All financial instruments are recognised at the time the group becomes a party to the contractual provisions of the instruments. All financial instruments are initially measured at fair value.

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.14 **Financial instruments** continued

Classification and initial measurement of financial assets

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

Financial assets are classified into the following categories:

- Amortised cost
- Fair value through profit or loss ("FVTPL")
- Fair value through other comprehensive income ("FVOCI")

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

The classification is determined by both:

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

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

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

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

Financial assets at FVOCI

After initial recognition, these are measured at fair value using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

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

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes governmental bodies and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

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

A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan. This is assessed based on a number of factors including various solvency and liquidity ratios.

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.14 **Financial instruments** continued

Trade receivables

The group makes use of a simplified approach in accounting for trade receivables, and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a probability-weighted provision matrix. The group's write-off policy determines that a trade and other receivable be derecognised when there is no realistic prospect of recovery and all avenues of recovery have been exhausted. Any recoveries made are recognised in profit and loss.

Classification and measurement of financial liabilities

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

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

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

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

The Company and the group do not apply hedge accounting.

Foreign exchange contracts

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

1.15 Foreign currency transactions

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

At each reporting date:

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

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

1.16 Revenue from contracts with customers

The group recognises revenue from the following major sources:

1. Publishing, printing and distribution
2. Packaging and stationery
3. Dividend income (Company)

Transactions involving a range of the group's products and services, for example printing and distribution, are often entered into. The total transaction price for a contract is allocated amongst the various performance obligation based on their relative stand-alone selling prices.

All of the group's revenue is recognised when performance obligations are satisfied by transferring the goods or services to the customer. Consideration received is fixed and does not contain a significant financing component.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, VAT, returns, rebates and discounts.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.16 **Revenue from contracts with customers** continued

1. Publishing, printing and distribution

Revenue from the sale of newspapers and magazines, is recognised net of estimated returns at a point in time when the newspapers or magazines are sold. Revenue from the supply of printing work, are recognised at a point in time upon delivery of printed products and customer acceptance.

2. Packaging and stationery

Revenue from the sale of packaging and stationery products, are recognised at a point in time upon delivery of products and customer acceptance.

3. Dividend income

Dividend income is recognised at a point in time when the group's right to receive payment is established.

The sale of goods is seldom sold with volume discounts based on aggregated sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, nett of estimated volume discounts.

1.17 Other operating income

Other operating income comprises income derived from non-core activities and is recognised in the period in which it occurs, for example rental received from non-group companies, proceeds from the sale of waste products, insurance recoveries and discounts received.

1.18 Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered, and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.19 Operating segments

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

The group's reportable segments are strategic business units that offer different products and services. The group identified three reportable segments: Publishing, printing and distribution, Packaging and stationery and Other. The Publishing, printing and distribution segment derives revenue from newspaper publishing and printing, digital assets, Web and gravure printing and Book and magazine printing. The Packaging and stationery segment derives revenue from selling packaging and stationery products. The Other segment derives revenue from dividends and certain intergroup charges.

1.20 Key management assumptions

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

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.20 Key management assumptions continued

Key assumption

Impairment of assets

Basis for determining value assigned to key assumption:

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

Key assumption

Expected credit losses under IFRS 9

Basis for determining value assigned to key assumption

The group uses its historical experience, external indicators, forward-looking information and general approach to calculate the expected credit losses using a provision matrix.

Key assumption

Revaluation of property

Basis for determining value assigned to key assumption

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

Assumptions applied in the fair value calculation require judgement in determining the appropriate discount rate and estimate future cash flows.

Key assumption

Asset lives and residual values

Basis for determining value assigned to key assumption

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

Key assumption

Valuation of unlisted investments

Basis for determining value assigned to key assumption

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

Key assumption

Goodwill and intangible assets with indefinite useful lives

Basis for determining value assigned to key assumption

Goodwill and intangible assets with indefinite useful lives is tested for impairment on an annual basis and when there is a indicator of impairment. Kindly refer to note 4 for more information on estimates and assumptions used such as the estimated future cash flows and determination of the discount rate.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.21 New standards and interpretations

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation	Details of amendments	Effective date: Years beginning on or after	Expected impact:
Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16	The amendments modify the requirements relating to hedge accounting in order to provide relief from potential consequences of IBOR reform, during the period before the related changes to benchmark rates take place. Additionally, the standards were amended to require additional disclosures explaining how an entity's hedging relationships are affected by the uncertainties involving IBOR reform.	1 January 2021	The impact of the amendment is not material

1.22 Significant statements and interpretations not yet effective and expected to be applicable

The group has elected not to early adopt the following standards and interpretations which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2022 or later periods:

Standard/ Interpretation	Details of amendments	Effective date: Years beginning on or after	Expected impact:
IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	The amendment clarifies whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.	1 January 2023	The impact of the amendment is not material
IAS 1 Presentation of Financial Statements (Amendment – Disclosure of Accounting Policies)	The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	1 January 2023	The impact of the amendment is not material
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Accounting Estimates)	The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	1 January 2023	The impact of the amendment is not material

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.22 Significant statements and interpretations not yet effective and expected to be applicable continued

Standard/ Interpretation	Details of amendments	Effective date: Years beginning on or after	Expected impact:
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendments initially had an effective date of 1 January 2022, however, in July 2020 this was deferred until 1 January 2023 as a result of the Covid-19 pandemic. An exposure draft issued in November 2021 proposes to defer the effective date further (see the final paragraph of this section). These amendments are expected to have a significant impact on many entities, with more liabilities being classified as current, particularly those with covenants relating to borrowings. In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (the Committee) issued a tentative agenda decision, which analysed the applicability of the amendments to three scenarios. However, due to the feedback received and various concerns raised about the outcome of applying the amendment, the Committee did not finalise the tentative agenda decision and referred the matter to the IASB. The IASB, at its meeting held in June 2021, tentatively decided to amend the requirements in IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year to annual reporting periods beginning no earlier than on or after 1 January 2024. In November 2021, the IASB issued an exposure draft to modify the 2020 amendments – Non-Current Liabilities with Covenants. This exposure draft aims to address the concerns raised by stakeholders.	1 January 2023	The impact of the amendment is not material
Annual Improvements to IFRS Standards 2018 – 2020: Amendments to IFRS 1	In May 2020, the IASB issued minor amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards,* IFRS 9 *Financial Instruments, and the Illustrative Examples accompanying* IFRS 16 *Leases.*	1 January 2022	The impact of the amendment is not material
Conceptual Framework for Financial Reporting (Amendments to IFRS 3	In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.	1 January 2022	The impact of the amendment is not material

2. PROPERTY, PLANT AND EQUIPMENT (GROUP)

COST OR VALUATION

R000	Freehold land and buildings owned	Leasehold improve-ments	Plant and machinery owned	Vehicles owned	Furniture and equipment owned	Titles owned	Total
GROUP							
Year ended 30 June 2022							
Opening net book value	**1 212 722**	**4 835**	**1 092 335**	**9 515**	**24 175**	**17 458**	**2 361 040**
Additions	**15 868**	**–**	**154 580**	**4 289**	**26 707**	**1 009**	**202 453**
Disposals	**(5 078)**	**(780)**	**(6 368)**	**(391)**	**(315)**	**–**	**(12 932)**
Revaluations	**(1 423)**	**–**	**–**	**–**	**–**	**–**	**(1 423)**
Impairment	**–**	**–**	**(2 167)**	**–**	**–**	**–**	**(2 167)**
Depreciation	**(10 952)**	**–**	**(187 143)**	**(4 754)**	**(15 732)**	**(1 009)**	**(219 590)**
Closing net book value	**1 211 137**	**4 055**	**1 051 237**	**8 659**	**34 835**	**17 458**	**2 327 381**
Summary							
Cost	**15 868**	**4 055**	**4 439 436**	**76 817**	**322 775**	**47 457**	**4 906 408**
Valuation	**1 288 498**	**–**	**–**	**–**	**–**	**–**	**1 288 498**
	1 304 366	**4 055**	**4 439 436**	**76 817**	**322 775**	**47 457**	**6 194 906**
Accumulated depreciation and impairment	**(93 229)**	**–**	**(3 388 199)**	**(68 158)**	**(287 940)**	**(29 999)**	**(3 867 525)**
Net carrying amount	**1 211 137**	**4 055**	**1 051 237**	**8 659**	**34 835**	**17 458**	**2 327 381**
Year ended 30 June 2021							
Opening net book value	1 023 705	1 015	1 164 469	13 971	32 995	17 458	2 253 613
Additions	99	3 820	158 258	1 512	9 292	–	172 981
Disposals	(24 098)	–	(20 239)	(528)	(2 232)	–	(47 097)
Revaluations	220 657	–	–	–	–	–	220 657
Impairment	–	–	(64 746)	–	–	–	(64 746)
Business combination	–	–	55 852	528	674	–	57 054
Depreciation	(7 641)	–	(201 259)	(5 968)	(16 554)	–	(231 422)
Closing net book value	1 212 722	4 835	1 092 335	9 515	24 175	17 458	2 361 040
Summary							
Cost	–	4 835	4 291 224	72 919	296 383	46 448	4 711 809
Valuation	1 294 999	–	–	–	–	–	1 294 999
	1 294 999	4 835	4 291 224	72 919	296 383	46 448	6 006 808
Accumulated depreciation and impairment	(82 277)	–	(3 198 889)	(63 404)	(272 208)	(28 990)	(3 645 768)
Net carrying amount	1 212 722	4 835	1 092 335	9 515	24 175	17 458	2 361 040

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

Certain assets were assessed for impairment at an operational level by operational management using the value-in-use method. The cash flows were deemed to be nil and as a result, these items were deemed obsolete and fully impaired.

