CAXTON & CTP publishers & printers LIMITED

Integrated Annual Report 2021

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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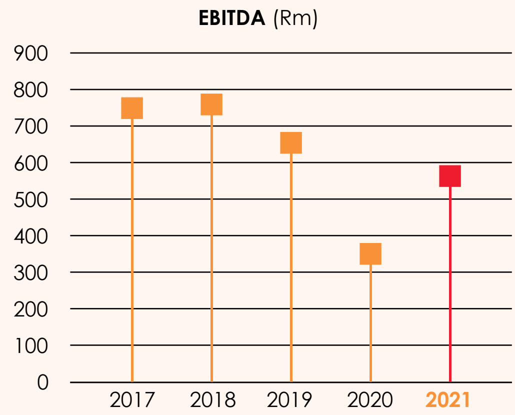
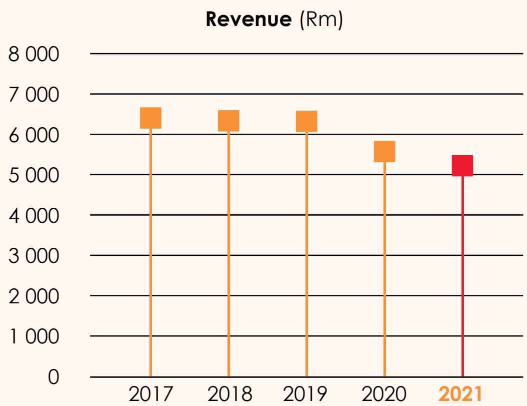
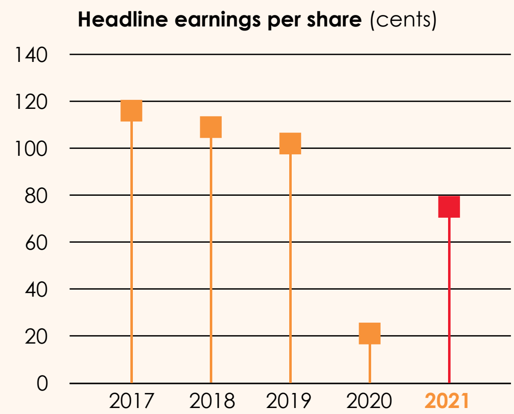
HIGHLIGHTS

- *Revenue* ***R5 220 million***
- *Profit before tax* ***R739 million***
- *Cash generated by operations* ***R619 million***
- *Cash resources* ***R1 989 million***







HIGHLIGHTS – FIVE YEARS TO 30 JUNE 2021

		2021 Rm	2020 Rm	2019 Rm	2018 Rm	2017 Rm
Revenue		**5 220**	5 572	6 321	6 334	6 407
Operating profit before depreciation and amortisation (EBITDA)		**563**	350	654	759	749
Finance income		**87**	127	140	124	141
Profit/(Loss) attributable to equity holders of the parent		**550**	(57)	336	386	445
Headline earnings per share	(cents)	**75**	21	102	109	116
Cash generated by operations		**619**	329	662	740	725
Cash and cash equivalents		**1 989**	1 743	1 698	1 544	1 886
Total assets		**8 056**	6 509	7 248	7 227	7 229
Net asset value per share	(cents)	**1 717**	1 384	1 484	1 464	1 436

DIRECTORATE

EXECUTIVE

TD Moolman (77) **(Chief Executive Officer)**
Terry is the founder of Caxton and CTP Publishers and Printers Limited.

TJW Holden (57) **(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 (49) **(Managing Director: Western Cape Operations)**
MBA
Leon has an MBA from the University of Cape Town and has been with the group for 27 years in a variety of positions. He currently heads the group's Western Cape commercial print and packaging operations.

NON-EXECUTIVE

PM Jenkins* (62) **(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* (59)
BJournalism, MA
Connie has been involved with the media industry for many years and holds a number of directorships.

NA Nemukula* (66)
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* (46)
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* (54)
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

The Caxton group has proved its resilience with a largely restored full year performance notwithstanding the effects of the pandemic that are still being felt across all sectors of the business. Financial discipline, excellent cost management, huge efforts by our staff, commitment to our customers and well-timed strategic decisions have all contributed to this recovery.

EARNINGS

The group has delivered an excellent recovery in profit from operating activities as follows:

- Profit before depreciation and amortisation increased by R213.6 million (61.0%) to R563.9 million compared to R350.3 million in the prior year.
- Depreciation and amortisation absorbed R253.4 million compared to R298.4 million in the prior year.
- Profit after depreciation and amortisation increased fivefold by R258.5 million to R310.4 million compared to R51.9 million in the prior year.

Although this growth is off the depressed 30 June 2020 results, which were severely impacted by the pandemic, the encouraging feature is that operating profit has recovered to near pre-pandemic levels. Notwithstanding that the pandemic has continued to constrain operations for the whole reporting period. The effect of Covid-19 and the consequential lockdowns and illness cannot be overestimated, but the health protocols implemented in our factories and offices have meant that from an operational perspective, the group was able to conduct business activities with minimal interruption. Having said this, the year was affected by massive disruptions to national economic activity and customer/consumer demand as a result of the lockdown regulations which had a profound effect in our local newspaper business, commercial printing operations and to a lesser extent, in our packaging businesses.

The improved demand during the second half of the financial year, as restrictions on economic activity were partially eased, and much-reduced cost structure in many of our operations, had a positive impact on profitability. In addition, the closure of loss-making divisions, particularly the magazine publishing and distribution have been earnings enhancing.

It is encouraging to note that operating profit in the group's commercial printing and packaging operations exceeded the levels of the pre-pandemic years and this was achieved on reduced revenues, which bodes well for the future when revenues normalise. The newspaper operations experienced a tougher environment in which to recover and these operations are still trading significantly below pre-pandemic levels but above the prior year. The management in these divisions have taken action to reduce the cost base, in the face of a more difficult return to normal revenues.

Revenues declined by only R351.9 million (6.3%), in spite of the closure of operations which contributed R460.0 million of revenue in the prior year. The continuing operations saw a reversal of the half year trend to December 2020 (a decline of R387.7 million or 12.5%) and ended the year R108.1 million (2.1%) up on the prior year, as the second half of the financial year reflected improving demand. However, these operations are still not generating the same levels of revenue as before the pandemic. This is attributable mainly to our newspaper business where local advertising revenues continue to be depressed. Whilst national advertising showed a much stronger trend, but is also still trading below pre-pandemic levels. The groups commercial printing and packaging revenues have fortunately seen a robust recovery and they are likely to soon return to normalised pre-pandemic levels.

Raw material input prices were a tale of two halves – in the second half of the year global supply tightened significantly and this was further exacerbated by constrained container supply and increased shipping costs. This manifested itself in large price increases of commercial grades of paper and packaging materials. Although excellent work was done, towards the end of 2020, in finalising contractual supplies of paper at competitive pricing, the current constrained global supply and increased shipping costs has meant these prices have started to escalate in the last six months. It is obvious that the industry is faced with unprecedented input cost increases that are expected to continue for the immediate future and will necessitate a need to pass these increases on to customers in the next pricing review window.

The group continues to manage its cost base well with staff costs and other operating expenses respectively ending the year R248.7 million (17.6%) and R416.3 million (31.1%) below the prior year. Obviously, the closure of operations played an important role, but excluding these businesses, staff costs and operating expenses respectively ended R91 million (7.3%) and R19.3 million (2.1%) below the prior year.

Where necessary staff costs in the continuing operations were aligned to reduced demand and in a number of businesses a more flexible shift pattern was implemented with significant savings in overtime. The group has been faced with large increases in energy costs but those were more than offset by other cost saving initiatives.

As reported at December 2020 the group disposed of its investment in Octotel (Pty) Ltd, our fibre to the home operation, and RSA Web (Pty) Ltd, our internet service provider, resulting in a profit on disposal of R399.7 million (R304.9 million after Capital Gains Tax).

The group exchanged its 16% investment in Ince (Pty) Ltd for a 38% investment in Coax Partners (Pty) Ltd resulting in a profit of R10.5 million.

On 1 November 2020 the group acquired a controlling stake in its associate Shumani Mills (Pty) Ltd and on assessment of the carrying values of the investment and resulting goodwill the decision was made to impair the investment of R3.2 million and the goodwill of R9.7 million. This transaction also resulted in a loss on disposal of an associate of R10.5 million as the business is now accounted for as a subsidiary.

Impairments of loans to associates amounted to R17.3 million as the group came to the end of its commitments to fund certain digital assets whose future sustainability is uncertain.

As reported at half year, the trading environment in the newspaper and magazine printing market has experienced a permanent decline and certain equipment that is excess to the ongoing requirements, required an impairment of R64.7 million.

Profit from operating activities increased from a loss of R184.2 million to a profit of R615.2 million. This was partly offset by the decline in net finance income by R60.6 million (41.2%) to R86.5 million as both dividends received and interest income were R18.7 million and R20.3 million below last year respectively. In addition, the prior year had a non-recurring deemed interest income on loans to directors of R25.4 million. Although cash resources were on average similar to the prior year the declining interest rates impacted interest earned and the same was true for the interest earned on loans to associates. Dividends received from our unlisted preference share investment were similarly impacted and curtailed dividend flow from other investments contributed to the decline.

Net income from associates increased from a loss of R9.7 million to a profit of R37.6 million as these businesses also recovered from the pandemic and the profits from our fibre to the home associate, Octotel (Pty) Ltd, was recognised for the first time, up to the date of disposal.

The group's profit before taxation is R739.3 million and the taxation charge was R173.4 million (including Capital Gains Tax of R98.8 million). This resulted in profit after taxation of R565.9 million – representing earnings per share of 148.1 cents (prior year a loss of 14.8 cents) and headline earnings per share of 75.4 cents (prior year 21.2 cents – 255.1% growth).

The net asset value per share has grown from R13.84 per share to R17.17 per share (an increase of 24.1%) primarily driven by the return to more normalised profitability, profit generated from the disposal of our investment in associates Octotel (Pty) Ltd and RSA Web (Pty) Ltd and the successful reinvestment of these proceeds into a strategic shareholding in Mpact Limited whose market value has grown significantly.

CASH FLOW

Cash and cash equivalents at the year-end were R1 989.6 million, an increase of R246.3 million over the prior year and an increase of R200.7 million over the half year reporting period. Cash generated by operations recovered to R619.1 million, an increase of R289.8 million over the prior year, as the impact of the pandemic eased and the remedial actions of management took effect. It is interesting to note that the current levels of operational cash flow are representative of the pre-pandemic levels which is a commendable achievement.

Working capital generated R53.6 million which is expected to reverse in the medium term as the group has made a decision to increase stockholdings due to the tightening of global supply. After paying taxation of R104.4 million the cash inflow from operating activities is R568.3 million – substantial increase over the prior year of R155.9 million or 37.8%.

The net investment in property, plant and equipment amounted to R101.5 million net of the proceeds from disposals of unused property of R81.2 million as a result of the discontinued operations. The major capital investments included replacement of some key packaging equipment that was at end of life and also the expansion into paper cup manufacture to enable growth within our current customer base. With the ever-increasing energy costs and unreliable supply, the group has completed the pilot solar energy project that includes a battery system. In addition, the group purchased solar panels for another two installations which will be rolled out in the near future.

The group disposed of its investment in Octotel (Pty) Ltd and RSA Web (Pty) Ltd for a gross consideration of R442.2 million (R347.8 million after Capital Gains Tax). Associates repaid loans by R67.6 million.

Investments of R659.1 million were made during the period and included the following:

- A further strategic investment in JSE listed Mpact Limited of R656.1 million, which now represents a total shareholding of 31.6%. At the time of writing, the price at which the Mpact shares trade on the JSE has increased such that at the current price of around R29, this investment is now worth in the region of R1.4 billion.
- A small additional investment of R3 million in Novus Limited bringing our shareholding to 8.4%.

During the reporting period the group did not pay a dividend due to the pandemic and its impact on trading as well as the costs associated with the closure of certain operations. With this behind us, dividends resume with the current declaration of 50 cents per ordinary share. During the period the group returned R56.3 million to shareholders by repurchasing 7 372 339 Caxton shares at an average price of R7.64 per share.

PERFORMANCE REVIEW

PUBLISHING, PRINTING AND DISTRIBUTION

Newspaper publishing and printing
During the reporting period the newspaper publishing industry has had to deal with the compounding effects of reduced consumer spending, due to the pandemic, and sluggish recovery of the economy on an already constrained and difficult newspaper industry.
This ultimately manifests itself in reduced advertising spend and this continues to remain a challenge that will take some time to recover.

Having said this the groups local newspapers are still considered a strong platform by national retailers to reach their target markets with their greater readership and wider reach into hyper-local households.

National advertising revenues ended 2% below the prior year, which was impacted by the first pandemic lockdown, and remains behind the pre-Covid level of national spend. The trend over the reporting year showed a recovery in the second half over the more depressed first six months. It is interesting to note that the market that recovered the strongest was food retailers and actually ended marginally higher than the previous year, while general merchandise and DIY spend is taking longer to recover.

Local advertising from the traditional "mom and pop stores" have been particularly badly affected by the Covid lockdowns and restricted trading environment. Those stores, that have not been forced to close down, often lack the necessary cash resources to run adequate advertising campaigns and thus this spend is significantly down year-on-year.

In response to the above environment management has taken various measures and is continually looking at other alternatives to realign the cost structures. This can be summarised as follows:

- Building innovative advertising options for local advertisers that will assist in rebuilding the local businesses.
- Consolidating a number of newspapers branches with the resulting cost savings.
- Restructuring the critical metropolitan area of Johannesburg, including a centralised administration function as well as addressing the cost of distribution.

These actions will create a more aligned cost base that will stand the operations in good stead when the advertising spend recovers to pre-Covid levels.

The daily and weekend newspaper market continued to decline with publishers implementing print order and pagination reductions. This has meant that the tonnage throughputs in our newspaper printing facilities have reduced and revenue has been similarly impacted.
The encouraging trend that materialised over the reporting year is the increased commercial work that these factories have managed to gain as some retailers have looked to cheaper newsprint options to reduce costs as well as significant strides made in increasing our market share as competitors have been faced with paper shortages.

The overall decline in throughput necessitated addressing the cost structures of the operations and this was achieved through innovative shift structures and creating an outsourced insertion department at the large printing facility in Gauteng. The impact of the restructuring has meant that what was previously a fixed cost irrespective of turnover has moved to a more variable cost that is flexible to throughput. The actions of management have resulted in a reverse of the half year trend with profitability ending above the prior year but on a much-reduced turnover. The full positive impact of these changes will only be felt in the new financial year.

