CAXTON&CTP publishers & printers LIMITED

Integrated Annual Report 2015

Caxton and CTP Publishers and Printers Limited is a major publisher and printer of books, magazines and newspapers in South Africa

Caxton and CTP Publishers and Printers Limited is driven by the quest for excellence across all disciplines of publishing and printing, 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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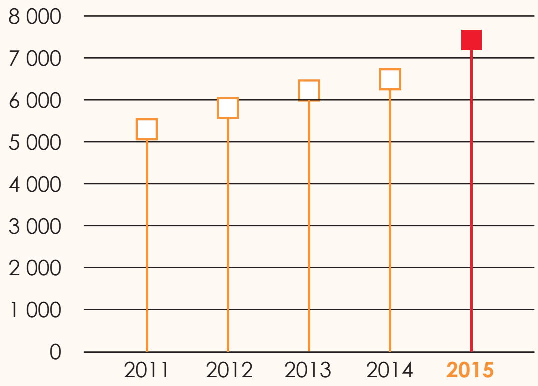
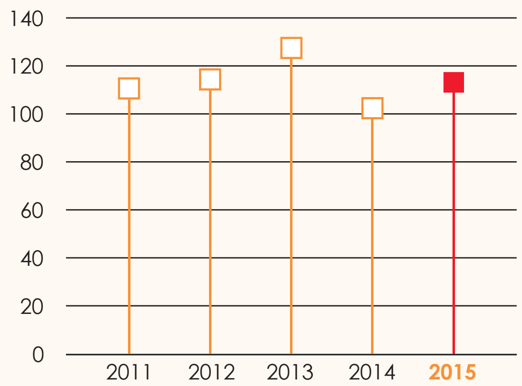
HIGHLIGHTS

- Turnover ***R7 194 million***
- Profit before tax ***R597 million***
- Cash generated by operations ***R767 million***
- Cash resources ***R1 989 million***

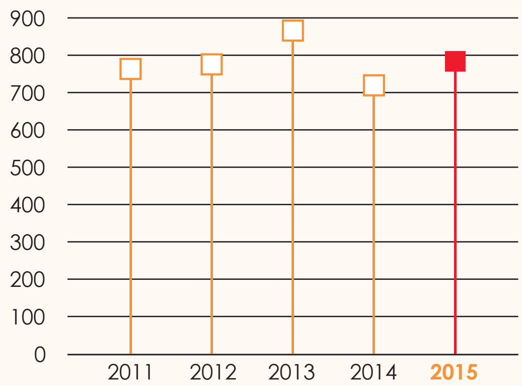
Gross revenue (Rm)



Headline earnings per share (cents)



EBITDA (Rm)



HIGHLIGHTS – FIVE YEARS TO 30 JUNE 2015

		2015 Rm	2014 Rm	2013 Rm	2012 Rm	2011 Rm
STATEMENT OF COMPREHENSIVE INCOME AND CASH FLOW						
Gross revenue		**7 194**	6 250	5 984	5 569	5 056
Operating profit before depreciation and amortisation		**758**	690	837	747	735
Finance income		**117**	104	105	109	134
Profit attributable to equity holders of parent		**423**	427	491	437	463
Headline earnings per share	(cents)	**109**	98	123	110	106
Cash generated by operations		**767**	750	847	788	749
STATEMENTS OF FINANCIAL POSITION						
Shareholders' equity		**5 297**	5 029	5 397	4 899	5 064
Total assets		**6 690**	6 319	6 691	6 070	6 142
Cash and cash equivalents		**1 989**	2 222	1 418	1 809	1 601
OTHER INFORMATION						
Weighted average number of shares in issue	(000's)	**396 463**	406 494	422 657	416 999	457 252
Net asset value per share	(cents)	**1 337**	1 283	1 277	1 175	1 107
Number of employees		**6 434**	6 053	6 025	5 910	5 850

DIRECTORATE

EXECUTIVE

TD Moolman (71) **(Chief Executive Officer)**
Terry is the founder of Caxton and CTP Publishers and Printers Limited.

TJW Holden (51) **(Managing Director) (Acting Financial Director) BCom, CA(SA)**
Tim joined the group as group general manager: finance in 2003 and was appointed as financial director in 2006. He is a qualified chartered accountant and has had a number of years' experience in the retail and manufacturing industries. Tim has been the financial director of a number of companies. In addition, he has also held a number of senior and executive operational posts within these companies.

PG Greyling (58) **(Deputy Managing Director) BCom, Hons BCompt**
Piet is a former chartered accountant who spent most of his earlier career in the accounting and auditing profession. He joined the group in 1992 and is currently CEO of the group's newspaper division.

NON-EXECUTIVE

PM Jenkins* (Chairman) (56) **BCom, LLB**
Paul qualified at Randse Afrikaanse Universiteit in 1981 with a BCom and LLB degree 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* (53) **BJournalism, MA**
Connie has been involved with the media industry for many years and holds a number of directorships.