The fixed property assets are valued using fair market values at the reporting date using the following hierarchy:

Level 1 – Quoted unadjusted prices in active markets for identical assets that the Company can access at measurement date.

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

Level 3 – Fair value determined on an open market valuation basis.

Fixed property assets are categorised as Level 3.

The fair values of the group's main fixed property assets are based on June 2021 appraisals performed by the independent valuers Balme van Wyk and Tugman Proprietary Limited. The fair values of the properties were determined on an open market valuation basis. The key assumptions in the valuations were gross monthly rental income adjusted by a cost ratio, and yields of between 10.5% and 12.25%.

3. INTANGIBLE ASSETS

R000	Digital platforms	Computer software	Rights	Brands	Client lists	Trademarks	Total
GROUP							
Year ended 30 June 2022							
Opening net book value	**8 014**	**13 414**	**2 655**	**4 061**	**8 680**	**1 849**	**38 673**
Additions	**880**	**2 825**	**–**	**–**	**–**	**–**	**3 705**
Disposals	**–**	**(682)**	**–**	**–**	**–**	**–**	**(682)**
Impairment	**(4 702)**	**(3 520)**	**–**	**–**	**–**	**–**	**(8 222)**
Amortisation	**(2 138)**	**(996)**	**–**	**(1 571)**	**(3 360)**	**(167)**	**(8 232)**
Closing net book value	**2 054**	**11 041**	**2 655**	**2 490**	**5 320**	**1 682**	**25 242**
Summary							
Cost	**14 221**	**23 486**	**2 655**	**7 858**	**16 801**	**9 802**	**74 823**
Accumulated depreciation and impairment	**(12 167)**	**(12 444)**	**–**	**(5 367)**	**(11 481)**	**(8 120)**	**(49 580)**
Net carrying amount	**2 054**	**11 041**	**2 655**	**2 490**	**5 320**	**1 682**	**25 242**
Year ended 30 June 2021							
Opening net book value	4 536	10 575	2 655	5 631	12 041	2 016	37 454
Additions	3 760	6 004	–	–	–	–	9 764
Business combination	1 849	–	–	–	–	–	1 849
Amortisation	(2 131)	(3 166)	–	(1 571)	(3 360)	(167)	(10 395)
Closing net book value	8 014	13 414	2 655	4 061	8 680	1 849	38 672
Summary							
Cost	13 341	21 343	2 655	7 858	16 801	9 802	71 800
Accumulated amortisation and impairment	(5 327)	(7 929)	–	(3 797)	(8 121)	(7 953)	(33 128)
Net carrying amount	8 014	13 414	2 655	4 061	8 680	1 849	38 672

The intangible assets mainly comprise of income-generating software applications, client lists and digital platforms. Some digital platforms were internally generated but the rest of the intangible assets were acquired through acquisition.

	GROUP 2022 R000	2021 R000
Carrying amount of intangible assets:		
Internally generated	**1 383**	6 880
Not internally generated	**23 859**	31 672
	25 242	38 672

The majority of the group's intangible assets are held through our subsidiary, Cognition Holdings Limited. This business engaged in a re-evaluation process of its strategic growth prospects. It decided to no longer pursue some interests, which resulted in it impairing some intangible assets that were not yet available for use and do not form part of the business's strategic focus areas. This has resulted in the business impairing R8.2 million of intangible assets in the current year as the future economic benefits of these intangible assets were uncertain.

COMPANY 2021 R000	COMPANY 2022 R000		GROUP 2022 R000	GROUP 2021 R000
		4. GOODWILL		
		Opening net book value	**85 067**	85 067
		Recognised on acquisition of business	**–**	9 720
		Impairment	**(3 865)**	(9 720)
–	**–**	Closing net book value	**81 202**	85 067
		Summary		
		Gross carrying amount	**284 665**	284 665
		Impairment	**(203 463)**	(199 598)
–	**–**	Closing net book value	**81 202**	85 067
		Goodwill is allocated to the operating segments as follows:		
		Publishing, printing and distribution	**55 202**	59 067
		Packaging and stationery	**26 000**	26 000
–	**–**	Closing net book value	**81 202**	85 067
		Goodwill relates to the following cash generating units:		
		Flip File Proprietary Limited	**26 000**	26 000
		Cognition Holdings Limited	**13 664**	13 664
		Private Property Proprietary Limited	**41 538**	45 403
–	**–**	Closing net book value	**81 202**	85 067

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

The following key assumptions were applied by management:

- Long-term growth rates of between 3.9% and 4.5% (2021: 3.9% and 4%).
- Pre-tax discount rates of between 26.6% and 27.1% (2021: 21.5% and 24.6%).

The impairment testing indicated an impairment of R3.8 million (2021: R9.7 million).

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

Current assessment of the carrying value of Goodwill indicates that there is headroom of R49.4 million (2021: R88.3 million).

If the terminal growth rate had been 1% lower, with all other variables held constant, headroom would have decreased by approximately R12.6 million (2021: R22.6 million).

If the terminal growth rate had been 1% higher, with all other variables held constant, headroom would have increased by approximately R12.6 million (2021: R22.6 million).

If the discount rate had been 1% higher, with all other variables held constant, headroom would have decreased by approximately R1.8 million (2021: R3.8 million).

If the discount rate had been 1% lower, with all other variables held constant, headroom would have increased by approximately R1.8 million (2021: R3.8 million).

Based on sensitivity above, a possible change in the factors discussed would therefore reasonably not lead to any impairment.

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		5.	**INTEREST IN SUBSIDIARIES**		
1 356 202	**1 356 202**		Shares at cost		
2 950	**2 170**		Owing by subsidiaries		
1 359 152	**1 358 372**			**–**	–
1 356 202	**1 356 202**		Shown as non-current assets	**–**	–
2 950	**2 170**		Shown as current assets	**–**	–
			The amounts owing by the subsidiaries are unsecured, and have various repayment terms. All terms are considered to be short-term.		
			Expected Credit Losses (ECL) on amounts owed by subsidiaries are immaterial.		
			Subsidiary company details are set out on page 82.		
		6.	**INTEREST IN ASSOCIATES**		
			Associated companies		
69 962	**69 962**		Shares at cost – opening balance	**160 513**	219 204
–	**294**		Acquired/(disposed) in the current year	**324**	(58 691)
–	**(9 302)**		*Less:* accumulated impairment	**(96 042)**	(90 688)
69 962	**60 954**			**64 795**	69 825
–	**–**		Share of post-acquisition reserves	**39 965**	33 159
69 962	**60 954**		Total carrying value	**104 760**	102 984
13 375	**8 549**		Loans	**38 219**	39 294
83 337	**69 503**			**142 979**	142 278

COMPANY			GROUP	
2021 R000	2022 R000		2022 R000	2021 R000

6. INTEREST IN ASSOCIATES continued

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

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

- Long-term growth rates of 3.9% (2021: 3.9%).
- Pre-tax discount rates of between 26.4% and 28.6% (2021: 20% and 22%).

The impairment testing indicated an impairment in the investment of R5.3 million (2021: R3.2 million).

The Company's share of losses in associates exceeded the related interest by R2.2 million in 2022 (2021: R7.3 million) and these losses were not recognised.

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

The current year profits not recognised amounted to Nil (2021: Nil).

Information relating to the impairment of associates is set out on page 83.

Loans to associates

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

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

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

The loans are unsecured, bear interest at market-related rates, which range between prime less 3.2% and prime less 1%, have various repayment terms, and are considered to be long-term.

Management assesses the recoverability of the loans on an ongoing basis. During the year certain loans were specifically impaired although the Expected Credit Loss was immaterial.

At 30 June 2022, if interest rates had been 1% higher with all other variables held constant, group post-tax profit for the year would have increased by approximately R0 million (2021: R0 million), Company approximately R0 million (2021: R0 million).

If interest rates had been 1% lower, group post-tax profit would have decreased by approximately R0 million (2021: R0 million), Company approximately R0 million (2021: R0 million).

Information relating to loans to associates is set out on page 83.

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		7.	**INVESTMENTS**		
			Listed investments		
1 216 425	**1 546 254**		Mpact Limited	**1 546 254**	1 216 425
6 013	**7 444**		African Media Entertainment Limited	**7 444**	6 013
77 746	**80 001**		Novus Holdings Limited	**80 001**	77 746
43 462	**59 563**		FirstRand Limited – B Preference shares earning a dividend of 75.48% of prime	**59 563**	43 462
5 156	**–**		Investec Bank Limited – Preference shares earning a dividend of 83.25% of prime	**–**	5 156
1 348 802	**1 693 262**		Total balance of listed investment	**1 693 262**	1 348 802
			Unlisted investments		
48 447	**48 447**		Thebe Convergent Technology Holdings Proprietary Limited	**48 447**	48 447
20 096	**20 096**		COAX Partners Proprietary Limited	**20 096**	20 096
68 543	**68 543**		Total balance of unlisted investments	**68 543**	68 543
1 417 345	**1 761 805**		**Total investments**	**1 761 805**	1 417 345
1 417 345	**1 761 805**		Fair value of investments	**1 761 805**	1 417 345

COMPANY			GROUP	
2021	**2022**		**2022**	2021
R000	**R000**		**R000**	R000

7. INVESTMENTS continued

These investments are classified at fair value through other comprehensive income and will not subsequently be reclassified to profit and loss.