The group's daily newspaper, The Citizen, delivered an impressive performance by improving profitability over the prior year and also exceeding pre-Covid profits.
This was driven by a recovery in print circulation and gain in Gauteng market share as well as disciplined cost control. The publication is still faced with an overall decline in advertising income but has shown growth in certain areas such as legal and auctions, which is encouraging. The Citizens stand-alone website continues to feature in the top ten South African digital offerings that has lately led to improved digital revenues.

Digital assets
The groups major digital asset is Private Property held through our subsidiary Cognition Holdings.
Private Property's performance was up to expectations. Although revenues were constrained, this was more than offset through cost saving initiatives.

Cognition Holdings core operations (excluding its subsidiary Private Property) experienced an extremely difficult year, further compounded by the impact of ongoing lockdowns and as the controlling shareholder, we are reassessing the way forward for this business.

Our travel investments (Safari.com and Afristay.com) worked very hard at reducing costs while attracting local travellers in an effort to drive revenues. This has had some success but it was overtaken by the intermittent lockdown regulations that curtailed movement of travellers.

The group has come to the end of the funding commitments for these businesses and should further funding be required we are likely to resort to third party participation and possible dilution.

Web and gravure printing

The group's large commercial printing operations have had a watershed year in which the management restructured the businesses in line with the significant drop in various retail catalogue demands and still improve profitability above the pre-pandemic years and significantly above the prior year. This has been achieved through a flexible shift structure that allows the operations to align employee costs to the variable demand.

The other crucial factor has been the attention to raw material sourcing and contractual relationships with a number of overseas suppliers. As a result, we have managed to ensure adequate supply at competitive prices. The global supply of paper has tightened significantly and without contractual arrangements it is proving difficult to secure tonnage at a reasonable price point. This is not expected to change for the foreseeable future and thus the groups decision, coming into the second half of the financial year, to stock up on raw materials will stand it in good stead to meet customer demands and also to gain market share where competitors are unable to supply due to those constraints.

In the second half of the financial year, we have seen an improvement in demand and throughput mainly driven by the food retailers but still below pre-pandemic levels. In addition, the operations have also managed to secure a number of new customers who have entered into print contracts because we have been able to supply their requirements on short notice due to the availability of paper.

Book and magazine printing

This operation delivered an extremely pleasing set of results, exceeding the prior year, especially when taken against the background of reduced revenues following the closure of a significant number of magazine titles. This achievement was as a result of the actions undertaken by management to realign the cost base and this focus will continue for the foreseeable future.

The operation managed to offset some of the decline in magazine printing by gaining market share in the education and commercial markets. This was helped by ensuring that there was raw material paper available for customers as import supply chains became difficult to predict, which vindicated the groups decision to increase imported stock levels at mid-year.

PACKAGING AND STATIONERY

Packaging

The various packaging operations have had an excellent year, with profits exceeding the prior year and pre-Covid levels. The heartening aspect of this performance is that this was achieved on a reduced turnover base, taken against pre-pandemic turnover levels, as a result of reduced cigarette packaging volumes.

The resilience of the markets we serve has stood us in good stead where the alcohol, quick service restaurant (QSR) and frozen food markets benefitted from a change in consumer buying patterns. We remain uncertain of the sustainability of these trends as consumers revert back to a more normal way of life, especially the tremendous growth in the wine-in-a-box category which has exceeded all expectations. The group has managed to diversify its offering in the QSR markets and has started to supply cold paper cups as an additional line, an area of growth for the future.

Our label operations had an excellent year, driven mainly by increased volumes in the wine and spirits market and even though we lost volume in the beer market, we managed to improve profitability on a lower restructured cost base. It is also encouraging that we are gaining back market share in beer labels as competitors have been unable to supply due to availability of paper, whereas we took the decision to build stocks on the back of the global supply chain constraints. We are expecting this scenario to continue in the medium term.

Our cigarette packaging operation remains a critical and key focus for the group and continues to be affected by the illicit trade which impacts our major customer. The operation has managed to secure additional work outside of the South African market which has helped to offset this decline.

Over the reporting period most operations were also faced with import supply constraints as global suppliers placed limits on tons supplied as well as increasing prices to recover the cost of container supply.
This situation intensified in the second half of the reporting year and again the foresight to build stocks has limited the interruption of supply. This is unlikely to change for the foreseeable future and the shortage of supply has manifested itself in further price increases from local and import suppliers that is unprecedented in recent history. The focus has to be on recovering these large increases from customers as there is no opportunity to absorb the scale of increases.

Stationery

Our stationery business was affected by the destocking actions that our major customer implemented in the face of reduced demand during the critical back to school season. This was compensated by cost saving measures which helped the operation deliver reasonable profits on a much-reduced turnover base. With schools hopefully returning to a more normal attendance there is an expectation that demand should start improving.

DIVIDENDS

The board has declared a dividend of 50.00 cents (2020: nil cents) per ordinary share (gross) and a preference dividend of 410.00 cents (2020: nil cents) per preference share (gross) for the year ended 30 June 2021. The dividends are subject to Dividend Withholding Tax.

PROSPECTS

The past year has re-established the group's operations on a stable base and, as turnovers recover on the scaled down cost base, this should improve profitability. The uncertain issue is the time period for the turnovers of our different operations to fully recover to pre-pandemic levels, with the continued threat of further regulations in the face of fourth and fifth waves of Covid-19 it is impossible to predict the future. The group will continue to take the necessary actions to protect profitability and to look for further growth prospects.

The focus is on proactive management of all the different and diverse aspects of our business, attention to detail and meeting the expectations of our customers.

We have stable businesses, loyal, committed and resourceful management and staff, significant cash resources, creative investment strategies, and above all, excellent facilities that can capitalise on growth opportunities. Our group represents a value enhancing portfolio of assets that we are confident we can grow and expand.

TJW Holden
Managing Director

Johannesburg
27 October 2021

TEN-YEAR REVIEW – SALIENT FEATURES

		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenue	(Rm)	**5 220**	5 572	6 321	6 334	6 407	6 405	6 261	5 390	5 157	4 819
Profit/(Loss) before taxation	(Rm)	**739**	(47)	452	541	610	590	597	545	686	633
Operating profit before depreciation and amortisation (EBITDA)	(Rm)	**563**	350	654	759	749	762	758	690	837	747
Finance Income	(Rm)	**87**	127	140	124	141	129	117	104	105	109
Profit/(Loss) attributable to equity holders of the parents	(Rm)	**550**	(57)	336	386	445	448	423	427	491	437
Cash generated by operations	(Rm)	**619**	329	662	740	725	665	767	750	847	788
Weighted average number of shares in issue	(000's)	**371 786**	382 889	387 422	392 427	396 219	397 982	396 463	406 494	422 657	416 999
Earnings/(Loss) per share	(cents)	**148**	(15)	87	99	112	113	107	105	116	105
Headline earnings per share	(cents)	**75**	21	102	109	116	116	109	98	123	110
Dividends per share	(cents)	**50**		60	60	70	70	65	60	55	50
Dividend cover	(times)	**3.0**		1.5	1.6	1.6	1.6	1.6	1.7	2.1	2.1
Ordinary shareholders' equity	(Rm)	**6 359**	5 229	5 740	5 696	5 682	5 523	5 240	4 976	5 347	4 856
Cash and cash equivalents	(Rm)	**1 989**	1 743	1 698	1 544	1 886	2 018	1 989	2 222	1 418	1 809
Net asset value per share	(cents)	**1 717**	1 384	1 484	1 462	1 436	1 406	1 337	1 283	1 277	1 175
Number of employees		**4 636**	5 270	6 197	6 030	6 311	6 310	6 434	6 053	6 025	5 910

KING CODE

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

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

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

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

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

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

BOARD OF DIRECTORS

The Board

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

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

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

Chairman and Chief Executive Officer

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

Board balance

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

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

Attendance at Board meetings

	Oct 20	Mar 21	May 21	Sep 21
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	P	P	P
J Phalane	P	P	P	P
T Slabbert	P	P	P	P
L Witbooi	P	P	P	P

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 2021 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 J Phalane (Chairperson) and Messrs ACG Molusi and NA Nemukula.

Attendance at Audit and Risk Committee meetings

	Oct 20	Mar 21	Sep 21
ACG Molusi	P	P	P
NA Nemukula	P	P	P
J Phalane	P	P	P

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

The Remuneration Committee continues to apply its historic remuneration policy and has not changed it on the basis that workplace stability and consistency in the current environment is preferred over volatility and change. The remuneration approach has served the group well, by ensuring that it continues to weather the Covid-19 storm engulfing the world.

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

While there is contraction in certain of the group's businesses, particularly the declining print market, the importance of job creation in South Africa requires no explanation. The group seeks to preserve its work force, unless unavoidable downsizing is necessary 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 recent implementation of a share appreciation bonus scheme seeks to provide executives with an interest in the growth of the group and the recovery of its share price off a base that had already begun to show recovery after the lows seen during the worst of the Covid-19. 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. This contraction is offset 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. Across the group, attendant staff reductions are unavoidable but 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 are needed. We have managed to maintain the balance of all of the above factors by a careful application of remuneration increases, and the empowering of unit heads with the responsibility for setting reasonable remuneration packages for staff at operating division levels.

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

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. The CEO and Managing Director's annual remuneration has increased by more than the inflation rate – in the case of Mr Moolman, this was the first increase in three years, and in the case of Mr Holden, the increase was due to an adjustment for additional responsibilities and market-related benchmarking. All increases are 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.

In the past year, engagements with two shareholders occurred, who articulated concerns with the brevity of the remuneration reporting but not with any particular component of remuneration for executives. 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

	Sep 20	Sep 21
TD Moolman	P	P
PM Jenkins	P	P
ACG Molusi (Appointed June 2021)	–	P

P: Present

SOCIAL AND ETHICS COMMITTEE

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

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

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

- The Company's code of ethics and compliance with it;
- the Company's Socio-Economic Development initiatives;
- the Company's ongoing commitment to editorial freedom against the background of current challenges;
- the settlement of major litigation with other industry players;
- stakeholder relations;
- Broad-Based Black Economic Empowerment progress made and new initiatives in this regard;

- health and public safety;
- training, bursaries, and skills development;
- labour relations and working conditions;
- global warming and carbon emission reduction; and
- monitoring, managing and improving the group's environmental impact.

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

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

Attendance at Social and Ethics Committee meeting

	Oct 20
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. Despite the current difficult economic circumstances, the group remains in a strong financial position through the continued tight control on expenditures and cash flows assure the directors that the business of the group will continue to function as a going concern for the foreseeable future.

COMPANY SECRETARIAL AND PROFESSIONAL ADVICE

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

The annual certificate by the Company Secretary is reflected on page 28.

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 on the following page.

Key risks	Risk mitigation
TRADING CONDITIONS:	
• Low to negative GDP growth. • Structural changes facing the daily and weekly print media. • Impact on profitability as a result of the pandemic and government regulations.	• Completed closure of loss-making operations. • Realignment of cost structures to take account of revenue declines. • Adherence to strict health and safety procedures to ensure operations remain operational in the face of the pandemic. • Allocation of the group's cash resources to new acquisitions that can be a source of growth in the future.
WATER AND ELECTRICITY SUPPLY:	
• Inconsistency of supply. • Increasing cost.	• Monitoring of power consumption at key sites to monitor municipality billing. • Generators installed at major sites. • Project in progress to install check meters for water consumption. • First solar installation complete with plans in place for a further three sites. • Major sites in the Western Cape have installed boreholes.
INFORMATION TECHNOLOGY AND SYSTEMS:	
• Unauthorised access to company information via hacking, malware and viruses. • Disaster recovery.	• 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.
INTERRUPTION OF SUPPLY TO CUSTOMERS:	
• Loss of key sites. • Key plant breakdowns.	• 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 are 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. • Adequate retention schemes in place to ensure stability of key management.
LEGISLATION:	
• Changing legislation and adherence.	• The group continues to engage with government and industry organisations. • Process in place to adhere to carbon footprint and end user waste management legislation.
RAW MATERIAL SUPPLY:	
• Disruption of supply affecting customer service.	• 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:	
• Maintaining and improving B-BBEE annual rating is key to enable competitiveness.	• 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.

APPROACH TO SUSTAINABILITY

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

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

SCOPE OF REPORT

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

Sustainability performance in this report spans the year to 30 June 2021.

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™ certified and some of the paper mills have also been awarded the EU Flower for environmental excellence.

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

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

EMBEDDING SUSTAINABILITY

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

Committees

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

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

HEALTH AND SAFETY

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

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

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

Employee wellness
Many sites of the 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.

All sites implemented the necessary monitoring and safety procedures in line with governmental guidelines to successfully combat the spread of the Covid-19 pandemic. This included the appropriate screening and personal protective equipment being made mandatory for all employees.

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

ENVIRONMENT

Caxton has resolved to do its part to combat global warming- and the group is committed to improving resource efficiency and reducing its environmental impact. Climate change is indeed occurring at much higher rate than globally anticipated, and its effects are evident worldwide, across all industries. Every organisation – Caxton included – must play their part in reducing climate change and its impact.

Caxton supports a philosophy of "meeting the needs of the present without compromising the ability of future generations to meet their own needs." (United Nations – description of sustainability)

Key areas (amongst others) in the printing and packaging sector that can be influenced within the South African context are Energy, Water, and Waste (resource protection and control of air emissions) – focus on these areas will unlock a decarbonisation path that can lead to a circular economy inclusive of other secondary elements of these systems.

Having conducted a carbon baseline assessment of the portfolio in FY2020 we are now able to accurately track Caxton's progress towards zero carbon emissions- at latest by FY2040 with 2030 as target – by nature of year-on-year Carbon Footprint reporting.

Caxton accepts that an environmentally sustainable industry is one which is in equilibrium with its environment and that we need to achieve sustainability within circular economy principles.

Overview
The board and management oversee and are accountable for performance areas of decarbonisation, resource consumption and waste management.

We focus on the three areas: energy, water, and waste, where we can scale by minimising the negative impacts of our operations and maximising the positive impacts of decarbonisation. Across all these areas, we assess how we can adapt our behaviour, in general, to achieve greener outcomes.

Our environmental reporting is our way to detail how we are delivering on these principles. Our report has been subjected to review by a third party.

FY2021 Carbon Footprint Report
Our reported tCO_2e set out below resulted from a verified carbon audit, in compliance with the GHG Protocol Corporate Accounting and Reporting Standard and includes data over the year of 1 July 2020 to 30 June 2021. This period corresponds with the group's financial year and constitutes the first carbon footprint commissioned by the Caxton group post the base year report of FY2020, and against which future carbon footprint reports can be compared.