NA Nemukula* (60)
Albert qualified as a teacher and has a marketing sales diploma. He has taught at various high schools and was responsible for marketing and publishing at Juta & Co. He has several business interests in publishing and printing, jewellery and retail stores.

J Phalane* (40) **BA, LLB, MCom** (Tax)
Jack qualified as a teacher in 1996 and then went on to study at Wits University where he graduated with a BA, LLB, and LLM degrees. He also obtained an Mcom (tax) 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. He is also a member of the Tax Board Panel

T Slabbert*(48) **BA MBA**
Tania is a Director and co-founder of WDB Investment Holdings where she served as CEO for 14 years, managing the growth of the company's investment portfolio from inception. Tania also served as CEO of the WDB Trust, supporting programmes providing rural women with access to financial and non-financial resources. Before joining WDB, Tania spent four years in the diplomatic corps in France and several years in West Africa working in the non-governmental sector. Her other directorships include the Bidvest Group and Discovery. Tania also serves as a Trustee of the BPSA Education Foundation.

GM Utian (69)
Gordon joined the group in 1996 and retired as Managing Director in April 2014. He brings years of experience in the manufacturing and retail sectors in both the FMCG and printing and publishing industries. Mr Utian has held a number of senior executive positions as well as that of chairman.

** Independent non-executive*

MANAGING DIRECTOR'S REPORT

GROUP PERFORMANCE

Earnings

Despite a difficult economic environment characterised by sluggish economic growth, the group has performed well – a testament to the actions taken in the past year. These included the restructure of the commercial printing divisions, closure of the non-performing stationery business in Ladysmith and further diversification into the packaging market through the acquisition of the Nampak Cartons and Labels business.

Revenue for the period grew by 16,2% to R6,261 billion. This includes revenue from the acquisitions made during the year. On a comparable basis revenue declined by 3% which is similar to that achieved for the first six months of the financial year. The decline was mostly felt in the newspaper printing operations, where there is a decline in daily newspaper volumes and in the book printing division, as a result of reduced demand for educational text books.

Raw material input costs have remained stable and any currency fluctuation has been well managed.

Staff costs excluding acquisitions and the once-off IFRS 2 Share-Based Payment on the executive directors' loan facility, have been contained and the restructuring and closure of operations have had a positive impact. On a comparable basis, staff costs have declined by 1% and operating expenses have declined by 1,7% for the same reasons.

The company provided financial assistance to family trusts of two executive directors to enable them to subscribe for shares in the company. The financial results include a once-off equity settled IFRS 2 charge that represents the difference between the present value of the benefit arising from the interest-free loans and share subscription price. This charge will be reversed over the duration of the loan.

Profit from operating activities amounted to R757,9 million, an increase of 9,8%, but on a comparable basis, excluding the IFRS 2 adjustment, profit from operating activities would have increased by 16,2% to R801,1 million. Depreciation increased from R259,7 million to R280,7 million while the impairment of plant accounted for R22,2 million. This included the review of the useful life of the assets purchased from Nampak. We will continue to review this aspect on an ongoing basis as the reorganisation activities take place.

Net finance income of R111,5 million includes interest received of R2,2 million due to the unwinding of the IFRS 2 charge. Excluding the said adjustment, the net finance income was similar to that achieved last year, if the profit on realisation of investments is excluded.

Net income from associates has increased to R30,2 million from R19,5 million – mainly due to a turnaround in the printing associates and a strong performance from the regional newspaper associates.

Profit before taxation increased from R565,0 million to R596,7 million, an increase of 5,6%. Taxation at a rate of 27,3% absorbed R162,8 million which resulted in profit after taxation of R433,9 million, similar to that achieved in the prior year. Excluding the once-off share-based payment of R43,2 million and the interest received due to the unwinding of IFRS 2 charge of R2,2 million, profit before taxation would have increased by 12,9% and profit after taxation by 8,9%.

The weighted number of shares in issue declined to 391 632 132 while the impact of the executive directors' share allocation added a further weighted number of shares of 4 830 685. This resulted in an earnings per share of 106,8 cents, an increase of 1,7%, and headline earnings per share of 108,8 cents, an increase of 10,6%. Excluding the once-off impact of the IFRS share-based payment, adjusted earnings per share of 117,1 cents and adjusted headline earnings per share of 119,1 cents was achieved. This is an increase over the previous year of 11,5% and 21,1% respectively.

Cash flow

Cash and cash equivalents at 30 June 2015 amounted to R1,989 billion. The ability of the group to generate cash remains strong with cash generated by operating activities of R817,5 million, an increase of 17,4% over the prior year.

Capital expenditure of R453,6 million was incurred and included the following:

- acquisition of properties and plant to facilitate the integration of the acquired Nampak operations
- expenditure to upgrade technology in existing packaging operations
- completion of the gravure press installation in Durban
- expenditure to upgrade technology and improve efficiencies at the book printing operation.

The following investments were made during the year:

- acquisition of the Nampak Carton and Labels division for R328,4 million, effective 1 August 2014
- acquisition of digital media assets for property and vehicle verticals for R9,2 million, effective 1 July 2014.