At 30 June 2022 the Company held 33.7% in MPact Limited. It is disclosed as an investment, and not as an associate as the group does not have the power to participate in the company's operating and financial policies, as evidenced by the lack of any direct or indirect involvement at the board level. The Company, therefore, do not exert control as required by IFRS.

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

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

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

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

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

The level of each investment is determined as follows:

- Listed investments are categorised as Level 1.
- Thebe Convergent Technology Holdings and COAX Partners are categorised as Level 3.

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

- Long-term growth rate of 3.9% (2021: 3.9%)
- Discount rate of 26.2% (2021: 22.7%)

If the terminal growth rate had been 1% lower, with all other variables held constant, the fair value would have decreased by approximately R1.4 million (2021: R2.0 million), with no adjustment required.

If the terminal growth rate had been 1% higher, with all other variables held constant, the fair value would have increased by approximately R1.6 million (2021: R2.3 million).

If the discount rate had been 1% lower, with all other variables held constant, the fair value would have increased by approximately R1.4 million (2021: R1.6 million).

If the discount rate had been 1% higher, with all other variables held constant, the fair value would have decreased by approximately R1.4 million (2021: R1.6 million), with no adjustment required.

For the valuation of COAX Partners Proprietary Limited, the net asset value was used which approximates the fair value.

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		8.	**INVENTORIES**		
			Raw materials	**1 184 441**	708 267
			Work in progress	**120 618**	86 319
			Finished goods	**225 635**	190 213
–	**–**			**1 530 694**	984 799
			Comprising:		
			Inventory at cost	**1 436 851**	918 136
			Inventory at net realisable value	**93 843**	66 663
–	**–**			**1 530 694**	984 799
		9.	**TRADE AND OTHER RECEIVABLES**		
–	**–**		Trade accounts receivable	**1 194 557**	965 921
–	**–**		Credit loss allowance	**(53 302)**	(70 572)
–	**–**		Prepayments	**25 934**	13 028
7 753	**464**		Other receivables	**73 730**	91 605
7 753	**464**			**1 240 919**	999 982

Trade accounts receivable

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

Trade accounts receivable (before allowance for impairments) represents the maximum exposure to credit risk.

COMPANY 2021 R000	COMPANY 2022 R000		GROUP 2022 R000	GROUP 2021 R000
–	**–**	The maximum exposure to credit risk at the reporting date	**1 194 557**	965 921

The maximum exposure to credit risk for trade accounts receivable (before credit loss allowance) at the reporting date by type of customer was:

COMPANY 2021 R000	COMPANY 2022 R000		Average debtor terms (days)	GROUP 2022 R000	GROUP 2021 R000
		Parastatals/government	60	**6 191**	7 991
		Corporates	30 to 60	**1 049 538**	844 912
		SMMEs	30	**134 265**	104 302
		Individuals	30	**4 563**	8 716
–	**–**			**1 194 557**	965 921

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

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

Listings of overdue customer balances are reviewed monthly against their credit terms/limits. Customers exceeding their credit terms/limits must settle their overdue balances before any further credit is extended. Appropriate action is taken to recover long overdue debts.

COMPANY 2021 R000	2022 R000		GROUP 2022 R000	2021 R000
		9. TRADE AND OTHER RECEIVABLES continued		
		Credit loss allowance for trade accounts receivable		
		Opening balance	**70 572**	90 714
		Raised	**5 382**	22 355
		Utilised/reversed	**(22 652)**	(42 497)
–	**–**	Closing balance	**53 302**	70 572
		The movement in the loss allowance comprises:		
		Financial difficulties/bankruptcy	**(17 270)**	(20 142)
–	**–**		**(17 270)**	(20 142)

Trade receivables

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

The group measures the loss allowance for trade receivables by applying the simplified approach prescribed by IFRS 9. In accordance with the approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a probability-weighted provision matrix, plus specifically identified credit losses. The provision matrix has been developed by making use of past default experience of debtors, but also incorporates forward-looking information.

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

		Current	30 days	60 days	90 days	120 days and over	Total
2022							
Gross carrying value of trade accounts receivable		**607 471**	**355 848**	**104 562**	**101 409**	**25 267**	**1 194 557**
Less: Specifically impaired trade receivables		**–**	**8 896**	**13 070**	**12 676**	**10 114**	**44 757**
		607 471	**346 952**	**91 492**	**88 733**	**15 153**	**1 149 800**
Expected credit loss rate	(%)	**0.28**	**0.55**	**1.52**	**3.34**	**3.71**	
Lifetime expected credit loss		**1 729**	**1 898**	**1 394**	**2 962**	**562**	**8 545**
Total expected credit loss (including specific allowance)		**1 729**	**10 794**	**14 465**	**15 638**	**10 676**	**53 302**
2021							
Gross carrying value of trade accounts receivable		492 861	257 209	96 481	51 424	67 946	965 921
Less: Specifically impaired trade receivables			6 430	19 296	11 570	28 020	65 316
		492 861	250 779	77 185	39 854	39 926	900 605
Expected credit loss rate	(%)	0.06	0.24	1.46	4.94	3.16	
Lifetime expected credit loss		303	591	1 129	1 969	1 263	5 255
Total expected credit loss (including specific allowance)		303	7 021	20 425	13 539	29 283	70 571

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		9.	**TRADE AND OTHER RECEIVABLES** continued		
			Other receivables		
			The carrying amount of the following financial assets represents the maximum credit exposure:		
7 753	**464**		Other receivables	**73 730**	91 605

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

Expected credit losses for other receivables are considered immaterial.

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		10.	**CASH EQUIVALENTS**		
900 000	**900 000**		Vested right agreement shares earning a dividend of between 55.5% and 59.7% of prime	**900 000**	900 000

The group is exposed to interest rate risk as the dividend yield on the vested right agreement is linked to fixed percentages of the prime rate of interest, which is subject to fluctuations.

Management does not consider the above to have any associated credit risk as the instruments are those of reputable counterparties that have credit ratings of at least A1 by Standard & Poor's.

At 30 June 2022, if the prime rate had been 1% higher, with all other variables held constant, group post-tax profit for the year would have increased by approximately R9.0 million (2021: R9.0 million).

If the prime rate had been 1% lower, with all other variables held constant, group post-tax profit for the year would have decreased by approximately R9.0 million (2021: R9.0 million).

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		11.	**CASH**		
–	**–**		Net cash at bank	**569 381**	663 807
(115 855)	**(117 889)**		Bank in overdraft	**–**	–
–	**–**		Cash on call and deposit	**195 362**	425 838
(115 855)	**(117 889)**			**764 743**	1 089 645

The group has a set-off arrangement with their banker, RMB, under which balances are netted off, as per the Cash Management Structure.

The group's cash at bank and on call and deposit is placed with financial institutions that have high credit ratings. As a result, the group has insignificant credit risk with respect to its cash. The group's cash deposits are for short periods at fluctuating market-related rates, and exposure to interest rate risk therefore exists.

At 30 June 2022, if interest rates had been 1% higher with all other variables held constant, group post-tax profit for the year would have increased by approximately R9.2 million (2021: R9.6 million).

If interest rates had been 1% lower with all other variables held constant, group post-tax profit for the year would have decreased by approximately R9.2 million (2021: R9.6 million).

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		12.	**SHARE CAPITAL**		
			AUTHORISED		
			Ordinary shares		
30 000	**30 000**		1 200 000 000 ordinary shares of 2.5 cents each	**30 000**	30 000
			Preference shares		
200	**200**		100 000 6% cumulative participating preference shares of R2 each	**200**	200
			ISSUED		
			Ordinary shares		
9 257	**9 041**		362 534 648 (2021: 370 488 772) ordinary shares of 2.5 cents each	**9 041**	9 257
377 861 111	**370 488 772**		Opening balance of ordinary shares in issue	**370 488 772**	377 861 111
(7 372 339)	**(7 954 124)**		Shares repurchased	**(7 954 124)**	(7 372 339)
370 488 772	**362 534 648**		Closing balance of ordinary shares in issue	**362 534 648**	370 488 772
			Preference shares		
100	**100**		50 000 6% cumulative participating preference shares of R2 each	**100**	100
			The unissued shares are under the control of the directors until the next annual general meeting.		
			Information relating to the terms is set out in note 32.		
		13.	**FAIR VALUE ADJUSTMENTS**		
598 320	**241 035**		Fair value adjustments on investments	**241 034**	598 320
–	**–**		Fair value adjustments on properties	**(1 834)**	220 656
(134 025)	**(53 993)**		Deferred tax	**(53 581)**	(182 329)
464 295	**187 042**		Fair value adjustments after tax	**185 619**	636 647
		14.	**NON-CONTROLLING INTEREST**		
			Balance at beginning of the year	**77 189**	37 675
			Effect of acquisitions and disposals	**–**	31 013
			Rights offer*	**9 999**	–
			Share of earnings	**(7 952)**	15 170
			Dividends paid	**(5 283)**	(6 669)
–	**–**		Balance at end of year	**73 953**	77 189
			* This relates to the rights offer issued by Vizirama Proprietary Limited whereby all shareholders took up shares in proportion to their existing shareholding.		