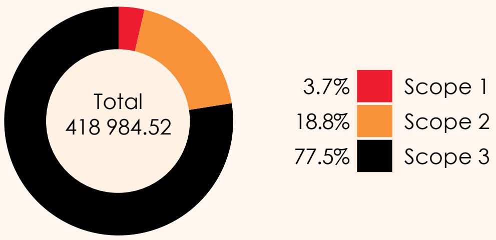
The Caxton and CTP Publishers and Printers Limited group included all entities and divisions over which Caxton exerts operational control, and in accordance with the GHG Protocol, clear organisational and operational boundaries have been defined and agreed to by the group and relevant activity data has been supplied covering emissions from the business activities of Caxton's head offices, distribution centres, regional offices, and manufacturing facilities.

Caxton engaged an independent Carbon Auditor to compile a Carbon Footprint report for FY2021.

Each emission from our business activities fell under one of three emission scopes. These scopes are as follows:

- Direct emissions (referred to as Scope 1) from fuel used directly by Caxton (stationary fuels), fleet vehicles (mobile fuels) and gas refills (air-conditioning, refrigeration, and fire-suppressing)
- Indirect emissions (referred to as Scope 2) from purchased electricity; and
- Indirect emissions in the supply chain (referred to as Scope 3) from business travel activities, employee commuting, upstream distribution, and the consumption of paper, plastic, and cardboard packaging. For FY2021, Scope 3 emissions for Outsourced Logistics and Paper Consumption have been calculated for the first time, leading to an increase in Scope 3 emissions.

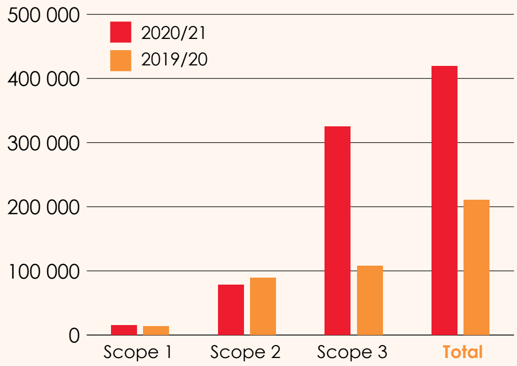
Total emissions by Scope FY2020/21 (tCO_2e)



Note: Figures refer to tons of Carbon Dioxide equivalent, the measure of Greenhouse gases.

Emissions by Scope	2020/21 (tCO_2e)	2019/20 (tCO_2e)
Scope 1	**15 489.11**	13 361.35
Scope 2	**78 584.15**	89 412.40
Scope 3	**324 911.26**	107 769.17
Total	**418 984.52**	210 542.92

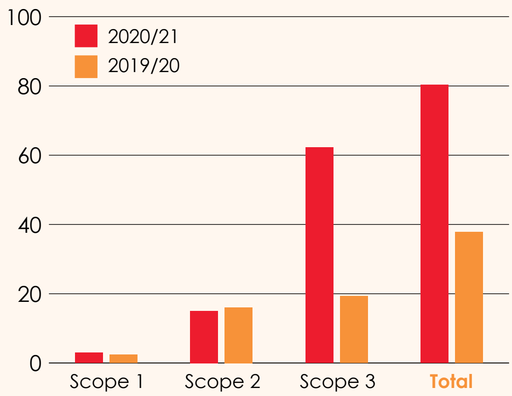
Emissions by Scope (tCO_2e)



The first intensity metric applied was the Revenue of the entities under our control: R5 220 million

Intensity metrics by Revenue	2020/21 R million	2019/20 R million
Scope 1	**2.967**	2.398
Scope 2	**15.053**	16.047
Scope 3	**62.239**	19.341
Total (tCO_2e/Rm)	**80.259**	37.786

Intensity metrics by revenue (tCO_2e/Rand millions)

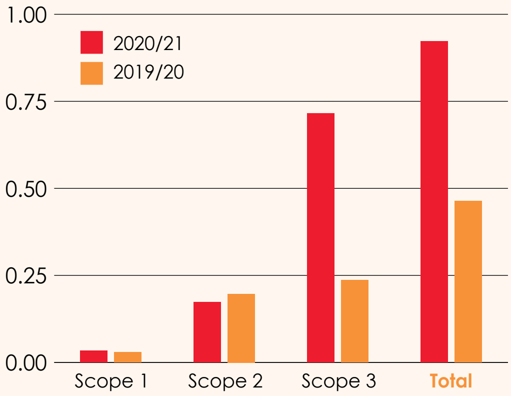


The second Emissions intensity metric applied was the GOA (Gross Operational Area) of the entities under our control: 453 897.76 m^2

Intensity metrics by GOA	2020/21 tCO_2e/m^2	2019/20 tCO_2e/m^2
Scope 1	**0.034**	0.029
Scope 2	**0.173**	0.197
Scope 3	**0.716**	0.237
Total (tCO_2e/m^2)	**0.923**	0.464

Scope 3 emission measurements included emissions from Outsourced Logistics and Paper Consumption in 2020/21 for the first time.

Intensity metrics by GOA (tCO_2e/m^2)



The current FY2021 carbon footprint report serves as our base for measuring and assessing the effectiveness of our current and future steps in addressing our carbon emissions.

GOVERNANCE AND LEGAL COMPLIANCE

National Atmospheric Emissions Inventory System ("NAEIS")
The Department of the Environment, Forests and Fisheries ("DEFF") has promulgated the National Greenhouse Gas Emission Reporting Regulations ("NGER's"). Reporting occurs in accordance with the NAEIS online reporting process, applicable to emissions of an organization and those entities which it controls, emitted during a calendar year.

We have measured and reported the Caxton Group as an entity in compliance with the NGER's.

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.

Carbon audit
In accordance with SARS and DEFF requirements, our carbon audit has been carried out using the Operational Control approach. This approach is used to draw the reporting boundary, and ultimately determine which emissions Caxton is responsible for. In accordance with The National Greenhouse and Energy Reporting Act 2007 (NGER Act) the reporting threshold to NAEIS is 10MW(th), being the capacity of stationary combustion installations under an organisations control. The total MW(th) capacity for all diesel generators controlled by Caxton is 45.75 MW Thermal Installed Capacity.

Emissions from fuel used in our stationary combustion generators is 1 813.38 tCO_2e and the Rand tax liability is nil as Diesel and Petrol emissions are exempt from carbon tax, per the formula in Section 6 of CTA, as diesel and petrol are already subject to separate carbon fuel levy incorporated into the fuel price. This is the case as well on our emissions from mobile combustion sources which is 2 227.5 tCO_2e.

Air emissions compliance
On 7 August 2020, the Minister of Environment, Forestry and Fisheries announced her intention to declare certain printing industry activities to be controlled emitters ("the Notice"), in terms of section 23 of the National Environmental Management: Air Quality Act 39 of 2004 ("NEMAQA")). If the Notice is promulgated, entities will be required to comply with the set Volatile Organic Compound ("VOC") and Nitrous Oxide ("NOx") emission standards.

We are monitoring our current VOC emissions and evaluating the best abatement schemes for both vents and compactor exhausts. We intend utilising the analytic hierarchy process (AP) model, an evaluation system for VOCs selection, that will enable us to analyse our VOCs emission characteristic to our packaging and printing industry and the existing treatment technologies we could assess and find best fit. In FY2022 we will be implementing control and measurement systems, to be able to complete accurate VOC reporting and prospective mitigation techniques.

Extended Producer Responsibility (EPR) Schemes
EPR is a waste management policy approach founded on product stewardship and the "polluter-pays principle" captured in section 2 of National Environmental Management Act 107 of 1998 ("NEMA"). The intention of EPR is to extend a producer's financial or physical responsibility for its product across its product's life cycle, to the post-consumer stage (including waste disposal).

Caxton supports the principle of EPR as a component underpinning the overall strategic approach of waste minimisation, and a circular economy and will collaborate in the value chain of producer to end user. We are developing solutions for lists of products which apply within the Priority EPR Sectors, as well as recovery, collection, and recycling targets where applicable. This will be reported to DFFE by 4 November 2021 when the registration with a PRO (Producer Responsibility Organisation) becomes mandatory.

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 2021. 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 AC rooftop PV plant that has been operational for a full year, July 2020 to date. In one calendar year the plant has produced 1 248 892.35 kWh of green energy. This displacement of brown energy proved a tCO_2e reduction of 1208 tCO_2e and financial saving of R1 892 672 on energy bills.

The success of this system unlocks the Renewable Energy Path of Caxton, and over this coming year we will implement PV installations across, numerous operational roofs. Caxton has already procured seven 9.2 MW worth of PV panels. This additional PV installation will enable a further, 31 944 tCO_2e reduction.

Also, on our energy decarbonisation planning table is the procurement of green energy via wheeling. The implementation of this will unlock our planned renewable path of 100% carbon energy neutral by 2030 in line with the National Determined Contributions (NDC) that South Africa has made to COP 26.

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.

WATER

The true state of water consumption and disposal in South Africa is that we are in a water crisis, and each entity needs to play its part in conserving this valuable and scarce resource.

Monitoring and controlling the water use of our properties is an important part of our approach to water conservation and management and thus emissions reduction by reduction of water disposal. Through our energy monitoring and management system which produces monthly reports for control and planning, we will be rolling out automated water meters that will now be observed on strict rosters. This monitoring control system will enable us to identify changes in consumption and identify if corrective action is required. Having a day-to-day hands-on knowledge of our water consumption and discharge, will enable us to actively control current consumption and work to further conservation measures.

A balanced consumption of water and water discharge in our properties is critical and within the above ambit we must craft how we can further complement the recharge and reduce the discharge of water. At several of our premises, we are considering harvesting rainwater by diverting a downpipe to a storage tank, this water is then used for several production processes.

Ndabeni Plant has the first water extraction plant that feeds ablutions and waste wash and aides in better controlling supply and consumption.

Boland Printers has the first 30 000 kℓ rain harvesting system, and this will be evaluated for a greater footprint.

Wastewater such as at Durban is treated before discharge, to aquatic quality. Similar solutions for treatment of discharge water across the group are continually evaluated.

We will set short-, medium-, and long-term targets for water stewardship improvement. We will be reporting on these water initiatives and the resultant carbon reduction totals over the next years.

WASTE

Caxton is very aware that our industry sector produces significant wastage in the form of both packaging (particularly plastic, paper and cardboard), chemicals and wet waste, and as such, we have an important role to play in addressing packaging, hazardous waste and wet waste to landfills in South Africa. Pressure is mounting on the packaging and printing industry to reduce waste, increase recycling rates, and educate all in the chain to be more environmentally conscious. Caxton has a waste strategy that is in adherence to the National Waste Management Strategy (NWMS) which requires the private sector to minimize the generation of waste and to take responsibility for disposal thereof.

Our first focus in FY2021 was to implement strategies to reduce waste and increase recycling rates as well as forming relationships with NPO Recycling partners that are available in our geographical areas. We are among the leaders in the print and packaging industry in the recycling of the materials we use in our manufacturing process by following extremely strict recycling/reuse processes and we have invested substantial amounts in infrastructure and control systems.

A cross section of our waste profile reveals that waste in our focal areas is largely packaging waste (paper, cardboard, and plastic), and wet waste with a small percentage of glass, metals. Our focus in FY2021 was to begin addressing sorting and recycling of these waste streams, and thus reduce waste quantity to the landfills.

For the year in evaluation the total tonnage of waste across the Caxton group was 26 481 tons. Of this total we were able to recycle 25 103 tons avoided to landfill. This means Caxton recycles almost 95% of its waste, which has enabled an avoided carbon emission of 27.08 tCO_2e.

The breakdown per class was:

	2020/2021 tCo_2e	**2020/2021 tons**
General	**136.5**	**1 378**
Paper	**93.6**	**24 011**
Plastic	**1.0**	**761**
Glass	**–**	**–**
Aluminium	**80.6**	**328**
Steel	**0.5**	**2**
Total	**311.3**	**26 481**

Going forward, we will be refining future strategies, in partnership with our clients and suppliers in engaging in Producer Responsibility Organisations on further recycling initiatives to optimise waste recycling and disposal. This cross-Industry collaboration will ensure new and innovative circular Economy supply chains within the Polluter Pays Principles.

With the new emissions factors – for EPR we will reflect a far higher avoided emissions total

In future years we hope to achieve a 100 % recyclable and reduction target by 2025 which will net a 19 800 tCO_2e reduction.

Air emissions:

Target setting in environment improvement plans involves benchmarking against best practice and this is the path Caxton will proceed on to ensure stewardship and profitability are aligned, so that we can ensure that our volatile organic compound (VOC) emissions comply with all the parameters established by the regulatory bodies.

We are investigating innovative and new End of Pipe treatment options with a pollution control approach that remediates contaminated flows of air just before the effluent can enter the environment. We aim to provide the best, but also the most economical, solution for process air emission compliance that is sustainable.

To enable this, we will need to implement stricter monitoring and data collection both for the analytical process but for reporting compliance to NAEIS and comply with the Emission Reporting Regulations, in terms of section 23 of the National Environmental Management: Air Quality Act 39 of 2004.

Highlight for FY2021

Avoided emissions summary	**tCO_2e**
Solar	**1208.92**
Recycling	**27.08**
Recycled paper consumption	**8369.48**
Total avoided emissions	**9605.49**

OTHER AREAS

Carbon offsetting

Caxton has registered its consolidated carbon reduction initiatives to UNFCCC. An offset project is implemented, then monitored and periodically verified to determine the quantity of emission reductions it has generated. The length of time between verifications is typically one year. A carbon offset program approves verification reports, and then issues several carbon offsets credits equal to the quantity of verified CO_2-equivalent GHG reductions These are issued as Certified Emissions. A broad range of projects are eligible for CDM accreditation and Caxton will be focusing on CER's in the Renewable Energy Space and waste reduction

Resource protection

Although trees are a renewable resource, a stewardship approach is necessary to guarantee that the paper we purchase has come from mills that engage in responsible forestry, certifying that the paper mills and distributors manage their forests under the strictest principles of conservation. The purchase and use of wood and paper-based products can have far-reaching, long-term impacts for the forests where they are harvested, the communities supported by wood-using industries, and the places where those products are purchased and used.

Sustainable procurement of paper for Caxton's needs is the process by which our organisation buys supplies and services, taking into consideration the best value for money and the environmental/social aspects that the product/service has over its whole life cycle. Most of the paper we source both from local and from international mills includes a high percentage of recycled fibre, where appropriate.