DIVISIONAL PERFORMANCE

Publishing, printing and distribution

Newspaper Publishing and Printing

The challenges facing newspapers worldwide continue. Monetising online audiences is still elusive with digital advertising growth not compensating for the loss of advertising print income and the decline in circulations.

South African newspaper publishers face the same problems. On the upside the demand for quality news, particularly on mobile platforms, is greater than ever. The challenge is to manage the established print business efficiently while simultaneously developing digital start-ups.

We are satisfied we are achieving the former and are optimistic that our newspapers still have legs and plenty of stamina which means publishing quality and relevant news remains a very high priority. It is encouraging that even though there was a slight drop in operating profit, our newspapers outperformed the rest of the market.

Our investment in digital continued apace, being almost double what it was in 2014 and this trend will continue. We are strongly focused on improving our multi-media offering and the progress we are making on this front is also very encouraging.

The trend of declining circulations and advertising revenues led to lower page impressions in the newspaper print factories. The knock-on was a drop in operating profits albeit not commensurate with the decline in throughput, thanks to very strict cost management and improved efficiencies.

Magazine Publishing and Distribution

Magazines have gone through a rough patch in the last year with advertising budgets and traditional reading habits severely affected. With the ever-increasing choice of reading platforms, capturing audiences' sustained attention is challenging. Consumers remain under pressure with the weak economy and this continues to negatively affect the outlook for printed magazines. The magazine division continues to invest in new revenue opportunities and the strategy is to create more touch points to engage and grow audiences across many platforms.

The group's magazine distribution business, RNA, has performed admirably in difficult circumstances with improved profitability through a combination of strict cost control and correcting the margin decline in imported magazines. The acquisition of new customers in the distribution of CDs and DVDs has also had a positive impact.

COMMERCIAL PRINTING

Web and Gravure

We are glad to report that the rationalisation of print facilities and factories, completed in December 2014 as envisaged in last year's report, has been hugely successful and has led to a complete turnaround in profitability of this division during the second six months of the financial year. This turnaround was further assisted by stable prices of raw materials as well as a fairly stable exchange rate.

Even though the number of factories and presses were reduced we were able to maintain and even increase volume throughput. This coupled with reduced costs led to improved profitability.

Although the market remains tough due to the continued weak economy we are optimistic that the trend of improving profitability will continue into the coming year where the benefits of the rationalisation will be felt for the first six months to December in comparison to last year.

Book Printing

The performance of the division has shown a significant decline in the last six months of the financial period. This was characterised by a dramatic decline in the volume of orders placed by education publishers and margin erosion due to overcapacity. Concern amongst publishers over Government's single textbook strategy, together with the lack of predictability of order volumes, has created an uncertain outlook.

Our investment strategy will ensure the most cost-efficient production facility with the commissioning of a new 10 colour sheet fed press early in 2015 together with a unique web offset press, which will be commissioned later this year. These investments will yield significant improvements in productivity, efficiency, quality and waste reduction.

PACKAGING

The packaging divisions have been an area of growth, both from our existing operations and as a result of the acquisition of the Nampak Cartons and Labels business, effective 1 August 2014.

The group's existing operations continue to grow profitability in a competitive market as a result of providing excellent service and quality while driving production efficiencies.

The Nampak acquisition has settled quickly and the focus has been on addressing the unsustainable cost base and formulating the plan for the next 18 months. This plan has included the acquisition of equipment and properties to improve efficiencies and streamline operations. The full impact of these plans on profitability will only be realised once completed.

OTHER

The stationery divisions were positively impacted with the closure of the loss-making operation in Ladysmith.

DIVIDENDS

The board has declared a dividend of 65,0 cents (2014: 60,0 cents) per ordinary share (gross) and a preference dividend of 530,0 cents per share (gross) for the year ended 30 June 2015.

MANAGING DIRECTOR'S REPORT
continued

The dividends are subject to the Dividends Withholding Tax in accordance with the provisions of the relevant tax legislation.

PROSPECTS

Trading conditions are expected to continue to be difficult, especially against the background of limited economic growth. The group will continue to implement efficiency plans to compensate for the limited growth environment and also explore further avenues of growth through acquisitions. The current decline in the Rand will result in increases in raw material prices, which will put margins under pressure.