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		15.	**DEFERRED TAXATION**		
			Deferred taxation comprises temporary differences arising on:		
–	**–**		– property, plant and equipment	**401 279**	426 764
110 855	**164 846**		– investments	**164 846**	110 855
–	**–**		– expected credit losses on trade receivables	**(11 302)**	(13 984)
–	**–**		– provisions	**(99 857)**	(88 863)
–	**–**		– assessed losses	**(14 707)**	(17 277)
–	**–**		– other	**(12 158)**	(7 865)
110 855	**164 846**		Total deferred tax liability	**428 101**	409 630
			Comprising		
110 855	**164 846**		Deferred tax liability	**459 464**	424 706
–	**–**		Deferred tax asset	**(31 363)**	(15 076)
110 855	**164 846**			**428 101**	409 630
			Reconciliation of movement in deferred tax liability		
(23 170)	**110 855**		Opening balance:	**409 630**	264 527
–	**–**		– property, plant and equipment	**(25 485)**	41 651
134 025	**53 991**		– investments	**53 991**	138 714
–	**–**		– expected credit losses on trade receivables	**2 682**	6 207
–	**–**		– provisions	**(10 994)**	(29 673)
–	**–**		– assessed losses	**2 570**	(6 184)
–	**–**		– other	**(4 293)**	(5 612)
110 855	**164 846**		Total deferred tax liability	**428 101**	409 630
		16.	**TRADE AND OTHER PAYABLES**		
–	**–**		Trade accounts payable	**754 980**	603 666
10 196	**10 567**		Sundry accounts payable and accruals	**395 115**	236 077
10 196	**10 567**			**1 150 095**	839 743

Trade accounts payable

Liquidity risk

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

Currency risk

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

Interest rate risk

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

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		17.	**PROVISIONS**		
			Bonus		
			Opening balance	**101 868**	59 286
			Additional provisions	**–**	81 712
			Utilised/reversed	**(79 092)**	(39 130)
–	**–**		Closing balance	**22 776**	101 868
			Leave pay		
			Opening balance	**37 179**	28 057
			Additional provisions	**–**	36 079
			Utilised/reversed	**(30 115)**	(26 956)
–	**–**		Closing balance	**7 064**	37 179
			Volume discount allowed		
			Opening balance	**54 092**	31 257
			Additional provisions	**98 606**	66 692
			Utilised/reversed	**(86 495)**	(43 857)
–	**–**		Closing balance	**66 203**	54 092
			Retrenchments		
			Opening balance	**9 133**	19 268
			Additional provisions	**–**	2 221
			Utilised/reversed	**(4 415)**	(12 356)
–	**–**		Closing balance	**4 718**	9 133
			Operational provisions		
			Opening balance	**103 502**	70 056
			Additional provisions	**156 098**	93 038
			Utilised/reversed	**(133 521)**	(59 592)
–	**–**		Closing balance	**126 079**	103 502
			Total provisions		
			Opening balance	**305 774**	207 924
			Additional provisions	**254 704**	279 741
			Utilised/reversed	**(333 638)**	(181 891)
–	**–**		Closing balance	**226 840**	305 774

Bonuses are generally paid in December and, for management, upon approval by the Board of the annual financial statements.

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

Volume discounts are paid after the financial year-end.

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

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

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		18.	**AMOUNTS OWED TO GROUP COMPANIES**		
1 298 612	**1 538 951**		The amounts owed are unsecured, interest-free and repayable on demand. All terms are considered to be short-term.	**–**	–

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		19.	**LEASES**		
			Right-of-use assets		
			Opening balance	**38 972**	21 668
			Acquired	**–**	31 419
			New contracts	**4 968**	3 421
			Contracts terminated/settled	**(1 465)**	(17 536)
				42 475	38 972
			Accumulated depreciation	**(26 459)**	(18 325)
–	**–**		Net carrying amount	**16 016**	20 647
			Lease liabilities		
			Opening balance	**21 506**	15 116
			Acquired	**–**	23 458
			New contracts	**4 969**	3 421
			Contracts terminated/settled	**(185)**	(11 095)
				26 290	30 900
			Interest expense	**1 558**	2 778
			Lease payments	**(9 893)**	(12 171)
–	**–**		Total liability	**17 955**	21 506
–	**–**		Current liabilities	**7 125**	9 133
–	**–**		Non-current liabilities	**10 830**	12 373

Right-of-use assets and lease liabilities were recognised in relation to leases of premises and equipment, which range between 1-to-5 years.

Maturity of lease liability

R000	Within 1 year	2 to 5 years	Total
GROUP			
2022			
Liability	**7 125**	**10 830**	**17 955**
Interest	**1 067**	**919**	**1 986**
Payments	**8 192**	**11 749**	**19 941**
2021			
Liability	9 133	12 373	21 506
Interest	1 240	962	2 202
Payments	10 373	13 335	23 708

The value of the short-term and low-value lease expenses not recognised as lease assets during the year amounted to R2 612 (2021: R3 582).

20. FINANCIAL INSTRUMENTS

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

R000	Note	At amortised cost	Non-financial assets	Total
GROUP				
2022				
Trade and other receivables	9	**1 141 255**	**99 664**	**1 240 919**
Cash equivalents	10	**900 000**	**–**	**900 000**
Cash	11	**764 743**	**–**	**764 743**
		2 805 998	**99 664**	**2 905 662**
2021				
Trade and other receivables	9	895 349	104 633	999 982
Cash equivalents	10	900 000	–	900 000
Cash	11	1 089 645	–	1 089 645
		2 884 994	104 633	2 989 627
COMPANY				
2022				
Trade and other receivables	9	**464**	**–**	**464**
Amounts owed by group companies	5	**2 170**	**–**	**2 170**
Cash equivalents	10	**900 000**	**–**	**900 000**
		902 634	**–**	**902 634**
2021				
Trade and other receivables	9	7 753	–	7 753
Amounts owed by group companies	5	2 950	–	2 950
Cash equivalents	10	900 000	–	900 000
		910 703	–	910 703

Categories of financial liabilities

R000	Note	At amortised cost	Non-financial liabilities	Total
GROUP				
2022				
Trade and other payables	16	**1 150 095**	**–**	**1 150 095**
		1 150 095	**–**	**1 150 095**
2021				
Trade and other payables	16	839 743	–	839 743
		839 743	–	839 743
COMPANY				
2022				
Trade and other payables	16	**10 567**	**–**	**10 567**
Amounts owed to group companies	18	**1 538 951**	**–**	**1 538 951**
Bank overdraft		**117 889**	**–**	**117 889**
		1 667 407	**–**	**1 667 407**
2021				
Trade and other payables	16	10 196	–	10 196
Amounts owed to group companies	18	1 298 612	–	1 298 612
Bank overdraft		115 855	–	115 855
		1 424 663	–	1 424 663

20. FINANCIAL INSTRUMENTS continued

GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains and losses on financial assets

R000	Notes	At amortised cost	Non-financial assets	Total
GROUP				
2022				
Recognised in profit or loss:				
Interest income	27	**142 139**	**–**	**142 139**
Losses on foreign exchange	29	**(19 700)**	**–**	**(19 700)**
Net gain		**122 439**	**–**	**122 439**
2021				
Recognised in profit or loss:				
Interest income	27	87 814	–	87 814
Gains on foreign exchange	29	3 628	–	3 628
Net gain		91 442	–	91 442
COMPANY				
2022				
Recognised in profit or loss:				
Interest income	27	**134**	**–**	**134**
Net gain		**134**	**–**	**134**
2021				
Recognised in profit or loss:				
Interest income	27	1 103	–	1 103
Net gain		1 103	–	1 103

Gains and losses on financial liabilities

R000	Notes	At amortised cost	Non-financial liabilities	Total
GROUP				
2022				
Recognised in profit or loss:				
Finance costs	28	**3 949**	**–**	**3 949**
Net gain		**3 949**	**–**	**3 949**
2021				
Recognised in profit or loss:				
Finance costs	28	4 977	–	4 977
Net gain		4 977	–	4 977
COMPANY				
2022				
Recognised in profit or loss:				
Finance costs	28	**–**	**–**	**–**
Net gain		**–**	**–**	**–**
2021				
Recognised in profit or loss:				
Finance costs	28	116	–	116
Net gain		116	–	116

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		21.	**REVENUE**		
–	**–**		Contracts with customers are all fixed-price contracts recognised at a point-in-time.	**5 979 339**	5 220 415
			Dividends received		
908	**56 414**		– dividends: listed companies		
48 809	**48 133**		– dividends: unlisted companies		
11 980	**13 029**		– dividends: subsidiary		
61 697	**117 576**			**5 979 339**	5 220 415
			The group's operations are based in South Africa, with almost all revenue being generated in South Africa.		
			Revenue disaggregated by reporting segment is shown in the Segmental Report (note 38).		
			The group has disaggregated revenue recognised from contracts with customers into the following categories:		
			Publishing, printing and distribution	**3 207 304**	2 924 044
			Packaging and stationery	**2 772 036**	2 296 371
61 697	**117 576**		Dividends received	**–**	–
61 697	**117 576**			**5 979 339**	5 220 415
		22.	**STAFF COSTS**		
			Salaries, wages and bonuses	**1 171 952**	1 119 261
			Retirement benefit costs	**51 169**	44 234
–	**–**			**1 223 121**	1 163 495
		23.	**OTHER OPERATING INCOME/(EXPENSES)**		
			Includes the following items:		
–	**–**		Net (loss)/profit on sale of property, plant and equipment	**(1 212)**	34 153
			Leases		
			– buildings	**(1 979)**	(3 287)
			– equipment	**(633)**	(295)
–	**–**			**(2 612)**	(3 582)
			Lease expenses are in respect of short-term and low-value leases according to IFRS 16.		
		24.	**DEPRECIATION AND AMORTISATION**		
			– buildings	**10 952**	7 641
			– plant and machinery	**187 143**	201 259
			– right-of-use assets	**9 888**	11 607
			– motor vehicles	**4 754**	5 968
			– furniture and equipment	**15 732**	16 554
			– titles	**1 009**	–
			– digital platforms	**2 137**	2 131
			– computer software	**996**	3 166
			– brands	**1 571**	1 571
			– client lists	**3 360**	3 360
			– trademarks	**167**	167
–	**–**			**237 709**	253 424