We have also embarked on a recyclable paper consumption strategy and in year one we have avoided 8 369.48 tCO_2e.

Outsourced logistics

We have started a programme of monitoring and recording our outsourced logistics. Thus far we have accounted for 4 616 tCO_2e of Scope 3 emissions from outsourced logistics across the group. This number takes into account more than 20 million kilometers of deliveries. From our research and API tool we will be looking at how to optimise and reduce this tonnage with our partners.

ENVIRONMENTAL SUSTAINABILITY VISION AND MISSION AND GOAL

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 considerations into our business decisions

Environmental sustainability pledge

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.

Achievements

The Western Cape operations have sunk boreholes to reduce their dependence on water from local municipalities, but subsequently mothballed them as the treated water is more expensive than municipality supplied water. Should the circumstances change, they can be recommissioned in four weeks. Caxton Works also have access to borehole water when required.

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

Cartons & Labels Industria was chosen last year as the pilot site to start the transition to a Clean Renewable Energy future. This involved the installation of a Solar Power system (2 498 solar panels (PV cells) and 11 inverters), and a Battery storage system of 2 000 kWh. The system is quite sophisticated, and involves the computerised integration of the Solar Panels, the Battery system, a Generator and the Main Grid from the City of Johannesburg. The project was fully commissioned during the year and the operation is now enjoying the benefits of this project. These benefits revolve around savings in energy costs and the security of energy supply. We believe that our investment will also make a positive contribution to the environment.

CTP Flexibles and CTP Cartons and Labels Epping are on a load curtailment programme with Cape Town Municipality.

CTP Printers Cape Town, through technology, is minimising its levels of greenhouse gas emissions. The programme of replacing lighting in the factory with energy-efficient LED lighting is ongoing.

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

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

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

Sundry waste, pallets and bins are recycled.

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

As detailed above, the following businesses are certified as part of the Forest Stewardship Council (FSC) chain of custody and are also members of the Supplier Ethical Data Exchange (SEDEX):

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

Thuthuka Packaging is PEFC chain of custody certified, a sustainable sourcing accreditation similar to FSC.

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

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

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Caxton and CTP Publishers and Printers Limited's ("CAT") subsidiaries and jointly-controlled entities are measured against the Department of Trade and Industry's ("DTI") Amended Broad-based Black Economic Empowerment ("BEE") Codes. In November 2020, 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.

Ownership and management control
The Black Ownership of group entities is measured using the flow-through principle from CAT. Overall Black Ownership remained similar in the past 12 months, with the Black Female shareholding being 7% in economic interest and 5.8% in voting rights, and Black shareholding 14.7% in economic interest and 12.9% in voting rights.

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.

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.

Despite the impact of Covid-19 on the operations of the group, training continued as soon as government levels allowed – either online or face-to-face. This enabled the group, despite these challenges, to meet its BEE skills spend targets and training objectives.

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. In the 2019/2020 year 83 youth were employed and hosted at the National Financial Literacy Association that provides consumer financial education. The youth were placed at black-owned SMMEs in manufacturing, agriculture, communications and transport. 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.

Learnerships, apprenticeships and internships
The group had 409 Black people in learnerships, apprenticeships and internships during 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, cold-set rotary offset and heat-set rotary offset machine lithography technician, mechanised softcover bookbinding and millwrights.

Disabled unemployed learners were provided with an opportunity to obtain a National Certificate: New Venture Creation NQF 2 or a National Certificate: Contract Centre Support NQF 2 qualification. All of these learners at the end of 2020 were absorbed and offered full time employment by an external training provider.

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, Computing, Supply Chain Management, HR Management, Operations Management and Electrical Engineering.

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 month practical work experience so that the students are able to complete their National Diploma in Journalism. Many of the students are employed within the group after completion of their internship.

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 that 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.

Socio-economic development

The group continues to support qualifying entities with support that exceeds the 1% of net profit after tax as required by the amended DTI Codes. The initiatives support various charities, schools within the geographical areas in which the 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 new-born babies who have been abandoned, orphaned or neglected, as well as babies born as a result of an unplanned or crisis pregnancy, through monthly monetary donations that contribute towards the feeding and caring of the babies. Currently SA Litho's annual financial contribution to Ubuntu is R84 000. Our sponsorship of Ubuntu House goes back almost 11 years, 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 to the Imbumba Foundation, which worked collectively with Trek4Mandela and the Caring4Girls initiative to raise funds to provide more than one million sanitary pads to benefit thousands of indigent girls across South Africa.

Boland Printers donated R120 000 to Wamakersvallei Training Centre, a registered Section 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 other wise never have had the opportunity, a new beginning in life.

Caxton Local Media donated advertising of R553 000 to CHOCK Childhood Cancer Foundation of SA and R537 000 each to HOSPICE Palliative Care Association of SA, Community Environmental Education Programme, CANCA Cancer Association of SA and 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 76 charitable organisations totalling R400 500.

REMUNERATION REPORT

The year under review encompasses a full year of dealing with the effects of the Covid-19 pandemic. In addition, in the year under review, the South African business environment has suffered from the compounding effects of poverty, social instability, political tensions and corruption. When faced with the results of such profound disruptors, conventional wisdom and rules are of little value. Our management team was required to make extraordinary sacrifices and render service beyond expectation in the year under review. The survival of our group had to be put ahead of the self-interest of management and staff. It is gratifying that notwithstanding the ongoing effects of the pandemic, corruption and riots and looting in July 2021, the group under the innovative and adaptive leadership of its management, have navigated into less turbulent waters.

Whilst the core remuneration principles of the group, as set out in the Corporate Governance and Risk Management section, remained unchanged during the year, ongoing reductions in pay, freezing of benefits and staff retrenchments have characterised the earlier part of the year.

Shareholder voting on remuneration is an acknowledged component of the executive remuneration debate and board accountability. It is however hoped that shareholders will appreciate that when survival is at issue, ex post judgments exercised by shareholder votes at AGM's are always welcome but should be cognisant of the prevailing stresses of the South African business environment.

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 four 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 one million shares at a base of R7 per share. A total of some ten million shares were allocated across the senior management of the group.

Aside from the above limited share appreciation bonus scheme, given the uncertain Covid-19 environment, 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.

As in previous years, the remuneration of executives and staff alike was subject to further review towards financial year end at all levels within the group. In view of the group's improving circumstances, it was possible to return to limited cash bonus payments for some 50 of the most senior employees, and inflation linked increases for employees.

In the review process, senior executive remuneration required some benchmarking adjustments. Mr Holden's overall cost to company annual package has increased to R4 727 000 per annum and that of Mr Witbooi to R2 959 000 per annum. The CEO, Mr Moolman's fixed remuneration has been increased to R4 158 000 per annum after remaining frozen at the previous level of R3 780 000 per annum for the prior three years.

Non-executive directors have been granted a 4% increase.

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

The composition of the remuneration committee was augmented during the year by the appointment of Mr Connie Molusi as a member of the Committee.

PM Jenkins
Non-executive Chairperson

TD Moolman
Chief Executive Officer

Remuneration Committee
27 October 2021

CAXTON&CTP publishers & printers LIMITED

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STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE BOARD OF DIRECTORS

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

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

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

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

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

The directors are of the opinion, 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 2022 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 29.

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 36 to 74, 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
27 October 2021

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
27 October 2021

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

In line with paragraph 3.84(k) of the JSE Listings Requirements, the CEO and CFO hereby confirm that:

- the annual financial statements set out on pages 36 to 74 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- 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; and
- 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 within the combined assurance model pursuant to principle 15 of King IV. Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves Directors and have taken the necessary remedial action.

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
27 October 2021

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 36 to 74, which comprise the consolidated and separate statements of financial position as at 30 June 2021, 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 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of 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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of Land & Buildings As set out in note 2 to the consolidated financial statements, the group has a significant investment in land and buildings. The land and buildings were initially recognised at acquisition cost, and subsequently 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, or at least every five years. The valuations are based on discounted cash flow models and direct comparable methods and are performed annually by an external valuator. Significant judgement is required in determining the vacancy levels, the discount rates, growth rate and the terminal capitalisation rates. Note 1 sets out the most significant inputs and assumptions into these valuations.	We performed the following procedures amongst others: • Assessed the design and tested the implementation of the relevant controls over the valuation process; • Evaluated the capabilities, competency, and objectivity of the external valuator. This included assessing the valuator's independence, professional qualifications, and registrations through procedures such as obtaining an independence confirmation and inspection of the registry of the South African Council of Property Valuers; • Making use of our internal corporate finance expertise, we evaluated whether the valuation methodology against generally accepted industry valuation methodology, and assessed the significant assumptions and judgements used by the valuator against historical inputs and market data, where available. Where unexpected differences were noted, we held discussions with relevant individuals and inspected underlying documentation. Based on the results of our procedures, no further consideration was necessary;

Key audit matter	How our audit addressed the key audit matter
Due to the significance of the land and buildings balance, the significant judgement and estimates associated with determining its fair value and the sensitivity of the valuations to changes in assumptions we consider the valuation of the land and buildings to be a matter of most significance to the current year audit of the consolidated financial statements.	• For all properties, we verified the mathematical accuracy of the models applied. We also evaluated the reasonability of the inputs and of management's forecast by comparing the forecast to the actual historical results for reasonability. We also assessed the growth rates used against the 2020 South African Property Owners Association (SAPOA) capitalisation and discount rate report; and • We assessed the completeness and adequacy of the disclosure in the consolidated financial statements, including the disclosure on significant inputs and the sensitivity analysis, against the requirements of International Financial Reporting Standards.

Other Information

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors
Paul Badrick
Director
Registered Auditor

28 October 2021

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

NATURE OF BUSINESS

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

REVIEW OF BUSINESS OPERATIONS

Revenue for the year decreased by R351 million to R5 220 million (2020: R5 572 million). Profit from operating activities before depreciation and impairment increased by R213 million to R563 million (2020: R350 million). Net finance income received amounted to R82 million (2020: R123 million) with capital expenditure during the year totalling R182 million (2020: R151 million). Cash and cash equivalents amounted to R1 989 million (2020: R1 743 million).

ORDINARY DIVIDEND

An ordinary dividend of 50.00 cents (2020: nil cents) (gross) (net 40.00 cents (2020: net 0.00 cents)) per ordinary share was declared on 16 September 2021, payable to shareholders registered on 29 October 2021.

PREFERENCE DIVIDEND

A preference dividend of 410.00 cents per share (2020: nil cents) (gross) (net 328.00 cents (2020: net nil cents)) per share was declared on 16 September 2021, payable to shareholders registered on 29 October 2021.

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 72. The aggregate attributable interest of the Company in the after-tax profits and losses of the subsidiaries were:

	2021 R000	2020 R000
Profits	**556 927**	147 444
Losses	**(53 012)**	(212 240)
	503 915	(64 796)

DIRECTORATE AND COMPANY SECRETARY

The names of the directors and the Company Secretary are set out on pages 3 and 28 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 NA Nemukula and Ms T Slabbert 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	2021 Direct	2020 Direct	2021 Indirect	2020 Indirect
TD Moolman*	**–**	–	**4 005 695**	3 975 695
PM Jenkins	**8 000**	8 000	**–**	–
Total	**8 000**	8 000	**4 005 695**	3 975 695

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 45.27% (30 June 2021: 44.71%) of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The Moolman Coburn Partnership and its intermediate companies control an additional 5.65% (30 June 2021: 5.58%), and its associates acting in concert hold a further 1.08% (30 June 2021: 1.07%) of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The partnership therefore controls a total of 52.22% (30 June 2021: 51.58%) 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**	**0.08**	**4 045 024**	**1.11**
Shareholders holding more than 5% of the issued ordinary shares				
– Caxton Holdings Proprietary Limited	**1**	**0.03**	**165 652 708**	**45.27**
– Alan Gray Balanced Fund	**1**	**0.03**	**25 504 894**	**6.97**
	5	**0.14**	**195 202 626**	**53.34**
Public shareholders	**3 733**	**99.86**	**170 734 409**	**46.66**
Total	**3 738**	**100.00**	**365 937 035**	**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 2021 or at the date of this report.

SUBSEQUENT EVENTS

There are no subsequent events.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements, which appear on pages 36 to 74, have been approved by the Board and are signed on its behalf by:

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
27 October 2021

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 2021.

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 J 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 2021 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 2021 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 2021, 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 2021 and considered that they comply, in all material aspects, with the requirements of the Act and International Financial Reporting Standards.

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

BDO South Africa Incorporated, the external auditor, has provided the shareholders with an unqualified independent audit opinion on whether the annual financial statements for the year ended 30 June 2021 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 2021.