TJW Holden
Managing Director

Johannesburg
28 October 2015

TEN-YEAR REVIEW – SALIENT FEATURES

		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Gross turnover	(Rm)	**7 194**	6 250	5 984	5 569	5 056	4 771	4 747	4 804	4 752	4 193
Profit before taxation	(Rm)	**597**	545	686	633	672	510	495	788	830	734
Profit from operating activities after depreciation before impairments	(Rm)	**477**	430	596	520	546	471	410	646	705	614
Weighted average number of shares in issue during the period	(000's)	**396 463**	406 494	422 657	416 999	457 252	465 987	465 995	470 990	480 328	464 733
Earnings per ordinary share	(cents)	**107**	105	116	105	101	76	181	128	127	112
Diluted earnings per share	(cents)	**107**	105	116	110	101	76	181	128	127	112
Diluted headline earnings per share	(cents)	**109**	98	123	110	106	76	87	124	122	109
Dividends/distribution per ordinary share	(cents)	**65**	60	55	50	40	40	40	52	50	45
Dividend cover	(times)	**1,6**	1,7	2,1	2,1	2,5	1,9	4,9	2,7	2,5	2,5
Ordinary shareholders' equity	(Rm)	**5 240**	4 976	5 347	4 856	5 031	4 917	4 774	3 821	3 766	3 296
Net current assets	(Rm)	**2 824**	2 833	2 075	2 371	2 263	2 268	2 193	1 582	1 500	1 120
Net asset value per share	(cents)	**1 337**	1 283	1 277	1 175	1 107	1 060	1 029	815	787	683
Number of employees		**6 434**	6 053	6 025	5 910	5 850	5 652	5 664	5 874	5 959	5 776

SUSTAINABILITY REPORT

APPROACH TO SUSTAINABILITY

Caxton and CTP Publishers and Printers Limited has, for a number of years, adhered 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 an holistic view that also extends to societal and environmental issues.

SCOPE OF REPORT

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

Sustainability performance in this report spans the 12 months from July 2014 to June 2015.

STANDARDS AND CERTIFICATION

CTP Printers Johannesburg and CTP Printers Cape Town are FOGRA process standard offset (PSO) certified. The FOGRA PSO certification is achieved with consistent and predictable colour reproduction to ISO 12647-2 standards.

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

CTP Printers Cape Town (FSC-C017578), SA Litho Label Printers (FSC-C084368) , CTP Packaging (FSC-C108896) and CTP Cartons and Labels (FSC-C115826, 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 these products contain raw material from responsibly managed forests and controlled sources.

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 meets on a regular basis to consider developments with regard to legislative changes (compliance with the Employment Equity Act and BBBEE 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 managing director, comprises senior management who represent the main business sectors in the company. Progress with regard to transformation is reviewed later in this report.

HEALTH, SAFETY AND ENVIRONMENT

In order to provide and maintain as far as possible a work environment that is safe and without risk to our employees and public that visit our premises, every division is responsible to ensure that the company'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 company 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 addressing issues pertaining to ill-health, family planning, substance abuse and HIV/AIDS educational programmes. Voluntary HIV testing is available on request to employees with referral assistance to clinics for treatment and counselling.

Employee relations

Each workplace has a workplace committee that focuses on monitoring the implementation of the Employment Equity Plan as well as the Workplace Skills Plan and Annual Training Report. This committee meets at least quarterly. The re-evaluation of each position in the group continues.

Each job will also have a detailed job description, which will assist the company in identifying training needs, performance issues and improve succession planning.

Environment

As a member of the printing, publishing and packaging industries we are aware of the adverse impact that our printing processes have on the environment and we are therefore taking measures to reduce our carbon footprint.

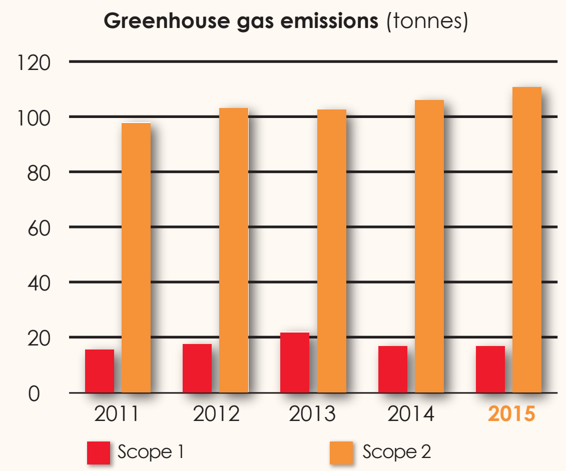
Greenhouse gas emissions

The company acknowledges that the climate is changing and this change can be attributed in part to human activities. We recognise that our operations contribute to climate change and that we have a responsibility to minimise our own impact and to adapt to the risks of climate change upon our business.

Electricity usage is the biggest contributor to our greenhouse gas emissions. We are constantly striving to reduce our electricity consumption by installing more energy efficient plant and machinery, conducting energy efficiency audits and being more conscious in our usage of energy. This has included installing after-burners and power-saving switches.

We are proud to advise that, excluding the acquired Cartons and Labels businesses, overall emissions decreased by 6.6% during the current financial year. This decrease is gratifying and is as a consequence of our emission reduction initiatives. Including the acquired Cartons and Labels businesses, overall emissions increased by 3.7%.

Our greenhouse gas emissions for 2014/2015 were:



Explanation
Scope 1: Direct GHG emissions from sources that the company owns or controls
Scope 2: Indirect GHG emissions from the generation of purchased electricity consumed by the company

These results have been verified by the company's internal audit department.

During the past financial year our factories have continued with the programme of replacing light fixtures with energy-saving fittings and are engaged with Eskom's IDM programme on their co-operative initiative to promote further reductions in electrical use.