25. DIRECTORS' EMOLUMENTS

R000	Executive directors TD Moolman	TJW Holden	LR Witbooi	Non-executive directors PM Jenkins	ACG Molusi	NA Nemukula	JH Phalane	T Slabbert	Total
2022									
Directors' fees	**–**	**–**	**–**	**1 392**	**229**	**229**	**302**	**209**	**2 361**
Salary	**4 324**	**4 587**	**3 016**	**–**	**–**	**–**	**–**	**–**	**11 927**
Travel allowance	**–**	**66**	**–**	**–**	**–**	**–**	**–**	**–**	**66**
Bonus	**–**	**2 500**	**1 400**	**–**	**–**	**–**	**–**	**–**	**3 900**
Medical funding	**–**	**16**	**10**	**–**	**–**	**–**	**–**	**–**	**26**
Retirement funding	**–**	**333**	**218**	**–**	**–**	**–**	**–**	**–**	**551**
	4 324	**7 502**	**4 644**	**1 392**	**229**	**229**	**302**	**209**	**18 831**
Paid by subsidiaries									**18 831**
2021									
Directors' fees	–	–	–	1 317	270	270	233	202	2 292
Salary	4 059	4 361	2 746	–	–	–	–	–	11 166
Travel allowance	–	44	10	–	–	–	–	–	54
Medical funding	–	15	10	–	–	–	–	–	25
Retirement funding	–	307	193	–	–	–	–	–	500
	4 059	4 727	2 959	1 317	270	270	233	202	14 037
Paid by subsidiaries									14 037

COMPANY 2021 R000	COMPANY 2022 R000		GROUP 2022 R000	GROUP 2021 R000
		26. FINANCE INCOME		
1 103	**134**	– interest	**41 781**	42 633
–	**–**	– dividends: listed companies	**56 425**	908
–	**–**	– dividends: unlisted companies	**43 933**	44 273
1 103	**134**		**142 139**	87 814
		27. FINANCE COSTS		
–	**–**	– interest on bank overdraft	**51**	2
–	**–**	– lease liability	**1 591**	2 778
116	**–**	– other interest	**2 307**	2 197
116	**–**		**3 949**	4 977
		28. (LOSS)/PROFIT ON FOREIGN EXCHANGE		
–	**–**	Resulting from the fair value of forward exchange contracts outstanding at year end. Information relating to foreign exchange contracts is set out in note 39.	**(19 700)**	3 628

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		29.	**TAXATION**		
			South African normal tax		
208	**11**		– current	**188 367**	126 870
–	**(193)**		– prior year	**(9 188)**	(13 330)
–	**–**		– capital gains tax	**217**	98 758
			Deferred tax		
–	**–**		– current	**(26 630)**	(40 029)
–	**–**		– prior year	**(326)**	1 130
–	**–**		– change in rate	**(10 034)**	–
208	**(182)**		Total tax	**142 406**	173 399
19 810	**26 570**		Tax at the standard rate of 28% on profit before taxation (2021: 28%)	**192 138**	207 011
19 602	**26 752**		Difference	**49 733**	33 612
			The difference is reconciled as follows:		
17 275	**32 921**		– dividend income	**28 100**	12 651
2 927	**–**		– learnership allowances and other amounts not subject to tax	**8 279**	11 481
–	**193**		– prior year adjustments	**9 997**	12 200
–	**–**		– change in rate	**10 034**	–
–	**–**		– profit on sale of investments	**–**	13 154
–	**–**		– goodwill written off	**–**	(2 721)
–	**(5 793)**		– impairments	**(5 390)**	(5 733)
(600)	**(569)**		– disallowable expenses such as legal and goodwill impairment	**(14 643)**	(12 743)
–	**–**		– associates	**3 306**	10 549
–	**–**		– tax losses utilised/(not utilised)	**10 270**	(6 184)
–	**–**		– other	**(220)**	958
19 602	**26 752**			**49 733**	33 612
			Estimated tax losses included in deferred tax		
			– at beginning of year	**17 277**	11 093
			– (Disposed)/acquired during year	**(1 325)**	5 067
			– raised during year	**1 790**	3 875
			– utilised during year	**(3 035)**	(2 758)
–	**–**		Balance at the end of the year	**14 707**	17 277
			The group has estimated tax losses of R25.5 million available for set-off against future taxable income which has not been recognised as deferred tax assets (2021: R49.4 million).		

CHANGE IN CORPORATE TAX RATE

On 23 February 2022, the Finance Minister announced that there will be a reduction in the corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023. This announcement has resulted in the deferred tax asset and liability being adjusted by a 1% rate change.

30. EARNINGS PER ORDINARY SHARE

Reconciliation between earnings and headline earnings

R000	2022 Gross	2022 Net of tax and NCI	2021 Gross	2021 Net of tax and NCI
Earnings attributable to equity holders of the parent		**551 753**		550 755
Adjustments				
– impairment of plant	**2 167**	**1 560**	64 746	46 617
– impairment of intangible assets	**8 222**	**5 920**	–	–
– loss/(profit) on disposal of property, plant and equipment	**1 212**	**873**	(34 153)	(24 590)
– profit on disposal of associates	**–**	**–**	(399 692)	(305 286)
– profit on disposal of investment	**–**	**–**	(10 455)	(10 455)
– impairment of interests in associates	**5 354**	**5 354**	3 159	3 159
– impairment of goodwill	**3 865**	**3 865**	9 720	9 720
– loss on disposal of subsidiary	**3 394**	**3 394**	–	–
– loss on deemed disposal of associate	**–**	**–**	10 461	10 461
Headline earnings		**572 719**		280 381
Earnings per ordinary share (cents)		**151.2**		148.1
Headline earnings per ordinary share (cents)		**157.0**		75.4

	2022 Number of shares	2021 Number of shares
Weighted average number of ordinary shares in issue	**364 869 864**	371 786 576

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

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

COMPANY 2021 R000	COMPANY 2022 R000		GROUP 2022 R000	GROUP 2021 R000
		31. ORDINARY DIVIDENDS		
–	**182 640**	Paid	**182 640**	–
–	**50.0**	Ordinary dividend paid per share in respect of the previous year (cents)	**50.0**	–
		32. PREFERENCE DIVIDENDS		
–	**205**	Paid	**205**	–
–	**410.0**	Preference dividend paid per share in respect of the previous year (cents)	**410.0**	–

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

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

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		33.	**COMMITMENTS**		
			Capital expenditure on plant and machinery		
–	**–**		Approved but not contracted	**167 000**	130 000
			The capital expenditure will be financed from existing resources.		
		34.	**BORROWING POWERS**		
			In terms of its memorandum of incorporation, the Company's and group's borrowing powers are unlimited.		
		35.	**RELATED PARTIES**		
			During the year, the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with fellow subsidiaries. These transactions occurred under terms that are no more or less favourable than those arranged with third parties.		
			Related party balances		
			Loan accounts – Owing (to)/by related parties		
1 282 774	**1 526 100**		CTP Limited		
(12 822)	**(12 822)**		CTP Holding Executive Share Trust		
(28)	**(28)**		Caxton Share Investments Proprietary Limited		
2 000	**1 670**		Levain Proprietary Limited		
500	**500**		Safeway Publishing Proprietary Limited		
450	**–**		Mahareng Publishing Proprietary Limited		
(2 906)	**–**		Saxton Investments Proprietary Limited		
(81)	**–**		Shumani Mills Communication Proprietary Limited		

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

Controlling shareholders
Mr TD Moolman is a member of The Moolman Coburn Partnership, together with a number of other parties. In terms of an agreement concluded in October 1977, the Partnership receives a commission on the group's advertising revenue which amounted to R62.6 million (2021: R54.3 million).

The balance owing to the partnership at the year end amounted to R4.2 million (2021: R3.7 million).

Subsidiaries
Details of investments in subsidiaries and jointly-controlled entities are disclosed in the annexure on page 82.

Associates
Details of income from associates are disclosed in the statement of profit or loss and other comprehensive income, in note 6 and in the annexure on page 83.