JH Phalane
Chairperson

Audit Committee
27 October 2021

STATEMENTS OF FINANCIAL POSITION

at 30 June 2021

COMPANY 2020 R000	COMPANY 2021 R000	Notes		GROUP 2021 R000	GROUP 2020 R000
			ASSETS		
			Non-current assets		
–	**–**	2	Property, plant and equipment	**2 361 040**	2 253 613
–	**–**	19	Right of use assets	**20 647**	13 908
–	**–**	3	Intangible assets	**38 672**	37 454
–	**–**	4	Goodwill	**85 067**	85 067
1 356 202	**1 356 202**	5	Interest in subsidiaries	**–**	–
84 251	**83 337**	6	Interest in associates	**142 278**	284 036
149 476	**1 417 345**	7	Investments	**1 417 345**	149 476
23 170	**–**	15	Deferred taxation	**15 076**	66 062
1 613 099	**2 856 884**			**4 080 125**	2 889 616
			Current assets		
–	**–**	8	Inventories	**984 799**	1 009 668
7 539	**7 753**	9	Trade and other receivables	**999 982**	849 591
3 550	**2 950**	5	Amounts owed by group companies	**–**	–
–	**–**		Taxation	**1 955**	17 037
900 000	**900 000**	10	Cash equivalents	**900 000**	900 000
–	**–**	11	Cash	**1 089 645**	843 280
911 089	**910 703**			**3 976 381**	3 619 576
2 524 188	**3 767 587**		**TOTAL ASSETS**	**8 056 506**	6 509 192
			EQUITY AND LIABILITIES		
			Equity		
9 443	**9 257**	12	Ordinary share capital	**9 257**	9 443
135 891	**79 767**		Ordinary share premium	**79 767**	135 891
171 952	**636 247**		Non-distributable reserves	**1 045 078**	409 264
1 436 109	**1 506 651**		Retained income	**5 225 792**	4 674 204
1 753 395	**2 231 922**		**Equity attributable to owners of the parent**	**6 359 894**	5 228 802
–	**–**	14	Non-controlling interest	**77 189**	37 675
100	**100**	12	Preference share capital	**100**	100
1 753 495	**2 232 022**		**TOTAL EQUITY**	**6 437 183**	5 266 577
			Non-current liabilities		
–	**–**	19	Lease liabilities	**12 373**	10 621
–	**110 855**	15	Deferred taxation	**424 706**	330 589
–	**110 855**			**437 079**	341 210
			Current liabilities		
10 192	**10 196**	16	Trade and other payables	**839 743**	661 854
–	**–**	17	Provisions	**305 774**	207 924
679 289	**1 298 612**	18	Amounts owed to group companies	**–**	–
–	**–**	19	Lease liabilities	**9 133**	4 495
81 212	**115 855**		Bank overdraft	**–**	–
–	**47**		Taxation	**27 594**	27 132
770 693	**1 424 710**			**1 182 244**	901 405
2 524 188	**3 767 587**		**TOTAL EQUITY AND LIABILITIES**	**8 056 506**	6 509 192

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

COMPANY Restated* 2020 R000	COMPANY 2021 R000	Notes		GROUP 2021 R000	GROUP 2020 R000
75 094	**61 697**	22	Revenue	**5 220 415**	5 572 359
–		24	Other operating income	**138 811**	137 363
75 094	**61 697**		**Total operating income**	**5 359 226**	5 709 722
–	**–**		Changes in inventories of finished goods and work in progress	**(81 194)**	(43 531)
–	**–**		Raw materials and consumables used	**(2 627 287)**	(2 564 013)
–	**–**	23	Staff costs	**(1 163 495)**	(1 412 207)
(2 622)	**(2 389)**	24	Other operating expenses	**(923 390)**	(1 339 670)
(2 622)	**(2 389)**		**Total operating expenses**	**(4 795 366)**	(5 359 421)
72 472	**59 307**		Profit from operating activities before depreciation and amortisation	**563 860**	350 301
–	**–**	25	Depreciation and amortisation	**(253 424)**	(298 399)
72 472	**59 307**		**Profit from operating activities after depreciation and amortisation**	**310 436**	51 902
–	**–**		Impairment of goodwill	**(9 720)**	(47 686)
–	**–**		Profit on disposal of associate	**399 692**	–
–	**–**		Impairment of interests in associates	**(3 159)**	(29 011)
–	**–**		Loss on deemed disposal of associate on gain of control	**(10 461)**	–
–	**–**		Loss on disposal of associate	**–**	(5 293)
–	**–**		Impairment of loans	**(17 315)**	(70 074)
5 187	**10 456**		Profit on disposal of investment	**10 455**	–
–	**–**		Impairment of plant	**(64 746)**	(84 033)
77 659	**69 763**		**Profit/(Loss) from operating activities**	**615 182**	(184 195)
452	**1 103**	27	Finance income	**87 814**	126 864
–	**(116)**	28	Finance costs	**(4 977)**	(3 116)
–	**–**	29	Profit/(Loss) on foreign exchange	**3 628**	(2 047)
25 391	**–**		Deemed interest on loans to directors	**–**	25 391
			Income/(Loss) from associates	**37 676**	(9 696)
103 502	**70 750**		**Profit/(Loss) before taxation**	**739 324**	(46 799)
–	**(208)**	30	Taxation	**(173 399)**	(17 268)
103 502	**70 542**		**Profit/(Loss) for the year**	**565 925**	(64 067)
(96 511)	**464 295**		**Other comprehensive profit/(loss)**	**636 647**	(96 495)
			Items that will not be reclassified subsequently to profit or loss		
(96 511)	**464 295**	13	Fair value adjustments – investments	**464 296**	(96 495)
		13	Fair value adjustments – properties	**172 351**	–
6 991	**534 837**		**Total comprehensive income/(loss) for the year**	**1 202 572**	(160 562)
			Profit attributable to:		
–	**–**		Non-controlling interest	**15 170**	(7 379)
103 502	**70 542**		Equity holders of the parent	**550 755**	(56 688)
103 502	**70 542**			**565 925**	(64 067)
			Total comprehensive income/(loss) attributable to:		
–	**–**		Non-controlling interest	**15 170**	(7 379)
6 992	**534 837**		Equity holders of the parent	**1 187 402**	(153 183)
6 992	**534 837**			**1 202 572**	(160 562)
		31	Earnings/(Loss) and diluted earnings/(loss) per ordinary share (cents)	**148.1**	(14.8)

* Correction of error: Revenue arises in the course of an entity's ordinary activities. In the case of a holding company, dividends received are 'ordinary activities', and must therefore be presented as revenue. Dividends received in 2020 of R75.0 million, was reallocated from Finance Income to Revenue. This change has no impact on Profit for the year, the Statement of Cash Flows or the Statement of Financial Posit

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2021

COMPANY 2020 R000	COMPANY 2021 R000	Notes		GROUP 2021 R000	GROUP 2020 R000
			CASH FLOWS FROM OPERATING ACTIVITIES		
(2 622)	**(2 389)**	39.1	Cash generated by operations	**619 079**	329 255
(1 196)	**(211)**	39.2	Changes in working capital	**53 619**	161 183
(3 818)	**(2 600)**		Cash generated by operating activities	**672 697**	490 438
375	**(161)**	39.3	Taxation paid	**(104 443)**	(78 044)
(3 443)	**(2 761)**		Cash flows from operating activities	**568 254**	412 394
			CASH FLOWS FROM INVESTING ACTIVITIES		
			Property, plant, equipment and intangibles		
			– additions to maintain operations	**(98 866)**	(90 987)
			– additions to expand operations	**(83 879)**	(60 321)
			– proceeds from disposals	**81 285**	18 652
–	**–**			**(101 460)**	(132 656)
			Investments		
–	**–**	39.5	Acquisition of subsidiaries	**10 832**	–
(6 798)	**(658 179)**	39.6	Associates, other investments and loans	**(239 163)**	(48 318)
452	**1 103**		Interest received	**42 633**	62 962
114 000	**–**		Loans to directors repaid	**–**	114 000
68 966	**49 717**		Dividends received	**45 181**	63 902
176 620	**(607 359)**			**(140 517)**	192 546
176 620	**(607 359)**		Cash flows from investing activities	**(241 977)**	59 890
			CASH FLOWS FROM FINANCING ACTIVITIES		
323 305	**631 903**	39.10	Receipts from group companies	**–**	–
(126 148)	**(56 310)**		Own shares acquired	**(56 310)**	(126 148)
–	**–**		Acquisition on non-controlling interest	**–**	(47 155)
–	**–**		Principal paid on lease liabilities	**(11 956)**	(6 552)
–	**(116)**		Interest paid	**(4 977)**	(3 116)
(231 762)	**–**	39.4	Dividends paid	**(6 669)**	(243 683)
(34 605)	**575 477**		Cash flows from financing activities	**(79 912)**	(426 654)
138 572	**(34 643)**		Net increase/(decrease) in cash and cash equivalents	**246 365**	45 630
680 216	**818 788**		Cash and cash equivalents at beginning of year	**1 743 280**	1 697 650
818 788	**784 145**	39.7	Cash and cash equivalents at end of year	**1 989 645**	1 743 280

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2021

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 2019		9 668	261 814	100	199 602	307 358	4 961 453	104 130	5 844 125
Total comprehensive loss for the year		–	–	–	–	(96 495)	(56 688)	(7 379)	(160 562)
Non-controlling interest acquired		–	–	–	–	–	–	(47 155)	(47 155)
Own shares acquired		(225)	(125 923)	–	–	–	–	–	(126 148)
Ordinary dividends paid	32	–	–	–	–	–	(231 517)	(11 921)	(243 438)
Preference dividends paid	33	–	–	–	–	–	(245)	–	(245)
Realisation of land and buildings revaluation reserve		–	–	–	(1 216)	15	1 201	–	–
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	32	**–**	**–**	**–**	**–**	**–**	**–**	**(6 669)**	**(6 669)**
Preference dividends paid	33	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Realisation of land and buildings revaluation reserve		**–**	**–**	**–**	**(833)**	**–**	**833**	**–**	**–**
Balance at 30 June 2021		**9 257**	**79 767**	**100**	**369 904**	**675 174**	**5 225 792**	**77 189**	**6 437 183**
COMPANY									
Balance at 1 July 2019		9 668	261 814	100	4 469	263 993	1 564 369	–	2 104 413
Total comprehensive income for the year		–	–	–	–	(96 510)	103 502	–	6 992
Own shares acquired		(225)	(125 923)	–	–	–	–	–	(126 148)
Ordinary dividends paid	32	–	–	–	–	–	(231 517)	–	(231 517)
Preference dividends paid	33	–	–	–	–	–	(245)	–	(245)
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	32	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Preference dividends paid	33	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 30 June 2021		**9 257**	**79 767**	**100**	**4 469**	**631 778**	**1 506 651**	**–**	**2 232 022**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

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 2021 comprise the Company and its subsidiaries (together referred to as "the group") and the group's interest in associates and jointly-controlled entities.

The annual financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) 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 South African Companies Act 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 annual 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. Identifiable assets, liabilities and contingent liabilities acquired or assumed are initially measured at their respective fair values at acquisition date.

1.3 Property, plant and equipment

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

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

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

Land	not depreciated
Buildings	50 years
Plant and machinery	2 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

1.4 Goodwill

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

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

1.5 Publication titles and intangible assets other than goodwill

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

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

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

1.6 Investments in subsidiaries

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

1.7 Investments in associates

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

1.8 Cash and Cash equivalents

For the purpose of presentation in the statement 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 Statement 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 expense on a straight-line basis over the lease term.

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

1.11 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 are classified as equity.

1. SIGNIFICANT ACCOUNTING POLICIES continued

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.

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

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

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

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

Classification and initial measurement of financial assets

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

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

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

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

The classification is determined by both:

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.14 Financial instruments continued

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

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

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

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

Impairment of financial assets

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

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.

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

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

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

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

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

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

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

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.

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 costs or finance income.

The Company and the group do not apply hedge accounting.

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 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.

1.17 Revenue

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.17 Revenue continued

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

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

1.18 Other operating income

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

1.19 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.

1.20 Operating segments

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

1.21 Key management assumptions

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

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

Key assumption

Impairment of assets

Basis for determining value assigned to key assumption:

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

Key assumption

Expected credit losses under IFRS 9

Basis for determining value assigned to key assumption

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.21 Key management assumptions continued

Key assumption

Revaluation of property

Basis for determining value assigned to key assumption

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

Key assumption

Asset lives and residual values

Basis for determining value assigned to key assumption

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

Key assumption

Valuation of unlisted investments

Basis for determining value assigned to key assumption

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

Key assumption

Goodwill

Basis for determining value assigned to key assumption

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.22 New standards and interpretations

Standard	Details of amendments
IFRS 3 Business Combinations	Definition of a Business As a result of the post-implementation review of IFRS 3, these amendments modify the definition of a business. These changes will result in fewer acquisitions being accounted for as a business combination within the scope of IFRS 3. The amendments also introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is a business. These amendments in IFRS did not have any impact on the amounts recognised in the Company's current and prior periods.
IAS 1 Presentation of Financial Statements; and IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Disclosure Initiative	Definition of material The amendments clarify and align the definition of "material" and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS. The impact of this amendment was not material on the Company.
IFRS 16 Leases	COVID-19 related rent concessions In response to the COVID-19 pandemic, in May 2020, the IASB issued amendments to IFRS 16, which permit lessees not to assess whether a rent concession received meets the definition of a lease modification if certain criteria are satisfied. Instead, lessees apply other applicable IFRS standards, which will often result in a concession being recorded as a negative variable payment (e.g. DR lease liability, CR profit or loss)

The amendments were adopted during the financial year under review and do not result in any changes to the Company's accounting policies and have no material effect on the disclosures or on the amounts reported for the current or prior years.

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

The Company has elected not to early adopt the following standards, amendments to standards and interpretations which have been issued by IASB and are effective in future reporting periods:

Standard	Details of amendments	Annual periods beginning on
IAS 1 Presentation of Financial Statements	Classification of liabilities as current or non-current	1 January 2023
IFRS 3 Business Combinations	Reference to the Conceptual Framework	1 January 2022
IAS 16 Property, Plant and Equipment	Proceeds before intended use	1 January 2022

The amendments to the standards issued by the IASB, which are not yet effective, are currently being assessed by the Company with the expectation that the impact of these amendments is likely to be immaterial.

2. PROPERTY, PLANT AND EQUIPMENT (GROUP)

COST OR VALUATION

R000	Freehold land and buildings Owned	Leasehold improvements	Plant and machinery Owned	Vehicles Owned	Furniture and equipment Owned	Titles Owned	Total
GROUP							
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	**3 139**	**780**	**158 258**	**1 512**	**9 292**	**–**	**172 981**
Disposals	**(24 098)**	**–**	**(20 239)**	**(522)**	**(2 232)**	**–**	**(47 091)**
Revaluations	**220 657**	**–**	**–**	**–**	**–**	**–**	**220 657**
Impairment	**–**	**–**	**(64 746)**	**–**	**–**	**–**	**(64 746)**
Business combination	**–**	**–**	**55 852**	**528**	**674**	**–**	**57 054**
Depreciation	**(7 641)**	**–**	**(201 259)**	**(5 974)**	**(16 554)**	**–**	**(231 428)**
Closing net book value	**1 215 762**	**1 795**	**1 092 335**	**9 515**	**24 175**	**17 458**	**2 361 040**
Summary							
Cost	**–**	**5 257**	**4 513 510**	**104 393**	**331 587**	**48 523**	**5 003 270**
Valuation	**1 296 488**	**–**	**–**	**–**	**–**	**–**	**1 296 488**
	1 296 488	**5 257**	**4 513 510**	**104 393**	**331 587**	**48 523**	**6 299 758**
Accumulated depreciation and impairment	**(80 726)**	**(3 462)**	**(3 421 175)**	**(94 878)**	**(307 412)**	**(31 065)**	**(3 938 718)**
Net carrying amount	**1 215 762**	**1 795**	**1 092 335**	**9 515**	**24 175**	**17 458**	**2 361 040**
GROUP							
Year ended 30 June 2020							
Opening net book value	1 032 949	1 015	1 383 338	18 624	41 043	17 643	2 494 612
Additions	226	–	112 687	4 595	17 981	–	135 489
Disposals	–	–	(9 597)	(829)	(3 648)	–	(14 074)
Impairment	–	–	(84 033)	–	–	–	(84 033)
Business combination	–	–	–	–	–	–	–
Depreciation	(9 470)	–	(237 926)	(8 419)	(22 381)	(185)	(278 381)
Closing net book value	1 023 705	1 015	1 164 469	13 971	32 995	17 458	2 253 613
Summary							
Cost	145 106	4 477	4 319 639	102 875	323 853	48 523	4 944 473
Valuation	951 684	–	–	–	–	–	951 684
	1 096 790	4 477	4 319 639	102 875	323 853	48 523	5 896 157
Accumulated depreciation and impairment	(73 085)	(3 462)	(3 155 170)	(88 904)	(290 858)	(31 065)	(3 642 544)
Net carrying amount	1 023 705	1 015	1 164 469	13 971	32 995	17 458	2 253 613

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

The fair values of the group's main fixed property assets are based on June 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%.