In an effort to decrease its impact on the environment CTP Printers Cape Town has switched to a low chemistry platemaking system, thereby saving upwards of 100 000 litres of water per month and reducing chemical waste from this process by more than 80%. The company regularly conducts energy audits and this year took part in the Public Sector Energy Efficiency programme to explore further ways to limit its impact on the environment.

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

In partnership with Global Carbon Exchange, the company is exploring alternative methods of sustainable energy generation, including solar power. Over and above these initiatives, the company continues to invest in new technology to reduce energy consumption and promote sustainability.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

The group initiated a committee of senior managers, chaired by the group managing director, to address transformation issues across all divisions and companies seven years ago. This transformation committee meets monthly to review progress towards reaching annual goals and targets.

Legislative compliance, including Employment Equity Reporting, Employment Equity Plans and Skills Development Plans are monitored to ensure that the company is on track.

Ownership

The company's listed Black Ownership is 15.34% with a Black Female Ownership of 3.87%.

CTP Limited increased its BEE level from Level 4 to Level 3 in October 2014 and again during the audit in April 2015. With its value-adding vendor status, CTP provides all clients with a 137.5% Preferential Procurement recognition.

The Revised Codes of Good Practice came into effect on 1 May 2015. The proposed changes will have a significant impact on future BEE ratings of all companies in SA due to changes in points awarded for the five elements, as well as points required for different levels.

However, strategies have been put in place during 2014/2015 to assist the company in meeting the new, more stringent requirements. In addition, the company instituted sustainable, long-term programmes over the past few years which will make progress towards the Revised Codes targets a little easier to attain.

Employment Equity and Management Control

In the last 12 months, many changes have been introduced to existing labour laws in South Africa, including amendments to the Employment Equity Act, the release of new Employment Equity Regulations, the Codes of Good Practice on Equal Pay for Work of Equal Value, the Basic Conditions of Employment Act and the Labour Relations Act. In total, more than 70 changes were made to labour laws since 2014 which again emphasises the importance of managing human resources.

Despite various initiatives to attract a more diversified workforce into the company, such as the CTP Graduate Programme, the retention of African females continues to be a challenge.

Due to changes in the Revised BEE Codes requiring targets to be based on the Economically Active Population statistics, it has become more important for the company to focus its recruitment efforts on African Males and African Females. Coloured Males and Females and Indian Males and Females are well represented, with the exception of Senior Management.

In the period 2011 to 2014, the group has increased the number of Black employees from 66% to 71% but there was little change to the number of overall Black employees in the management categories. This continues to be a challenge in the group to recruit and specifically, retain Black employees.

Skills Development

The company has continued its commitment to developing the skills and knowledge of its employees. This is demonstrated in the marked increase in training spend from previous years. Overall training spend has increased year on year and this is a testimony to the group's ongoing commitment to developing its workforce to meet the technology changes that the industry faces and management challenges.

The company focuses on programmes such as apprenticeships, learnerships, and bursaries for employees. The CTP Graduate Programme also provides opportunities for recent graduates to receive on-the-job work experience.

The CTP Bursary Programme has been running since 2011. Currently there are five employees who are completing Masters' programmes and one employee who is completing a Doctorate. Bursaries are awarded to employees who are earmarked for further development and focus on courses at NQF Level 3 (National Certificate) or higher.

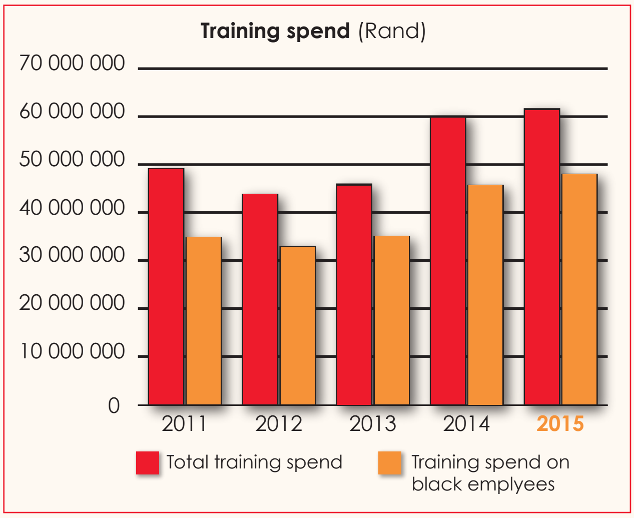
The CTP Graduate Programme has appointed a total of 45 graduates since July 2011. 93.3% of these appointments have been for Black employees of which 67% have been Black females. The graduates are appointed at various divisions in disciplines ranging from photography, journalism, engineering, financial management and marketing. Each graduate is placed with a mentor who provides support, guidance and practical exposure to the workplace. A monthly report is completed as well as quarterly performance reviews. While the majority of graduates have been placed permanently at divisions in previous years, career path progress remains a challenge in order to retain the graduates past the first year of permanent employment due to the more attractive remuneration offers made in other sectors for their skills.