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

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		36.	**RETIREMENT BENEFIT PLANS**		
			The group's main retirement benefit plans, the Hortors Group Pension and Provident Funds, are governed by the Pension Funds Act. The plans are structured as defined contribution plans as opposed to defined benefit plans. 3 435 (2021: 3 570) of the group's employees are covered by the plans.		
		37.	**NOTES TO THE STATEMENTS OF CASH FLOWS**		
		37.1	**Cash generated by/(utilised in) operations**		
70 750	**94 894**		Profit before taxation	**686 207**	739 324
–	**–**		Associate income	**(11 807)**	(37 676)
(987)	**(134)**		Interest received (net)	**(37 832)**	(37 657)
(61 697)	**(117 576)**		Dividends received	**(100 358)**	(45 181)
			Adjustment for non cash items:		
–	**–**		– depreciation and amortisation	**237 709**	253 424
–	**20 688**		– impairments	**30 994**	94 939
–	**–**		– loss/(profit) on disposal of property, plant and equipment	**1 212**	(34 153)
–	**–**		– profit on disposal of associate	**–**	(399 686)
(10 456)	**–**		– profit on disposal of investment	**–**	–
–	**–**		– unrealised foreign currency profit	**–**	(620)
–	**–**		– loss/(profit) on foreign exchange contracts	**3 149**	(4 769)
–	**–**		– movement in provisions	**(78 934)**	91 134
(2 389)	**(2 128)**			**730 340**	619 079
		37.2	**Changes in working capital**		
–	**–**		(Increase)/Decrease in inventories	**(545 895)**	24 875
(214)	**436**		(Increase)/Decrease in trade and other receivables	**(247 585)**	(152 226)
3	**369**		Increase in trade and other payables	**312 252**	185 370
–	**–**		Working capital acquired	**–**	(4 400)
(211)	**805**			**(481 228)**	53 619
		37.3	**Taxation paid**		
–	**(47)**		Opening tax	**(25 639)**	(10 095)
(208)	**182**		Charged in profit or loss	**(182 930)**	(119 987)
47	**(306)**		Closing tax payable	**52 612**	25 639
(161)	**(171)**			**(155 957)**	(104 443)
		37.4	**Dividends paid**		
–	**(182 845)**		Charged to reserves	**(182 845)**	–
–	**–**		Dividends of non-controlling interests	**(5 283)**	(6 669)
–	**(182 845)**			**(188 128)**	(6 669)
		37.5	**Investments – subsidiaries**		
–	**–**		Acquisitions	**–**	10 832
–	**–**			**–**	10 832
		37.6	**Investments – associates, investments and loans**		
(659 093)	**(103 426)**		Investments	**(103 426)**	(659 095)
–	**–**		Dividends received	**4 677**	4 536
–	**–**		Disposal of associate investment	**–**	347 836
–	**–**		Proceeds	**–**	442 240
–	**–**		Capital gains tax	**–**	(94 404)
–	**–**		Loans raised	**(11 864)**	(8 448)
914	**780**		Loans repaid	**8 373**	76 008
(658 179)	**(102 646)**			**(102 240)**	(239 163)
		37.7	**Cash and cash equivalents**		
–	**–**		Net cash in bank	**764 743**	1 089 645
(115 855)	**(117 889)**		Bank in overdraft	**–**	–
900 000	**900 000**		Cash equivalents	**900 000**	900 000
784 145	**782 111**		Cash and cash equivalents	**1 664 743**	1 989 645

COMPANY 2021 R000	COMPANY 2022 R000			GROUP 2022 R000	GROUP 2021 R000
		37.	**NOTES TO THE STATEMENTS OF CASH FLOWS** continued		
		37.8	**Acquisition of businesses**		
			Current year There were no business acquisitions during the current year.		
			Prior year To extract synergies in the educational book printing market, the group acquired an additional investment in Shumani Mills (Pty) Ltd with effect from 1 November 2020, which together with the interest already held resulted in control being gained in the subsidiary.		
			The acquired business contributed revenue of R84.0 million and a net loss after tax of R9.7 million, and a net profit after tax of R1.7 million had the group acquired this business for the full year.		
			Details of the assets and liabilities acquired are:		
			Non-current assets	**–**	58 904
			Current assets	**–**	34 040
			Non-current liabilities	**–**	(23 912)
			Current liabilities	**–**	(22 880)
			Cash and cash equivalents	**–**	12 832
			Total net assets	**–**	58 984
			Attributable to non-controlling interest	**–**	(30 930)
			Net assets acquired	**–**	28 054
			Fair value of previously held interest	**–**	(35 774)
			Goodwill arising on acquisition	**–**	9 720
			Purchase price	**–**	2 000
		37.9	**Disposal of businesses**		
			Current year There were no business disposals during the year.		
			Prior year There were no business disposals in the prior year.		
		37.10	**Receipts from group companies**		
619 923	**240 339**		Net decrease in amounts owed by group companies	**–**	–
11 980	**13 029**		Add back: non-cash dividends received	**–**	–
631 903	**253 368**			**–**	–

	GROUP			
	2022 R000	%	2021 R000	%
38. SEGMENTAL				
Revenue				
Publishing, printing and distribution	**3 207 304**	**54**	2 924 044	56
Packaging and stationery	**2 772 036**	**46**	2 296 371	44
Other		**–**		–
	5 979 340	**100**	5 220 415	100
Profit from operating activities before depreciation and amortisation				
Publishing, printing and distribution	**469 639**	**57**	336 227	60
Packaging and stationery	**422 555**	**51**	275 286	49
Other	**(64 187)**	**(8)**	(47 653)	(9)
	828 007	**100**	563 860	100
Profit from operating activities after depreciation and amortisation				
Publishing, printing and distribution	**352 040**	**60**	197 607	64
Packaging and stationery	**321 365**	**54**	176 041	57
Other	**(83 107)**	**(14)**	(63 212)	(21)
	590 298	**100**	310 436	100
Total assets				
Publishing, printing and distribution	**2 492 416**	**28**	2 106 541	26
Packaging and stationery	**2 066 766**	**23**	1 541 695	19
Other	**4 266 609**	**49**	4 408 270	55
	8 825 791	**100**	8 056 506	100
Total liabilities				
Publishing, printing and distribution	**744 925**	**39**	640 139	41
Packaging and stationery	**514 600**	**27**	411 964	29
Other	**650 877**	**34**	567 220	30
	1 910 402	**100**	1 619 323	100
Capital expenditure on property, plant and equipment				
Publishing, printing and distribution	**79 987**	**39**	26 135	15
Packaging and stationery	**100 377**	**49**	113 131	65
Other	**25 794**	**12**	33 715	20
	206 158	**100**	172 981	100
Depreciation and amortisation				
Publishing, printing and distribution	**117 599**	**49**	138 620	55
Packaging and stationery	**101 190**	**43**	99 245	39
Other	**18 920**	**8**	15 559	6
	237 709	**100**	253 424	100

The group operates in South Africa.

39. CAPITAL MANAGEMENT

The group and Company is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign exchange risk
- Liquidity risk
- Capital risk

The primary objective of the group and Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The group and Company manage its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the group and Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2022 and 30 June 2021. The group and Company had no debt during the years under review, other than the bank overdraft.

The group and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group and Company's financial performance. Risk management is carried out by local management under policies approved by the Board of Directors.

Principal financial instruments

The principal financial instruments used by the group and Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash equivalents
- Cash
- Trade and other payables
- Amounts owed to group companies
- Bank overdraft

Credit risk

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

Interest rate risk

The group and Company has significant interest-bearing assets, and interest is earned at competitive market-related rates.

The South African Revenue Bank (SARB) has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa; however, there is currently no indication of when the designated successor rate will be made available.

Further information regarding interest rate risk is provided in the interest in associates note (note 6) and in the cash equivalents note (note 10).

Foreign exchange risk

Exposure to foreign exchange risk arises in the normal course of the group and the Company's business. The group and Company incur foreign exchange risk as a result of transactions that are denominated in a currency other than the South African Rand. These transactions, mainly for the import of capital equipment and inventory are substantially hedged by using forward exchange contracts.

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

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

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

39. CAPITAL MANAGEMENT continued

Foreign currency contracts

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

	Average exchange rate		Contract amounts outstanding	
	2022	2021	**2022**	2021
Euro	**17,1565**	18,3632	**141 496**	223 945
Pound Sterling	**20,2525**	20,7141	**258**	50
Swiss Franc	**16,3365**	–	**119**	–
US Dollar	**15,2239**	15,4087	**40 805**	34 020
Total exposure			**182 678**	258 015

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

The foreign exchange exposure is valued using the fair market value at the reporting date using the following hierarchy:

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

Liquidity risk

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

The contractual maturities of the financial liabilities are set out below:

	Within 1 year	2 to 5 years	Over 5 years	Total
GROUP				
2022				
Trade and other payables	**1 150 095**	**–**	**–**	**1 150 095**
2021				
Trade and other payables	839 743	–	–	839 743
COMPANY				
2022				
Trade and other payables	**10 567**	**–**	**–**	**10 567**
Amounts owed to group companies	**1 538 951**			**1 538 951**
Bank overdraft	**117 889**			**117 889**
	1 667 407	**–**	**–**	**1 667 407**
2021				
Trade and other payables	10 196	–	–	10 196
Amounts owed to group companies	1 298 612			1 298 612
Bank overdraft	115 855			115 855
	1 424 663	–	–	1 424 663

Capital risk management

The group and Company manage its capital to ensure that the group and Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debts and equity balance. The group and Company's overall strategy remains unchanged from the previous reporting period. The capital structure of the group and Company consists of debt, cash and cash equivalents and equity attributable to the holders of the parent, comprising issued capital, reserves and retained earnings, respectively. In order to maintain or adjust the capital structure, the group and Company may adjust the dividend distribution to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

	GROUP 2022 R000	2021 R000

40. CASH-SETTLED SHARE-BASED PAYMENTS

The following information is relevant in the determination of the fair value of options granted during the year under the cash-settled share-based remuneration scheme operated by the group.

	GROUP 2022 R000	2021 R000
Cash-settled		
Option pricing model used	**Black-Scholes**	–
Share price at date of grant (in cents)	**700**	–
Contractual life (in days)	**1 460**	–
Volatility relative to comparator index	**35.0%**	–
Dividend growth rate relative to comparator index	**4.5%**	–

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years.

The market vesting condition was factored into the valuation of the phantom options by applying an appropriate discount to the fair value of equivalent share appreciation rights without the specified vesting condition.