The current trading environment and outlook for the foreseeable future has meant that the group has had to reassess the cash-generating ability of certain plant and equipment. Due to the decline in printing markets (newspaper and commercial) certain assets were impaired.

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		3.	**INTANGIBLE ASSETS**		
			Opening net book value	**37 454**	13 325
			Additions for the year	**9 764**	16 066
			Reallocation of intangible assets related to Private Property provisionally accounted as goodwill in prior year	**–**	20 321
			Recognised on acquisition of business	**1 849**	–
			Amortisation charged for the year	**(10 395)**	(12 258)
–	**–**		Closing net book value	**38 672**	37 454
			Summary		
			Gross carrying amount	**63 551**	51 938
			Amortisation	**(24 879)**	(14 484)
–	**–**		Closing net book value	**38 672**	37 454

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

In prior year, the group finalised the process of fair value of identifiable assets and liabilities of Private Property. Through this process the group identified intangible assets related to the purchase of Private Property by Cognition which resulted in an adjustment to the provisionally accounted goodwill.

COMPANY			GROUP	
2020 R000	2021 R000		2021 R000	2020 R000
		4. GOODWILL		
		Opening net book value	**85 067**	148 753
		Recognised on acquisition of business	**9 720**	4 321
		Reallocation of intangible assets related to Private Property provisionally accounted as goodwill in prior year	**–**	(20 321)
		Impairment	**(9 720)**	(47 686)
–	**–**	Closing net book value	**85 067**	85 067
		Summary		
		Gross carrying amount	**284 665**	274 945
		Impairment	**(199 598)**	(189 878)
–	**–**	Closing net book value	**85 067**	85 067
		Goodwill is allocated to the operating segments as follows:		
		Publishing, printing and distribution	**59 067**	59 067
		Packaging and stationery	**26 000**	26 000
–	**–**	Closing net book value	**85 067**	85 067

The current trading environment and outlook for the foreseeable future has meant that the group has had to reassess the carrying values of goodwill. The impairment relates to Shumani Mills (Pty) Ltd, acquired during the year, which was impaired in full.

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% (2020: 1% and 5%)
- Pre-tax discount rates of between 21% and 25% (2020: 15% and 20%)

The impairment testing indicated an impairment of R9.7 million (2020: R47.7 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.

COMPANY 2020 R000	COMPANY 2021 R000		GROUP 2021 R000	GROUP 2020 R000
		5. INTEREST IN SUBSIDIARIES		
1 356 202	**1 356 202**	Shares at cost		
3 550	**2 950**	Owing by subsidiaries		
1 359 752	**1 359 152**		**–**	–
1 356 202	**1 356 202**	Shown as non-current assets	**–**	–
3 550	**2 950**	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 72.

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		6.	**INTEREST IN ASSOCIATES**		
			Associated companies		
71 697	**69 962**		Shares at cost – opening balance	**219 204**	187 054
(2 182)	**–**		(Disposed)/acquired in the current year	**(58 691)**	32 150
–	**–**		*Less:* accumulated impairment	**(90 688)**	(87 529)
69 515	**69 962**			**69 825**	131 675
–	**–**		Share of post-acquisition reserves	**33 159**	30 112
69 515	**69 962**		Total carrying value	**102 984**	161 787
14 736	**13 375**		Loans	**39 294**	122 249
84 251	**83 337**			**142 278**	284 036

No single associate is material and therefore does not require separate disclosure

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% (2020: 1% and 3%)
- Pre-tax discount rates of between 20.0% and 22.0% (2020: 20% and 24%)

The impairment testing indicated an impairment of R3.2 million (2020: R29.0 million)

The Company's share of losses in associates exceeded the related interest by R7.3 million in 2021 (2020: R0.3 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 (2020: R4.3 million).

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

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

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

The loans are unsecured, bear interest at market-related rates agreed upon from time to time, have various repayment terms, and are considered to be long-term.

Management assesses the recoverability of the loans on an ongoing basis. During the year certain loans were impaired. At year-end the Expected Credit Losses (ECL) are immaterial.

At 30 June 2021, 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 (2020: R1.0 million).

If interest rates had been 1% lower, group post-tax profit would have decreased by approximately R0 million (2020: R1.0 million).

Information relating to associates is set out on page 73.

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		7.	**INVESTMENTS**		
			Listed investments		
7 706	**1 216 425**		Mpact Limited	**1 216 425**	7 706
3 803	**6 013**		African Media Entertainment Limited	**6 013**	3 803
32 699	**77 746**		Novus Holdings Limited	**77 746**	32 699
42 193	**43 462**		FirstRand Limited – B Preference shares earning a dividend of 75.48% of prime	**43 462**	42 193
4 987	**5 156**		Investec Bank Limited – Preference shares earning a dividend of 83.25% of prime	**5 156**	4 987
91 388	**1 348 802**			**1 348 802**	91 388
			Unlisted investments		
48 447	**48 447**		Thebe Convergent Technology Holdings Proprietary Limited	**48 447**	48 447
–	**20 096**		COAX Partners Proprietary Limited	**20 096**	–
9 641	**–**		INCE Proprietary Limited	**–**	9 641
58 088	**68 543**			**68 543**	58 088
149 476	**1 417 345**		**Total investments**	**1 417 345**	149 476
149 476	**1 417 345**		Fair value of investments	**1 417 345**	149 476

At year end the Company held 31.6% in Mpact Limited, but do not exert any control as required by IFRS. It is therefore disclosed as an investment, and not as an associate.

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% (2020: 1%)
- Discount rate of 17.76% (2020: 20.6%)

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		8.	**INVENTORIES**		
			Raw materials	**708 267**	770 799
			Work in progress	**86 319**	66 794
			Finished goods	**190 213**	172 075
–	**–**			**984 799**	1 009 668
			Comprising:		
			Inventory at cost	**984 799**	1 008 512
			Inventory at net realisable value	**–**	1 156
–	**–**			**984 799**	1 009 668

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		9.	**TRADE AND OTHER RECEIVABLES**		
–	**–**		Trade accounts receivable	**965 921**	826 426
–	**–**		Credit loss allowance	**(70 572)**	(90 714)
–	**–**		Prepayments	**13 028**	35 020
7 539	**7 753**		Other receivables	**91 605**	78 859
7 539	**7 753**			**999 982**	849 591

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 2020 R000	COMPANY 2021 R000		GROUP 2021 R000	GROUP 2020 R000
–	**–**	The maximum exposure to credit risk at the reporting date	**999 982**	849 591

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

COMPANY 2020 R000	COMPANY 2021 R000		Average debtor terms (days)	GROUP 2021 R000	GROUP 2020 R000
		Parastatals/government	60	**7 991**	12 036
		Corporates	30 to 60	**844 912**	694 947
		SMMEs	30	**104 302**	103 273
		Individuals	30	**8 716**	16 170
–	**–**			**965 921**	826 426

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 2020 R000	COMPANY 2021 R000		GROUP 2021 R000	GROUP 2020 R000
		Credit loss allowance for trade accounts receivable		
		Opening balance	**90 714**	53 574
		Net movement in loss allowance	**(20 142)**	37 140
–	**–**		**70 572**	90 714
		The movement in the loss allowance comprises:		
		Financial difficulties/bankruptcy	**(20 142)**	33 938
		Abscondments	**–**	–
		Disputes	**–**	3 202
–	**–**		**(20 142)**	37 140

9. TRADE AND OTHER RECEIVABLES CONTINUED

Trade receivables

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

The group measures the loss allowance for trade receivables by applying the simplified approach prescribed by IFRS 9. In accordance with the approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a probability-weighted provision matrix, plus specifically identified credit losses. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information, in particular general economic conditions including economic growth rates and business confidence levels, as at the reporting date.

The 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
2021						
Gross carrying value of trade accounts receivable	**492 861**	**257 209**	**96 481**	**51 424**	**67 946**	**965 921**
Less: Specific allowance		**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**
2020						
Gross carrying value of trade accounts receivable	371 515	170 238	40 741	115 104	128 264	825 862
Less: Specific allowance		4 256	8 148	25 898	45 990	84 292
	371 515	165 982	32 593	89 206	82 274	741 570
Expected credit loss rate (%)	0.08	0.28	3.48	3.04	2.21	
Lifetime expected credit loss	287	471	1 135	2 714	1 815	6 422
Total expected credit loss (including specific allowance)	287	4 727	9 283	28 612	47 805	90 714

COMPANY 2020 R000	COMPANY 2021 R000		GROUP 2021 R000	GROUP 2020 R000
		Other receivables The carrying amount of the following financial assets represents the maximum credit exposure:		
7 539	**7 753**	Other receivables	**91 605**	78 859

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

Management evaluated the expected credit losses for other receivables on an item-by-item basis, and determined that there are no significant increases in credit risk and the recovery scenarios indicate no expected credit losses.

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		10.	**CASH EQUIVALENTS**		
900 000	**900 000**		Unlisted preference 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 preference shares is linked to fixed percentages of the prime rate of interest, which is subject to fluctuations.		
			Management does not consider the preference shares to have any associated credit risk as the instruments are those of reputable counterparties that have credit ratings of at least A1 by Standard & Poor's.		
			At 30 June 2021, if the dividend rate had been 1% higher with all other variables held constant, group post-tax profit for the year would have increased by approximately R9.0 million (2020: R8.0 million).		
			If the dividend rate had been 1% lower, group post-tax profit for the year would have decreased by approximately R9.0 million (2020: R8.0 million).		
		11.	**CASH**		
			Cash at bank	**663 807**	607 293
			Cash on call and deposit	**425 838**	235 987
–	**–**			**1 089 645**	843 280
			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 2021, 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 R9.6 million (2020: R6.3 million).		
			If interest rates had been 1% lower group post-tax profit for the year would have decreased by approximately R9.6 million (2020: R6.2 million).		
		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		
9 443	**9 257**		370 488 772 (2020: 377 861 111) ordinary shares of 2.5 cents each	**9 257**	9 443
386 713 640	**377 861 111**		Opening balance of ordinary shares in issue	**377 861 111**	386 713 640
(8 852 529)	**(7 372 339)**		Shares repurchased	**(7 372 339)**	(8 852 529)
377 861 111	**370 488 772**		Closing balance of ordinary shares in issue	**370 488 772**	377 861 111
			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.		

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		13.	**FAIR VALUE ADJUSTMENTS**		
(124 368)	**598 320**		Fair value adjustments before tax	**818 976**	(124 349)
27 857	**(134 025)**		Deferred tax	**(182 329)**	27 854
(96 511)	**464 295**		Fair value adjustments after tax	**636 647**	(96 495)
		14.	**NON-CONTROLLING INTEREST**		
			Balance at beginning of the year	**37 675**	104 130
			Effect of acquisitions and disposals	**31 013**	(47 155)
			Share of earnings	**15 170**	(7 379)
			Dividends paid	**(6 669)**	(11 921)
–	**–**		Balance at end of year	**77 189**	37 675
		15.	**DEFERRED TAXATION**		
4 688	**(23 170)**		Balance at beginning of year	**264 527**	344 289
–	**–**		Profit or loss transfer	**(38 900)**	(56 459)
(27 858)	**134 025**		Non-distributable reserves transfer – revaluations	**182 367**	(27 858)
–	**–**		Acquisition of business	**1 636**	4 555
(23 170)	**110 855**		Balance at end of year	**409 630**	264 527
			Comprising		
–	**110 855**		Credit balances	**424 706**	330 589
(23 170)	**–**		Debit balances	**(15 076)**	(66 062)
(23 170)	**110 855**			**409 630**	264 527
			Deferred taxation comprises temporary differences arising on:		
–	**–**		– property, plant and equipment	**426 764**	385 113
(23 170)	**110 855**		– investments	**110 855**	(27 859)
–	**–**		– allowance for debtors impairment	**(13 984)**	(20 191)
–	**–**		– provisions	**(88 863)**	(59 190)
–	**–**		– assessed losses	**(17 277)**	(11 093)
–	**–**		– other	**(7 865)**	(2 253)
(23 170)	**110 855**			**409 630**	264 527
		16.	**TRADE AND OTHER PAYABLES**		
–	**–**		Trade accounts payable	**603 666**	384 719
10 192	**10 196**		Sundry accounts payable and accruals	**236 077**	277 135
10 192	**10 196**			**839 743**	661 854

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 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		17.	**PROVISIONS**		
			Bonus		
			Opening balance	**59 286**	97 366
			Additional provisions	**81 712**	73 998
			Utilised	**(39 130)**	(112 078)
–	**–**		Closing balance	**101 868**	59 286
			Leave pay		
			Opening balance	**28 057**	37 425
			Additional provisions	**36 079**	38 629
			Utilised	**(26 956)**	(47 997)
–	**–**		Closing balance	**37 179**	28 057
			Volume discount allowed		
			Opening balance	**31 257**	26 607
			Additional provisions	**66 692**	44 135
			Utilised	**(43 857)**	(39 485)
–	**–**		Closing balance	**54 092**	31 257
			Retrenchments		
			Opening balance	**19 268**	2 569
			Additional provisions	**2 221**	20 976
			Utilised	**(12 356)**	(4 277)
–	**–**		Closing balance	**9 133**	19 268
			Other		
			Opening balance	**70 056**	58 143
			Additional provisions	**93 038**	81 851
			Utilised	**(59 592)**	(69 938)
–	**–**		Closing balance	**103 502**	70 056
			Total provisions		
			Opening balance	**207 924**	222 110
			Additional provisions	**279 741**	259 589
			Utilised	**(181 891)**	(273 775)
–	**–**		Closing balance	**305 774**	207 924

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 and discontinuation of certain divisions. The payments are made when the employees' services are terminated.