An initiative to partner with a private higher education institution to provide a learnership in newspaper advertising sales rolled out in 2015. The first intake is planned for 2016 in what will be a unique opportunity for the company to train both employees and unemployed learners in a specialised field. The training will take place with both face-to-face contacts with trainers and via an e-learning platform.

The Printing and Packaging Bridging Programme that was developed in conjunction with Novus Media and Printing SA, with funding support from the FP & M Seta, was very successful and the next course will commence in early 2016. CTP Printers in Cape Town placed all the learners for an additional period to gain on-the-job training after their theoretical phase was completed.

There has been progress with regard to the development of the new Bookbinding curriculum as well as other printing trade-related qualifications.

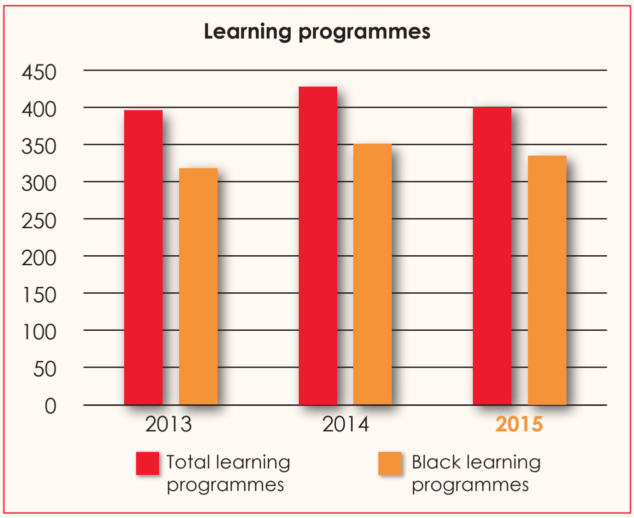
The Revised BEE Codes require 6% of Skills Development Levy spend as the target. Currently the company reaches 70% of that new target, but training spend is now race and gender based, and no longer as an overall % of Black employees. This will lead to a refocus of training spend where possible without detracting from meeting operational requirements and providing opportunities for all employees. Due to the fact that many of the existing training is done through apprenticeships that are at least three-year-long programmes, diverting training focus to the new race and gender requirements will take some time to implement.



There was a slight decrease in the number of apprenticeships and learnerships in the group due to a number of trainees qualifying in the past year.

The Revised BEE Codes provide an opportunity for companies to provide training opportunities to Black people, and not only to Black employees. This is applicable for both training spend as well as learnership opportunities and this will be an area of focus for the group.

In addition, the Revised BEE Codes encourage companies to train disabled employees. The group will put in place a programme to ensure that existing disabled employees are provided with opportunities to gain skills and also to improve the recruitment rate of people with disabilities.



Preferential procurement

The company has successfully reached full points for overall spend with suppliers who have BEE certificates. However, this particular sub-section under the Revised Codes is worth 25 points, the same as Ownership. Efforts to identify suppliers who are more than 30% Black Female-owned is ongoing and will be an area of focus from 2016. The Department of Trade and Industry announced in May 2015 that all companies with existing BEE certificates will be regarded as Empowering Suppliers for a period of one year. However, this requirement, along with the expected drop of at least two levels by most suppliers, will have an adverse effect on this element's score from 2016 onwards.

Enterprise and supplier development

There has been an overall increase in enterprise development spend after a slight decrease in the previous financial year. The company's focus continues to be on assisting smaller suppliers, with a turnover of less than R35 million, in their cash flow, and providing distributors with administrative support, insurance, and reliable transport.

The Revised Codes require new initiatives and these have been identified and will be implemented to ensure that full points are obtained for these two sub-sections of this element.

Socio-economic development

The company has maintained its socio-economic development spend over the past few years. Specific initiatives focus on supporting various charities, schools within the geographical areas in which the company operates, the homeless and HIV/Aids organisations. In particular, the company supports a skills development and training centre with a maths and science project, as well as supporting a soup kitchen on a monthly basis. This centre is located close to Industria and supports the community where the company operates. An NGO who prints a small newspaper at a local newspaper is also supported. Homeless Talk, which provides an opportunity for over 200 previously unemployed people, is also printed for free by Caxton Works.

A few examples of SED initiatives at individual divisions are:

SA Litho

SA Litho seeks to actively give back to the surrounding community. In 2012 the division partnered with Peninsula School Feeding Association to adopt Ravensmead Secondary School's Feeding Kitchen. This relationship continues to grow feeding over 250 learners per year to date, and will continue to do so in the coming year. In 2015, along with CTP Cartons and Labels, SA Litho staff packed nutritional food hampers with FoodBank SA in support of Mandela Day. In 2014, SA Litho's desire to help, especially children, led to a drive to pack gift boxes, filled with necessities and treats, for a home which provides shelter, care, and empowerment for those destitute, abused and disadvantaged mothers and their children. In 2015 another home will be adopted and assisted. SA Litho has also initiated a programme where 2014 and 2015 matriculants are exposed to the printing industry and the potential employment opportunities which exist.