The group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

41. EVENTS AFTER THE REPORTING PERIOD

On 12 August 2022, Cognition Holdings Limited a subsidiary of the group entered into separate agreements constituting one indivisible transaction, with BetterHome Group Limited ("BetterHome"), ooba Proprietary Limited ("ooba") and Fledge Capital Proprietary Limited ("Fledge") (collectively, "the Purchasers") in terms of which it will, subject *inter alia* to the conditions precedent dispose of its 50.01% interest in Private Property for an amount of R150 million. The effective date of the disposal is expected to be on or around 16 November 2022.

On 1 August 2022, the group acquired the operations of Amcor Flexibles South Africa Proprietary Limited for a consideration of approximately R90 million. At the date of reporting, management was still in the process of assessing the fair values in purchase price allocation.

The directors are not aware of any other material events which occurred after the reporting date and the date of this report.

42. GOING CONCERN

The directors believe that the group has adequate resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern bases. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any material non-compliance with statutory or regulatory requirements of any pending changes to legislation which may affect the group.

INFORMATION RELATING TO SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITIES

		Holding		Cost less impairment		Owing	
Name	Nature of operations	2022 %	2021 %	2022 R000	2021 R000	2022 R000	2021 R000
Directly held							
Caxton Publishers and Printers	Holding company	**100**	100	**1 351 490**	1 351 490	**–**	–
Caxton Share Investments	Investments	**100**	100	**–**	–	**–**	–
Capricorn Books	Printing	**90**	90	**565**	565	**–**	–
Cognition Holdings (Public)	Digital and telecommunication solutions	**20**	20	**–**	–	**–**	–
Darwain Investments	Printing	**60**	60	**494**	494	**–**	–
Highway Mail	Publishing	**100**	100	**471**	471	**–**	–
Noordwes Koerante	Publishing	**90**	90	**–**	–	**–**	–
Northwest Web Printers	Printing	**90**	90	**–**	–	**–**	–
Ridge Times	Publishing	**67**	67	**512**	512	**–**	–
Saxton Investments	Investments	**100**	100	**–**	–	**–**	–
Ukhozi Press	Printing	**89**	89	**173**	173	**–**	–
Zululand Observer	Publishing	**60**	60	**2 497**	2 497	**–**	–
Indirectly held							
Bucket Full	Packaging	**100**	100	**–**	–	**–**	–
Cognition Holdings	Digital and telecommunication solutions	**47**	47	**–**	–	**–**	–
CTP Digital Services	CD and DVD replication	**100**	100	**–**	–	**–**	–
CTP Limited	Publishing and printing	**100**	100	**–**	–	**–**	–
Deliwise	Printing	**75**	75	**–**	–	**–**	–
Erfrad 13	Property owning	**100**	100	**–**	–	**–**	–
Flipfile	Stationery manufacturer	**100**	100	**–**	–	**–**	–
Fusion Digital	Printing	**50**	50	**–**	–	**–**	–
Health Spa's Guide	Digital Publishing	**70**	70	**–**	–	**–**	–
Highway Printers	Printing	**100**	100	**–**	–	**–**	–
Hozi Holdings	Publishing	**100**	100	**–**	–	**–**	–
Impala Stationery Manufacturers	Stationery manufacturer	**100**	100	**–**	–	**–**	–
Kagiso Publishers	Printing	**100**	100	**–**	–	**–**	–
Perskor News Agency	Magazine distributors	**100**	100	**–**	–	**–**	–
Project Northwards	Property owning	**100**	100	**–**	–	**–**	–
Shumani Mills Communication	Printer	**74**	74	**–**	–	**–**	–
The Citizen (1978)	Publishing	**100**	100	**–**	–	**–**	–
The Citizen Limited	Holding company	**100**	100	**–**	–	**–**	–
Thornbird Trade and Invest 100	Printing	**67**	67	**–**	–	**–**	–
Tight Lines	Publishing	**100**	100	**–**	–	**–**	–
Tysflo	Television channel development	**65**	65	**–**	–	**–**	–
Vizirama		**66**	66	**–**	–	**–**	–
				1 356 202	1 356 202	**–**	–
Jointly-controlled							
Guzzle Media	Digital retail advertising	**50**	50	**–**	–	**–**	–
Levain	Publishing	**50**	50	**–**	–	**1 670**	2 000
Mahareng Publishing	Publishing	**50**	50	**–**	–	**–**	450
MCS Caxton International Press	Distribution	**50**	50	**–**	–	**–**	–
Remade Publishing	Recycling	**50**	50	**–**	–	**–**	–
Safeway Publishing	Publishing	**50**	50	**–**	–	**500**	500
				–	–	**2 170**	2 950
				1 356 202	1 356 202	**2 170**	2 950

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

20% of the group's 67% interest in Cognition Holdings is directly held by the Company, with the 47% balance indirectly held through CTP Limited.

INFORMATION RELATING TO ASSOCIATES

Name	Nature of operations	Holding 2022 %	Holding 2021 %	Cost less impairment 2022 R000	Cost less impairment 2021 R000	Owing 2022 R000	Owing 2021 R000
Directly held							
Capital Media	Newspaper publisher	**67**	67	**11 333**	11 333	**–**	–
FBC Properties	Property owning	**50**	50	**–**	–	**–**	–
Fordsburg Mayfair Media	Newspaper publisher	**50**	50	**–**	–	**626**	912
Heraut Publiseerders	Newspaper publisher	**50**	50	**–**	189	**1 264**	2 557
Hutton Trading	Advert delivery	**50**	50	**–**	250	**–**	2 650
Leo Kantoor Meubels	Property owning	**50**	50	**–**	–	**–**	–
Lincroft Books	Newspaper publisher	**49**	49	**8 381**	8 381	**735**	733
Lonehill Trading	Magazine publisher	**50**	50	**–**	–	**(420)**	(159)
Mooivaal Media (March)	Newspaper publisher	**50**	50	**1 565**	1 565	**–**	–
Overdrive Publishing	Magazine publisher	**25**	25	**–**	–	**–**	1 915
Rising Sun Community Newspapers	Newspaper publisher	**45**	45	**–**	–	**(9 761)**	(9 382)
Ronain Investments	Property owning	**50**	50	**33**	33	**9 001**	9 001
Rowaga Properties	Property owning	**50**	50	**1 175**	1 175	**–**	–
Sentrale Makelaars	Dormant	**50**	50	**56**	56	**–**	–
Tambuti Brits	Property owning	**50**	50	**–**	–	**–**	–
Tambuti Enterprise	Property owning	**50**	50	**143**	143	**–**	–
Tambuti Upington	Property owning	**50**	50	**–**	–	**–**	–
Tambuti Vryburg	Property owning	**50**	50	**–**	–	**–**	–
Wordsmiths	Newspaper publisher	**50**	50	**1 875**	3 750	**–**	–
Indirectly held							
Afritrip Group	Web-based travel agency	**50**	50	**–**	–	**–**	–
Afristay Group	Web-based travel agency	**50**	50	**–**	–	**–**	–
BM Management	Consumable supplier	**30**	30	**–**	–	**–**	–
Capital Newspapers	Newspaper publisher	**45**	45	**–**	–	**10 262**	2 762
Die Pos	Newspaper publisher	**40**	40	**–**	2 400	**–**	–
Highbury Media	Magazine publisher	**49**	49	**–**	–	**–**	–
Kathorus Media	Newspaper publisher	**49**	49	**–**	550	**125**	216
911 Rapid Response		**50**	50	**–**	–	**–**	–
Shumani Print	Printer	**50**	50	**–**	–	**–**	–
Universal Labels	Label printing	**30**	30	**40 000**	40 000	**26 386**	28 087
Vehicle Traders Limited Edition	Digital subscription sales	**50**	50	**–**	–	**–**	–
				64 561	69 825	**38 218**	39 292

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

The financial year ends are June unless otherwise stated.

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

	Associates 2022 R000	Associates 2021 R000	Jointly-controlled entities 2022 R000	Jointly-controlled entities 2021 R000
Statement of financial position				
Property, plant and equipment	**78 641**	85 420	**1 169**	1 286
Investments and long-term receivables	**25 096**	16 780	**–**	–
Current assets	**88 525**	70 928	**8 132**	6 552
Total assets	**192 261**	173 127	**9 302**	7 838
Long-term liabilities	**75 696**	59 541	**–**	–
Deferred taxation	**9 979**	9 030	**(95)**	70
Current liabilities	**46 068**	66 952	**4 191**	4 883
Total liabilities	**131 743**	135 523	**4 096**	4 954
Attributable net asset value	**60 518**	37 604	**5 205**	2 884
Statement of profit or loss and other comprehensive income				
Revenue	**210 343**	210 099	**16 171**	14 339
Income before taxation	**15 734**	38 919	**2 729**	2 059
Taxation	**(3 927)**	(8 833)	**(793)**	(730)
Net income for the year	**11 807**	30 087	**1 935**	1 329

NOTICE OF ANNUAL GENERAL MEETING

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

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

NOTICE OF MEETING

Notice is hereby given that the annual general meeting of shareholders of the Company will be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg, at 10:00 on Tuesday, 6 December 2022.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 21 October 2022 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 25 November 2022. The last day to trade in order to be eligible to vote at the meeting is accordingly Tuesday, 22 November 2022.

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

- you may attend the meeting in person;
- alternatively, you may appoint a proxy to represent you at the meeting by completing the enclosed form of proxy in accordance with the instructions it contains and returning it to Computershare Investor Services Proprietary Limited, Rosebank Towers,15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107) ("transfer secretaries") to be received not later than 48 (forty-eight) hours (excluding Saturdays, Sundays and gazetted South African public holidays) prior to the meeting for administrative purposes or thereafter to the Company by hand no later than 10:00 on Tuesday, 6 December 2022; alternatively, it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting.