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

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		18.	**AMOUNTS OWED TO GROUP COMPANIES**		
679 289	**1 298 612**		The amounts owed are unsecured, interest-free and repayable on demand. All terms are considered to be short-term.	**–**	–

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		19.	**LEASES**		
			Right-of-use assets		
			Opening balance	**21 668**	21 668
			Acquired	**31 419**	–
			New contracts	**3 421**	–
			Contracts terminated/settled	**(17 536)**	–
				38 972	21 668
			Accumulated depreciation	**(18 325)**	(7 760)
–	**–**		Net carrying amount	**20 647**	13 908
			Lease liabilities		
			Opening balance	**15 116**	21 668
			Acquired	**23 458**	–
			New contracts	**3 421**	–
			Contracts terminated/settled	**(11 095)**	–
				30 900	21 668
			Interest expense	**2 778**	1 923
			Lease payments	**(12 171)**	(8 475)
–	**–**		Total liability	**21 506**	15 116
–	**–**		Current liabilities	**9 133**	4 495
–	**–**		Non-current liabilities	**12 373**	10 621
			Right-of-use assets and lease liabilities were recognised in relation to leases of premises and equipment.		

20. FINANCIAL ASSETS BY CATEGORY

R000	At amortised cost	Non-financial assets	At fair value through other comprehensive income	Total
GROUP				
2021				
Property, plant and equipment	**–**	**2 361 040**	**–**	**2 361 040**
Right-of-use assets	**–**	**20 647**	**–**	**20 647**
Intangible assets	**–**	**38 672**	**–**	**38 672**
Goodwill	**–**	**85 067**	**–**	**85 067**
Interest in associates	**–**	**142 278**	**–**	**142 278**
Investments	**–**	**–**	**1 417 345**	**1 417 345**
Deferred taxation	**–**	**15 076**	**–**	**15 076**
Inventories	**–**	**984 799**	**–**	**984 799**
Trade and other receivables	**895 349**	**104 633**	**–**	**999 982**
Taxation	**–**	**1 955**	**–**	**1 955**
Cash equivalents	**900 000**	**–**	**–**	**900 000**
Cash	**1 089 645**	**–**	**–**	**1 089 645**
	2 884 994	**3 754 167**	**1 417 345**	**8 056 506**
2020				
Property, plant and equipment	–	2 253 612	–	2 253 612
Right-of-use assets	–	13 908	–	13 908
Intangible assets	–	37 454	–	37 454
Goodwill	–	85 067	–	85 067
Interest in associates	–	284 037	–	284 037
Investments	–	–	149 476	149 476
Deferred taxation	–	66 062	–	66 062
Inventories	–	1 009 669	–	1 009 669
Trade and other receivables	735 689	113 902	–	849 591
Taxation	–	17 037	–	17 037
Cash equivalents	900 000	–	–	900 000
Cash	843 281	–	–	843 281
	2 478 970	3 880 748	149 476	6 509 194
COMPANY				
2021				
Interest in subsidiaries	**–**	**1 356 202**	**–**	**1 356 202**
Interest in associates	**–**	**83 337**	**–**	**83 337**
Investments	**–**	**–**	**1 417 345**	**1 417 345**
Trade and other receivables	**7 753**	**–**	**–**	**7 753**
Amounts owed by group companies	**2 950**	**–**	**–**	**2 950**
Cash equivalents	**900 000**	**–**	**–**	**900 000**
	910 703	**1 439 539**	**1 417 345**	**3 767 587**
2020				
Interest in subsidiaries	–	1 356 202	–	1 356 202
Interest in associates	–	84 251	–	84 251
Investments	–	–	149 476	149 476
Deferred taxation	–	23 170	–	23 170
Trade and other receivables	7 539	–	–	7 539
Amounts owed by group companies	3 550	–	–	3 550
Cash equivalents	900 000	–	–	900 000
	911 089	1 463 623	149 476	2 524 188

21. FINANCIAL LIABILITIES BY CATEGORY

R000	Non-financial liabilities	At amortised cost	Total
GROUP			
2021			
Lease liabilities	**21 506**	**–**	**21 506**
Deferred taxation	**424 706**	**–**	**424 706**
Trade and other payables	**–**	**839 743**	**839 743**
Provisions	**305 774**	**–**	**305 774**
Taxation	**27 594**	**–**	**27 594**
	779 580	**839 743**	**1 619 323**
2020			
Lease liabilities	15 116	–	15 116
Deferred taxation	330 589	–	330 589
Trade and other payables	–	661 854	661 854
Provisions	207 924	–	207 924
Taxation	27 132	–	27 132
	580 761	661 854	1 242 615
COMPANY			
2021			
Deferred taxation	**110 855**	**–**	**110 855**
Trade and other payables	**–**	**10 196**	**10 196**
Amounts owed to group companies	**–**	**1 298 612**	**1 298 612**
Taxation	**47**	**–**	**47**
Bank overdraft	**–**	**115 855**	**115 855**
	110 902	**1 424 663**	**1 535 564**
2020			
Deferred taxation	–	–	–
Trade and other payables	–	10 192	10 192
Amounts owed to group companies	–	679 289	679 289
Bank overdraft	–	81 212	81 212
	–	770 693	770 693

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		22.	**REVENUE**		
–	**–**		Contracts with customers are all fixed-price contracts recognised at a point-in-time and over time.	**5 220 415**	5 572 359
			Dividends received		
7 164	**908**		– dividends: listed companies		
61 802	**48 809**		– dividends: unlisted companies		
6 128	**11 980**		– dividends: subsidiary		
75 094	**61 697**			**5 220 415**	5 572 359
			The group's operations are based in South Africa, with almost all revenue being generated in South Africa.		
			Revenue is therefore subject to a stagnant economy, a retail sector currently in decline, and a highly competitive media business environment. Revenue disaggregated by reporting segment is shown in the Segmental Reporting (note 40).		
		23.	**STAFF COSTS**		
			Salaries, wages and bonuses	**1 119 261**	1 356 834
			Retirement benefit costs	**44 234**	55 373
–	**–**			**1 163 495**	1 412 207
		24.	**OTHER OPERATING INCOME/(EXPENSES)**		
			Includes the following items:		
–	**–**		Net profit on sale of property, plant and equipment	**34 153**	4 578
			Leases		
			– buildings	**(3 287)**	(7 880)
			– equipment	**(295)**	(337)
–	**–**			**(3 582)**	(8 217)
			Lease expenses in respect of short-term and low-value leases according to IFRS 16.		
		25.	**DEPRECIATION AND AMORTISATION**		
			– buildings	**7 641**	9 470
			– plant and machinery	**201 259**	237 926
			– right-of-use assets	**11 607**	7 760
			– motor vehicles	**5 968**	8 419
			– furniture and equipment	**16 554**	22 381
			– titles	**–**	185
			– intangible assets	**10 395**	12 258
–	**–**			**253 424**	298 399

26. DIRECTORS' EMOLUMENTS

R000	Executive directors				Non-executive directors					
	TD Moolman	PG Greyling	TJW Holden	LR Witbooi	PM Jenkins	ACG Molusi	NA Nemukula	J Phalane	T Slabbert	Total
2021										
Directors' fees	**–**	**–**	**–**	**–**	**1 317**	**270**	**270**	**233**	**202**	**2 292**
Fees for services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Salary	**4 059**	**–**	**4 361**	**2 746**	**–**	**–**	**–**	**–**	**–**	**11 166**
Bonus	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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**
2020										
Directors' fees	–	–	–	–	1 263	196	196	233	231	2 119
Fees for services	–	–	–	–	–	–	–	–	–	–
Salary	3 570	1 845	2 726	256	–	–	–	–	–	8 397
Bonus	–	5 000	2 000	–	–	–	–	–	–	7 000
Travel allowance	–	–	65	19	–	–	–	–	–	84
Medical funding	–	10	16	10	–	–	–	–	–	36
Retirement funding	–	134	179	7	–	–	–	–	–	320
	3 570	6 989	4 986	292	1 263	196	196	233	231	17 956
Paid by subsidiaries										17 956

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		27.	**FINANCE INCOME**		
452	**1 103**		– interest	**42 633**	62 962
–	**–**		– dividends: listed companies	**908**	7 164
–	**–**		– dividends: unlisted companies	**44 273**	56 738
452	**1 103**			**87 814**	126 864
		28.	**FINANCE COSTS**		
–	**–**		– interest on bank overdraft	**2**	–
–	**–**		– lease liability	**2 778**	1 923
–	**116**		– other interest	**2 197**	1 193
–	**116**			**4 977**	3 116
		29.	**PROFIT/(LOSS) ON FOREIGN EXCHANGE**		
–	**–**		Resulting from the fair value of forward exchange contracts outstanding at year end	**3 628**	(2 047)
		30.	**TAXATION**		
			South African normal tax		
–	**208**		– current	**126 870**	72 953
–	**–**		– prior year	**(13 330)**	–
–	**–**		– Capital gains tax	**98 758**	774
			Deferred tax		
–	**–**		– current	**(40 029)**	(55 483)
–	**–**		– prior year	**1 130**	(976)
–	**208**		Total tax	**173 399**	17 268
28 981	**19 810**		Tax at the standard rate of 28% on profit before taxation (2020: 28%)	**207 011**	(13 104)
28 981	**19 602**		Difference	**33 612**	(30 372)
			The difference is reconciled as follows:		
21 026	**17 275**		– dividend income	**12 651**	17 893
–	**2 927**		– not subject to tax	**11 481**	287
–	**–**		– prior year adjustments	**12 200**	–
7 109	**–**		– Interest on director loans	**–**	7 040
1 452	**–**		– loss on sale of INCE	**–**	(1 482)
–	**–**		– profit on sale of investments	**13 154**	–
–	**–**		– Goodwill written off	**(2 721)**	(13 352)
–	**–**		– impairments	**(5 733)**	(27 743)
(430)	**(600)**		– disallowable expenses	**(12 743)**	(3 722)
–	**–**		– overprovision of tax	**–**	202
–	**–**		– associates	**10 549**	(2 715)
(178)	**–**		– tax losses not utilised	**(6 184)**	(6 775)
–	**–**		– other	**958**	(3)
28 980	**19 602**			**33 612**	(30 370)
			Estimated tax losses included in deferred tax		
			– at beginning of year	**11 093**	9 557
			– acquired during year	**5 067**	3 248
			– raised during year	**3 875**	1 743
			– utilised during year	**(2 758)**	(3 455)
–	**–**		– at end of year	**17 277**	11 093
			The group has estimated tax losses of R49.4 million available for set-off against future taxable income which has not been recognised as deferred tax assets (2020: R49.3 million).		

–

31. –EARNINGS PER ORDINARY SHARE

Reconciliation between earnings and headline earnings

R000	2021 Gross	2021 Net of tax	2020 Gross	2020 Net of tax
Earnings/(Loss) attributable to equity holders of the parent		**550 755**		(56 688)
Adjustments				
– impairment of plant	**64 746**	**46 617**	84 033	60 504
– profit on disposal of property, plant and equipment	**(34 153)**	**(24 590)**	(4 578)	(3 296)
– profit on disposal of associates	**(399 692)**	**(305 286)**	–	–
– profit on disposal of investment	**(10 455)**	**(10 455)**	–	–
– impairment of interests in associates	**3 159**	**3 159**	29 011	29 011
– impairment of goodwill	**9 720**	**9 720**	47 686	47 686
– loss on disposal of associate	**–**	**–**	5 293	4 107
– loss on deemed disposal of associate	**10 461**	**10 461**	–	–
Headline earnings		**280 380**		81 324
Earnings/(Loss) per ordinary share (cents)		**148.1**		(14.8)
Headline earnings per ordinary share (cents)		**75.4**		21.2

	2021 Number of shares	2020 Number of shares
Weighted average number of ordinary shares in issue	**371 786 576**	382 888 967

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 2020 R000	COMPANY 2021 R000		GROUP 2021 R000	GROUP 2020 R000
		32. ORDINARY DIVIDENDS		
231 517	–	Paid	–	231 517
60.0	–	Ordinary dividend paid per share in respect of the previous year (cents)	–	60.0
		33. PREFERENCE DIVIDENDS		
245	–	Paid	–	245
490.0	–	Preference dividend paid per share in respect of the previous year (cents)	–	490.0

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.
- For every completed 5% calculated, a 1/2% is added to the preference share dividend as an additional dividend.

COMPANY 2020 R000	COMPANY 2021 R000		GROUP 2021 R000	GROUP 2020 R000
		34. COMMITMENTS		
		Capital expenditure on plant and machinery		
–	**–**	Approved but not contracted	**130 000**	15 993

The capital expenditure will be financed from existing resources.

35. FOREIGN EXCHANGE EXPOSURE

Currency risk

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

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

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

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

Foreign currency contracts

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

COMPANY 2020 R000	COMPANY 2021 R000		Average rate of exchange 2021	Average rate of exchange 2020	GROUP 2021 R000	GROUP 2020 R000
		Euro	**18.3632**	19.4717	**223 945**	33 241
		Pound Sterling	**20.7141**	19.7179	**50**	–
		US Dollar	**15.4087**	17.4080	**34 020**	30 748
–	**–**				**258 015**	63 989

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.

36. BORROWING POWERS

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

37. RELATED PARTIES

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

Directors

Certain members of senior management are executive directors. Details relating to directors' emoluments and shareholdings in the Company are disclosed in note 26 and in the directors' report respectively.

Controlling shareholders

Mr TD Moolman is a member of The Moolman Coburn Partnership, together with a number of other parties. In terms of an agreement concluded in 1985, the partnership receives a commission on the group's advertising revenue which in 2021 amounted to R42.7 million (2020: R39.9 million).

The balance owing to the partnership at the year end amounted to R3.7 million (2020: R2.3 million).

Subsidiaries

Details of investents in subsidiaries and jointly-controlled entities are disclosed in the annexure on page 72.

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 73.