CTP Printers Cape Town

CTP Printers Cape Town has continued to support the Tehillah Community Collaborative project, a non-profit initiative that supplies essential social services to the immediate community in which the Parrow factory is situated. Among the services provided by the project is a shelter for the homeless and abused, a drug rehabilitation centre and a home-based nursing programme. The company has not only donated funds, but throughout the year company staff have volunteered at the centre.

The company also sponsors the Cape Leopard Trust with printing of educational material and its annual financial statements.

CTP Flexibles

Some of CTP Flexibles' initiatives included soup kitchens, donation of plastic book covers, providing blankets to the poverty stricken community and care for the terminally ill and their families.

RNA Distribution

RNA contributes monthly towards a school feeding scheme within the area in which it operates, and magazines are donated to two primary schools to encourage literacy amongst the youth.

Caxton Newspapers

Caxton Newspapers continues to provide specific identified charities with free advertising, and one of the regional newspapers, namely Lowveld Media, made a significant contribution towards the building of a kitchen for a local school.

Other

The company and South African National Parks (SANParks) signed a five-year media sponsorship agreement in April 2013.

The sponsorship marks the company's largest social investment initiative with the aim to support sustainable development and the conservation of South Africa's natural and cultural heritage. As the leading conservation authority in the country, SANParks protects millions of hectares of unique environments, divided into 19 national parks. Among these are the celebrated Kruger, Table Mountain, Garden Route and Kgalagadi National Parks.

The company has committed the group resources and all of its publications to provide SANParks with print and digital media support, publicity and exposure. In addition, a seasonal publication, the SANParks Times, with a current print order of 160 000 copies, was launched in September 2012. The product is available for free to the public, and is distributed by RNA Distribution to all national parks and a selection of over 300 strategically situated points in South Africa. The electronic magazine was launched in 2013, and is available at www.sanparkstimes.co.za.

The company's sponsorship is worth many millions of rands annually and is a powerful marketing tool for SANParks. The coverage across all the titles highlights a broad spectrum of tourism activities and educates readers on important environmental matters as well as the way in which SANParks continually strives to meet its vision of "connecting to society."

CORPORATE GOVERNANCE AND RISK MANAGEMENT

KING III

The Board of Directors supports the principles set out in the King III Report on Corporate Governance and is committed to the implementation of these principles. The company is listed on the JSE and complies with its Listings Requirements, to the extent applicable to the company.

Set out below is an explanation of the measures introduced by the company pursuant to the King Code and the Listings Requirements.

A full analysis of the King III application can be viewed on our website under the "Company Information – Annual Financial Statements" heading at www.caxton.co.za.

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 him being the CEO, Mr Moolman has a significant influence on the strategic direction of the company.

BOARD OF DIRECTORS

The Board of Directors currently comprises nine directors. A majority of these directors is non-executive and, in turn, a majority of the non-executive directors, including the chairman, is independent.

The appointment of directors will be undertaken by the Board in a manner which is formal and transparent. 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.

The Board has adopted a formal charter in line with King III which has been implemented to:

- identify, define and record the responsibilities, functions and composition of the Board; and
- serve as a point of reference for new directors.

The Board believes that its members have the expertise and experience to fulfil their obligations to the company.

The Board has a minimum of four meetings a year. In addition, the Memorandum of Incorporation of the company provides for material decisions taken between meetings to be confirmed by way of directors' written resolutions.

Attendance at Board meetings

	Oct 14	Feb 15	May 15	Sep 15
PM Jenkins	✓	✓	✓	✓
TD Moolman	✓	✓	✓	✓
GM Utian	A	A	A	A
PG Greyling	✓	✓	✓	✓
TJW Holden	✓	✓	✓	✓
ACG Molusi	✓	✓	✓	✓
NA Nemukula	✓	A	✓	A
T Slabbert	✓	✓	✓	✓
J Phalane	✓	✓	✓	✓

A: Apology

The Board of Directors has the following sub-committees:

Audit and Risk Committee

The Audit 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 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 Conduct.

The independent auditor has unrestricted access to the committee.

The Audit and Risk Committee comprises independent non-executive directors only, in compliance with King III. 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:

(a) 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;

(b) 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;

(c) 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;

(d) confirmed the 2015 financial year audit plan;

(e) 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;

(f) reviewed the effectiveness of internal controls in the company with reference to the findings of the internal and external auditors; and

(g) reviewed and evaluated the risks facing the company and satisfied itself that management has put plans and steps in place for the mitigation of these risks across the company.

The Audit and Risk Committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the acting financial director, Mr TJW Holden.

The committee members are Ms T Slabbert (Chairman), Mr ACG Molusi and Mr NA Nemukula.

Attendance at Audit Committee meeting			
	Oct 14	Feb 15	Sep 15
T Slabbert	✓	✓	✓
ACG Molusi	✓	✓	✓
NA Nemukula	✓	A	A

A: *Apology*

Remuneration Committee

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

Remuneration Policy

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

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, does not aim to attract employees with the highest remuneration in the short term, but seeks to reward loyalty in the long term.