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

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

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

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

ELECTRONIC PARTICIPATION AT THE MEETING

The Company intends to make provision for the shareholders of the Company or their proxies to participate in the meeting by way of electronic participation. Should you wish to participate in this manner, you will need to contact Computershare Investor Services Proprietary Limited via email at *proxy@computershare.co.za* by 10:00 on Friday, 2 December 2022. Should you be participating by electronic communication, kindly ensure that your voting proxies are sent to the transfer secretaries at the address set out at the end of this notice, not later than 48 (forty-eight) hours (excluding Saturdays, Sundays and gazetted South African public holidays) prior to the meeting for administrative purposes or thereafter to the Company by hand no later than 10:00 on Tuesday, 6 December 2022; alternatively, it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting as electronic voting will not be allowed.

PURPOSE OF MEETING

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

Ordinary resolutions

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

Voting requirement: In order to be adopted, all ordinary resolutions require the support of a majority of the votes cast by shareholders present or represented by proxy at the meeting. The quorum for the meeting is 25% of the issued share capital of the Company.

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

"Resolved that:

The annual financial statements of the Company and the group for the year ended 30 June 2022 be and are hereby approved."

Explanation: The reason for and effect of ordinary resolution number 1 is to receive and approve the annual financial statements for the Company and the group for the year ended 30 June 2022.

2. ORDINARY RESOLUTION NUMBER 2: TO PLACE THE UNISSUED SHARES OF THE COMPANY UNDER THE CONTROL OF THE DIRECTORS

"Resolved that:

All the unissued shares in the capital of the Company be placed under the control of the directors in terms of article 6 of the Memorandum of Incorporation of the Company as a general authority in terms of the Companies Act, No 71 of 2008, as amended ("the Act"), who are hereby authorised to allot and issue shares in the capital of the Company to those persons, upon such terms and conditions as the directors in their sole discretion deem fit, until the next annual general meeting and subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("the JSE")."

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

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

"Resolved that:

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

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

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

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

4. ORDINARY RESOLUTION NUMBER 4: REAPPOINTMENT OF INDEPENDENT AUDITORS

"Resolved that:

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

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

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

"Resolved that:

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

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

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

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

Brief biographies of these directors appear on page 3 of the IAR.

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

6. ORDINARY RESOLUTION NUMBER 6: AUTHORITY TO SIGN DOCUMENTATION

"Resolved that:

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

SPECIAL RESOLUTIONS

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

Voting requirement: In order to be adopted, all special resolutions require the support of 75% or more of the votes cast by shareholders present or represented by proxy at the meeting. The quorum for the meeting is 25% of the issued share capital of the Company.

7. SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY FOR COMPANY AND/OR SUBSIDIARY TO ACQUIRE THE COMPANY'S OWN SHARES

"Resolved that:

The Company and/or a subsidiary of the Company be and is hereby authorised to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

- the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- at any point in time the Company may only appoint one agent to effect any repurchases on the Company's behalf;
- the Company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 in the Listings Requirements of the JSE;
- this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- a paid press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this special resolution, and any 3% (three percent) increments thereafter, which announcements shall contain full details of such acquisitions;

- acquisitions of ordinary shares by the Company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the Company's issued share capital at any one time; and
- in determining the price at which ordinary shares issued by the Company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected."

The general authority to repurchase the Company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that, for a period of at least 12 (twelve) months after the date of this notice:

- the Company and the group will be able in the ordinary course of business to pay its debts;
- the assets of the Company and the group, fairly valued in accordance with accounting policies used in the latest audited report, will be in excess of the liabilities of the Company and the group for a period of 12 (twelve) months after the date of this notice of annual general meeting; and
- the ordinary capital and reserves of the Company and the group will be adequate for the purposes of the Company's and the group's businesses, respectively; and the working capital of the Company and the group will be adequate for their requirements.

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

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

"Resolved that:

The remuneration of the non-executive directors for the year 1 January 2023 to 31 December 2023 to be as follows:

PM Jenkins	R1 517 880
ACG Molusi	R245 700
NA Nemukula	R245 700
JH Phalane	R316 680
T Slabbert	R223 820."

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

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

"Resolved that:

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

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

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

"Resolved that:

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

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

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

"Resolved that:

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

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

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

"Resolved that:

The implementation of the Company's remuneration policy for the year ended 30 June 2020 be and is hereby approved."

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

Shareholders are reminded that, in terms of King IV, the passing of these advisory resolutions number 1 and 2 is by way of a non-binding vote. Should 25% or more of the votes be cast against these resolutions, the Company undertakes to engage with shareholders as to the reasons therefore.

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

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

- Details of directors on page 3;
- Directors' interests in securities on page 37 (there are no non-beneficial interests);
- Major shareholders on page 38; and
- The share capital note 12 on page 65.

LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the Company, which may have a material effect on the group's financial position or which have had a material effect during the 12 months preceding the date of this notice.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on page 33 of the Integrated Annual Report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolution contains all information relevant to special resolution number 1.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

By order of the Board

J Edwards
Company Secretary

26 October 2022

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

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers,
15 Biermann Avenue
Rosebank, 2196
Johannesburg
Private Bag X9000, Saxonwold, 2132

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, NO 71 OF 2008 ("COMPANIES A), AS REQUIRED IN TERMS OF SUBSECTION 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the Company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
   - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)(4)(a));
   - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
   - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
    - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
    - 10.2 the invitation or form of proxy instrument supplied by the Company must:
      - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
      - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b) (ii)); and
      - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
    - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
    - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

FORM OF PROXY

CAXTON&CTP publishers & printers LIMITED

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

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

For use by certificated shareholders and dematerialised shareholders with own name registration at the annual general meeting of the holders of ordinary shares in the Company ("Caxton shareholders") to be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10:00 on Tuesday, 6 December 2022.

I/We (full names)

of (address)

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

1. or failing him/her,

2. or failing him/her,

the chairman of the annual general meeting, as my/our proxy to act for me/us at the annual general meeting for the purposes of considering, and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be propose d thereat, and at each adjournment thereof, and to vote for or against such resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

	Ordinary resolutions	**For**	**Against**	**Abstain**
1.	To adopt the annual financial statements for the year ended 30 June 2022			
2.	To place the unissued ordinary shares of the Company under the control of the directors			
3.1	To re-elect Mr PM Jenkins as a director of the Company			
3.2	To re-elect Mr JH Phalane as a director of the Company			
4.	To re-appoint BDO South Africa Incorporated as the independent auditors and to register Mr PR Badrick as the designated auditor			
5.1	To re-elect Mr JH Phalane as member and chairman of the Audit and Risk Committee			
5.2	To re-elect Mr ACG Molusi as member of the Audit and Risk Committee			
5.3	To re-elect Mr NA Nemukula as member of the Audit and Risk Committee			
6.	To authorise any director or the Company Secretary to sign documentation to effect the ordinary and special resolutions passed			
	Special resolutions			
1.	To approve the general authority for the Company and/or subsidiary to acquire the Company's own shares			
2.	To approve the remuneration of the non-executive directors			
3.	To approve financial assistance to related or inter-related entities			
4.	To approve financial assistance to related or inter-related entities for subscription for or purchase of securities			
	Non-binding advisory resolutions			
1.	To approve the remuneration policy as set out in the corporate governance and risk management report			
2.	To approve the implementation of the remuneration policy as set out in the corporate governance and risk management report			

Signed at on 2022

Signature

Assisted by (where applicable)

Each Caxton shareholder is entitled to appoint one or more proxy/ies (who need not be a shareholder/s) of the Company to attend, speak and vote in his/her stead at the annual general meeting.

Please read the notes on the reverse hereof.

NOTES TO THE FORM OF PROXY

NOTES

1. A Caxton shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder concerned. The person whose name appears first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those names that follow.
2. The shareholder's instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that shareholder wishes to vote by inserting an "X" in the relevant box unless a shareholder wishes to split his/ her votes. In this case, the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the annual general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.
3. A Caxton shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of any resolution proposed at the annual general meeting or any other proxy to vote or abstain from voting at the annual general meeting as he/she deems fit, in respect of the shares concerned.
4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited (Rosebank Towers,15 Biermann Avenue Rosebank, Johannesburg, 2196 or PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Friday, 2 December 2022 for administrative purposes; alternatively it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company Secretary or waived by the chairman of the annual general meeting.
7. If you are a dematerialised shareholder, other than by own name registration, you must inform your appointed Central Securities Depository Participant ("CSDP") or broker of the manner in which you wish to vote in order for them to notify the Company Secretary by no later than 10:00 on Friday, 2 December 2022 for administrative purposes; alternatively it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting. Only registered certificated shareholders recorded in the main register of members of the Company or under own names in the dematerialised register, may complete a form of proxy or alternatively attend the annual general meeting.
8. Dematerialised shareholders who are not registered under their own names who wish to attend the annual general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority to do so or carry out their instructions.
9. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in compliance with the Memorandum of Incorporation of the Company or these notes.

CORPORATE INFORMATION

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

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

Company Secretary
J Edwards

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

Attorneys
Fluxmans Inc.
30 Jellicoe Avenue
Rosebank
Johannesburg, 2196

Bankers
First National Bank
Bank City, Johannesburg, 2001

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

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers,
15 Biermann Avenue
Rosebank,
Johannesburg, 2196
Private Bag X9000
Saxonwold, 2132
Telephone: +27 11 370 5000

CAXTON&CTP publishers & printers LIMITED