Shareholders

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

38. 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. 3 570 (2020: 4 209) of the group's employees are covered by the plans.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021 continued

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		39.	**NOTES TO THE STATEMENTS OF CASH FLOWS**		
		39.1	**Cash generated by/(utilised in) operations**		
103 502	**70 750**		Profit before taxation	**739 324**	(46 799)
–	**–**		Associate income	**(37 676)**	9 696
(452)	**(987)**		Interest received (net)	**(37 657)**	(59 846)
(75 094)	**(61 697)**		Dividends received	**(45 181)**	(63 902)
			Adjustment for non-cash items:		
–	**–**		– depreciation and amortisation	**253 424**	298 399
–	**–**		– impairments	**94 939**	230 804
–	**–**		– profit on disposal of property, plant and equipment	**(34 153)**	(4 578)
–	**–**		– (profit)/loss on disposal of associate	**(399 686)**	5 293
(5 187)	**(10 456)**		– profit on disposal of investment	**–**	–
–	**–**		– unrealised foreign currency profit	**(620)**	(2 282)
–	**–**		– (profit)/loss on foreign exchange contracts	**(4 769)**	2 047
–	**–**		– movement in provisions	**91 134**	(14 186)
(25 391)	**–**		– deemed interest on loans to directors	**–**	(25 391)
(2 622)	**(2 389)**			**619 079**	329 255
		39.2	**Changes in working capital**		
–	**–**		Decrease/(Increase) in inventories	**24 875**	(70 744)
(1 614)	**(214)**		(Increase)/Decrease in trade and other receivables	**(152 226)**	373 779
418	**3**		Increase/(Decrease) in trade and other payables	**185 370**	(141 852)
–	**–**		Working capital acquired	**(4 400)**	–
(1 196)	**(211)**			**53 619**	161 183
		39.3	**Taxation paid**		
375	**–**		Opening tax	**(10 095)**	(14 412)
–	**(208)**		Charged in profit or loss	**(119 987)**	(73 727)
–	**47**		Closing tax payable	**25 639**	10 095
375	**(161)**			**(104 443)**	(78 044)
		39.4	**Dividends paid**		
(231 762)	**–**		Charged to reserves	**–**	(231 762)
–	**–**		Dividends of non-controlling interests	**(6 669)**	(11 921)
(231 762)	**–**			**(6 669)**	(243 683)
		39.5	**Investments – subsidiaries**		
			Acquisitions	**10 832**	–
–	**–**			**10 832**	–
		39.6	**Investments – associates, investments and loans**		
(7 635)	**–**		Acquisitions	**–**	(47 993)
–	**(659 093)**		Investments	**(659 095)**	–
–	**–**		Dividends received	**4 536**	28 300
–	**–**		Disposal of associate investment	**347 836**	–
–	**–**		Proceeds	**442 240**	–
–	**–**		Capital gains tax	**(94 404)**	–
–	**–**		Loans raised	**(8 448)**	(82 463)
837	**914**		Loans repaid	**76 008**	53 838
(6 798)	**(658 179)**			**(239 163)**	(48 318)
		39.7	**Cash and cash equivalents**		
(81 212)	**(115 855)**		Cash and bank overdraft	**1 089 645**	843 280
900 000	**900 000**		Cash equivalents	**900 000**	900 000
818 788	**784 145**		Fair value of cash and cash equivalents	**1 989 645**	1 743 280

COMPANY 2020 R000	COMPANY 2021 R000			GROUP 2021 R000	GROUP 2020 R000
		39.	**NOTES TO THE STATEMENTS OF CASH FLOWS** CONTINUED		
		39.8	**Acquisition of businesses**		
			Current 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.		
			Prior year		
			There were no business acquisitions during the prior 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**	–
		39.9	**Disposal of businesses**		
			Current year		
			There were no business disposals during the year.		
			Prior year		
			There were no business disposals in prior year		
		39.10	**Receipts from/(payments to) group companies**		
317 177	**619 923**		Net decrease/(increase) in amounts owed by group companies		
6 128	**11 980**		Add back: non-cash dividends received		
323 305	**631 903**				

	GROUP					
	2021 R000	%	2020 Restated* R000	%	2020 R000	%
40. SEGMENTAL						
Revenue						
Publishing, printing and distribution	**2 924 044**	**56**			3 350 063	60
Packaging and stationery	**2 296 371**	**44**			2 194 582	39
Other	**–**	**0**			27 714	0
	5 220 415	**100**			5 572 359	100
Profit from operating activities before depreciation and amortisation						
Publishing, printing and distribution	**336 227**	**60**	110 704	32	69 996	20
Packaging and stationery	**275 286**	**49**	246 778	70	231 921	66
Other	**(47 653)**	**(8)**	(7 181)	(2)	48 384	14
	563 860	**100**	350 301	100	350 301	100
Profit from operating activities after depreciation and amortisation						
Publishing, printing and distribution	**197 607**	**64**	(56 060)	(108)	(96 768)	(186)
Packaging and stationery	**176 041**	**57**	138 504	267	123 646	238
Other	**(63 212)**	**(20)**	(30 542)	(59)	25 024	48
	310 436	**100**	51 902	100	51 902	100
Total assets						
Publishing, printing and distribution	**2 131 371**	**26**	2 092 653	32	2 522 791	39
Packaging and stationery	**1 542 240**	**19**	1 489 617	23	1 760 317	27
Other	**4 485 611**	**55**	2 926 922	45	2 226 086	34
	8 159 222	**100**	6 509 192	100	6 509 194	100
Total liabilities						
Publishing, printing and distribution	**711 511**	**41**			571 948	46
Packaging and stationery	**501 938**	**29**			413 724	33
Other	**508 586**	**30**			256 943	21
	1 722 035	**100**			1 242 615	100
Capital expenditure on property, plant and equipment						
Publishing, printing and distribution	**26 135**	**15**			30 430	22
Packaging and stationery	**113 131**	**65**			102 726	76
Other	**33 715**	**19**			2 333	2
	172 981	**100**			135 489	100
Depreciation and amortisation						
Publishing, printing and distribution	**138 620**	**55**			166 764	56
Packaging and stationery	**99 245**	**39**			108 274	36
Other	**15 559**	**6**			23 361	8
	253 424	**100**			298 399	100

The group operates in South Africa.

* The chief operating decision-maker has changed the way the financial information regarding the operating results are reviewed to exclude group internal administration fees charged and all divisional bank balances at reporting periods.

41. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure, and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2021 and 30 June 2020. The Company had no debt during the years under review, other than the bank overdraft.

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

(a) Currency Risk

Exposure to currency risk arises in the normal course of the group's business. The group incurs currency risk as a result of transactions that are denominated in a currency other than South African Rands.
These transactions, mainly for the import of capital equipment and inventory are substantially hedged by using forward exchange contracts. Further information regarding currency risk is provided in the trade and other payables note (note 16) and in the foreign exchange exposure note (note 35).

(b) Credit risk

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

(c) Liquidity risk

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

(d) Interest rate risk

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

42. CASH-SETTLED SHARE-BASED PAYMENTS

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

R21.3 million was charged to income in 2015. The current year charge is Rnil (2020: Rnil). The cash-settled share-based payment liability is carried in the bonus provision. This provision was reversed in 2020.

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

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

The vesting of the share appreciation rights is as follows:

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

43. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

INFORMATION RELATING TO SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITIES

		Holding		Cost less impairment		Owing	
Name	Nature of operations	2021 %	2020 %	2021 R000	2020 R000	2021 R000	2020 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	**–**	–		
Habari Media	Publishing	**–**	–	**–**	–		
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	**–**	–		
Private Property	Property portal	**–**	–	**–**	–		
Project Northwards	Property owning	**100**	100	**–**	–		
Shumani Mills Communication	Printer	**74**	71	**–**	–		
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	**–**	–		
Umlingo	Stationery distributors	**–**	–	**–**	–		
				1 356 202	1 356 202	**–**	–
Jointly-controlled							
Guzzle Media	Digital retail advertising		50			**–**	–
Levain	Publishing		50			**2 000**	2 000
Mahareng Publishing	Publishing		50			**450**	1 050
MCS Caxton International Press	Distribution		50			**–**	–
Remade Publishing	Recycling		50			**–**	–
Safeway Publishing	Publishing		50			**500**	500
				–	–	**2 950**	3 550
				1 356 202	1 356 202	**2 950**	3 550

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

20% of the group's 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 2021 %	Holding 2020 %	Cost less impairment 2021 R000	Cost less impairment 2020 R000	Owing 2021 R000	Owing 2020 R000
Directly held							
Capital Media (Feb)	Newspaper publisher	67	67	11 333	11 333	–	–
Carpe Diem	Magazine publisher	–	–	–	–	–	–
Cognition Holdings	Digital and telecommunication solutions	–	–	–	–	–	–
FBC Properties	Property owning	50	50	–	–	–	–
Fordsburg Mayfair Media	Newspaper publisher	50	50	–	–	912	3
Heraut Publiseerders	Newspaper publisher	50	50	189	189	2 557	(935)
Hutton Trading	Advert delivery	50	50	250	250	2 650	2 650
Ince Holdings	Printer	–	–	–	–	–	–
Leo Kantoor Meubels	Property owning	50	50	–	–	–	–
Lincroft Books (March)	Newspaper publisher	49	49	8 381	8 381	733	733
Lonehill Trading(March)	Magazine publisher	50	50	–	–	(159)	(98)
Mooivaal Media (March)	Newspaper publisher	50	50	1 565	1 565	–	–
Overdrive Publishing	Magazine publisher	25	25	–	–	1 915	1 915
Rising Sun Community Newspapers	Newspaper publisher	45	45	–	–	(9 382)	(9 031)
Ronain Investments	Property owning	50	50	33	33	9 001	10 299
Rowaga Properties	Property owning	50	50	1 175	1 175	–	–
Sentrale Makelaars	Dormant	50	50	56	56	–	–
Tambuti Brits	Property owning	50	50	–	–	–	–
Tambuti Enterprise	Property owning	50	50	143	143	–	–
Tambuti Upington	Property owning	50	50	–	–	–	–
Tambuti Vryburg	Property owning	50	50	–	–	–	–
Wordsmiths	Newspaper publisher	50	50	3 750	3 750	–	–
Indirectly held							
Afritrip Group	Web-based travel agency	50	50	–	–	–	–
Afristay Group	Web-based travel agency	50	50	–	–	–	–
BM Management	Consumable supplier	30	30	–	–	–	–
Capital Newspapers	Newspaper publisher	45	45	–	–	2 762	2 762
Die Pos	Newspaper publisher	40	40	2 400	2 400	–	–
Highbury Media	Magazine publisher	49	49	–	–	–	–
Kathorus Media	Newspaper publisher	49	49	550	550	216	–
Octotel (Feb)	Fibre to the home	–	23	–	–	–	67 526
RSA Web (Feb)	Internet service provider	–	23	–	20 090	–	4 539
911 Rapid Response		50	50	–	–	–	–
Shumani Mills Communication	Printer	–	71	–	18 000	–	–
Shumani Print	Printer	50	50	–	3 159	–	
Tysflo	Television channel development	–	–	–	–	–	–
Universal Labels	Label printing	30	30	40 000	40 000	28 087	30 378
Vizirama		–	66	–	20 601	–	11 508
Vehicle Traders Limited Edition	Digital subscription sales	50	50	–	–	–	–
				69 825	131 675	39 292	122 249

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

The financial year ends are June unless otherwise stated.

No single associate is material and therefore require separate disclosure.

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

	Associates		Jointly-controlled entities	
	2021 R000	2020 R000	**2021 R000**	2020 R000
Statement of financial position				
Property, plant and equipment	**85 420**	124 976	**1 286**	2 405
Investments and long-term receivables	**16 780**	52 602	**–**	–
Current assets	**70 928**	125 817	**6 552**	9 116
Total assets	**173 127**	303 395	**7 838**	11 521
Long-term liabilities	**59 541**	13 881		2 468
Deferred taxation	**9 030**	82 112	**70**	(20)
Current liabilities	**66 952**	100 838	**4 883**	3 343
Total liabilities	**135 523**	196 831	**4 954**	5 791
Attributable net asset value	**37 604**	106 564	**2 884**	5 730
Statement of profit or loss and other comprehensive income				
Revenue	**210 099**	370 642	**14 339**	19 879
Income before taxation	**38 919**	(15 044)	**2 059**	1 394
Taxation	**(8 833)**	5 348	**(730)**	(294)
Net income for the year	**30 087**	(9 696)	**1 329**	1 100

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, 7 December 2021.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Monday, 25 October 2021 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 26 November 2021. The last day to trade in order to be eligible to vote at the meeting is accordingly Tuesday, 23 November 2021.

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 (Private Bag X9000, Saxonwold, 2132) ("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 9:30 on Tuesday, 7 December 2021; alternatively, it may be handed to the chairman of the meeting immediately prior to the commencement of voting at the meeting.

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

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

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

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

PURPOSE OF MEETING

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

ORDINARY RESOLUTIONS

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

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

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

"Resolved that:

The annual financial statements of the Company and the group for the year ended 30 June 2021 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 2021.

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

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

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

Brief biographies of these directors appear on page 3 of the Integrated Annual Report ("the 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 J 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 J Phalane, Mr ACG Molusi and Mr NA Nemukula who are recommended by the Board and whose appointments automatically terminate on the day of the meeting. The reason for ordinary resolution number 5 is that at each annual general meeting a public company must elect an Audit and Risk Committee comprising at least three members, all of whom must be independent non-executive directors.

Brief biographies of these directors appear on page 3 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 2022 to 31 December 2022 to be as follows:

PM Jenkins	R1 445 600
ACG Molusi	R234 000
NA Nemukula	R234 000
J Phalane	R301 600
T Slabbert	R213 200."

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 2021 be and is hereby approved."

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

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

- Details of directors on page 3;
- Directors' interests in securities on page 32 (there are no non-beneficial interests);
- Major shareholders on page 33; and
- The share capital note 12 on page 56.

LITIGATION STATEMENT

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

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on page 3 of the IAR, 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

27 October 2021

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 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, 7 December 2021.

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 2021			
2.	To place the unissued ordinary shares of the Company under the control of the directors			
3.1	To re-elect Mr NA Nemukula as a director of the company			
3.2	To re-elect Ms T Slabbert as a director of the company			
4.	To re-appoint BDO South Africa Incorporated as the independent auditors and to register Mr PR Badrick as the designated auditor			
5.1	To re-elect Mr J Phalane as member and chairman of the Audit and Risk Committee			
5.2	To re-elect Mr ACG Molusi as member of the Audit and Risk Committee			
5.3	To re-elect Mr NA Nemukula as member of the Audit and Risk Committee			
6.	To authorise any director or the Company Secretary to sign documentation to effect the ordinary and special resolutions passed			
	Special resolutions			
1.	To approve the general authority for the Company and/or subsidiary to acquire the Company's own shares			
2.	To approve the remuneration of the non-executive directors			
3.	To approve financial assistance to related or inter-related 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 2021

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 Private Bag X9000, Saxonwold, 2132), to be received by no later than 10:00 on Friday, 3 December 2021 for administrative purposes or thereafter to the Company by hand no later than 9:30 on Tuesday, 7 December 2021; 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, 3 December 2021 for administrative purposes or thereafter to the Company by hand no later than 9:30 on Tuesday, 7 December 2021; 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.

NOTES

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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