The company has reviewed its remuneration strategies in the past year, in response to concerns by shareholders over the retention and alignment strategies of the company in relation to its staff.

It has become clear that it is important to more directly align senior executives and management with an important value-driver for shareholders, namely share price appreciation. This in turn serves the additional objective of creating long-term value for management members that remain in the company over a substantial period.

At the beginning of the year under review, the company resolved to implement a share appreciation rights scheme ("SARS") for senior management that have an ability to influence the strategic direction and bottom-line performance of the company. A suitable allocation of 17 500 000 SARS has been made, in the context of a seven-year scheme, which will ensure meaningful alignment of senior management.

At senior executive level, the company proposed and implemented a separate scheme for its managing director and deputy managing director. The shareholders finally approved the scheme on 8 October 2015. The scheme operates to vest real and upfront ownership of 4 million shares of the company in each executive's family trust, with each of them providing R3 million of their own financing and assuming downside risk if the company's share price does not perform. This achieves a meaningful alignment of these executives with the interest of shareholders over the long term.

The industry in which we are involved has seen shrinking employment in traditional media with significant retrenchments. At the same time, the digital environment is a growth area but revenues and profitability remain elusive. 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 up-skilling 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 is modest and conservative.

Attendance at Remuneration Committee meeting		
	Feb 15	Aug 15
TD Moolman	✓	✓
PM Jenkins	✓	✓

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

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

Social and Ethics Committee

The committee is set up in accordance with section 72 of the Companies Act and its main function is to monitor the company's activities having regard to any relevant legislation, other legal requirements or prevailing Codes of Best Practice.

The committee comprises Mr PM Jenkins (Chairman), Mrs J Edwards, Mr TJW Holden and Mr N Sooka.

The Social and Ethics Committee met formally once during the year under review. It considered the group's response to the revised BEE Codes and the strides made in employment equity, training and B-BBEE. The committee considered the contributions being made by the group to the wider community it serves, as well as the support and sponsorships provided to appropriate causes. Media diversity remains a matter of key importance and the group's efforts in promoting a broader landscape of different voices were discussed. The committee members engage with management and assist in shaping the strategic direction for the company in the matters for which it is responsible.

The performance of the company in the year under review has been characterised by a commitment to the highest principles of ethical conduct and community interaction. In the coming year, greater efforts will have to be committed to transformation. The role of the four major print groups will continue to remain under the spotlight and the group will ensure it remains sensitive to concerns about the concentration of media power in the country.

Attendance at Social and Ethics Committee meeting	
	Oct 15
PM Jenkins	✓
J Edwards	✓
TJW Holden	✓
N Sooka	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman and Chief Executive Officer are separate.

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 company 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 company 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 which is above reproach.

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

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

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT

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

GOING CONCERN

The going-concern basis has been adopted in preparing the financial statements. The current strong financial position and the continued tight control on expenditures and cash flows, assure the directors that the business of the group will continue to function as a going concern for the foreseeable future.

COMPANY SECRETARIAL AND PROFESSIONAL ADVICE

A dedicated Company Secretary has been appointed to ensure compliance with the Companies Act and JSE Listings Requirements. He 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 21.

As required by the JSE, the Board has considered the skills, qualifications and performance of the Company Secretary, Mr Navin Sooka. The Board is satisfied with his 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 which 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.

RISKS MATRIX 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 potential impact and the actions taken to mitigate such risk. This process is then consolidated and reviewed by the Audit and Risk Committee to ensure that steps are taken to minimise risks or to ensure that compensating steps are implemented. Some of the key risk areas are tabled below.

Key risks	Risk mitigation
• Foreign exchange purchasing and impact on cost of imported raw material	The company hedges some of its exposure. No long-term contracts are in place.
• Loss of key staff including succession planning	Senior management remuneration is reviewed on an ongoing basis and adequate staff retention programmes are in place. Succession planning has been implemented via various schemes of employing graduates and training.
• Power outages	Generators have been installed at key sites.
• Information technology failure	Information technology reviews are undertaken regularly and key actions identified to ensure business continuity plans are in place. There is a formal report back at the Audit Committee meetings.
• Destruction of key production sites	Adequate insurance is in place to mitigate loss. Key major operational sites undergo a third-party review to ensure adequate steps are in place to prevent loss. Contingency production sites have been identified.
• Disruption of supply of raw materials	Strategic stock is in place. Critical suppliers are insured against disruption of supply. The company has access to import replacement.
• Media regulatory interventions	Continued engagement with Government individually and through various industry organisations.
• Plant breakdowns adversely affecting deliveries to customers	Preventative scheduled maintenance in place which reduces the risk of breakdown. Other production sites are also available.
• Changes to codes of practice regarding Black Economic Empowerment	Strategies are currently being developed to address the new codes.

ANNUAL FINANCIAL STATEMENTS

CAXTON & CTP publishers & printers LIMITED

CONTENTS

STATEMENT OF RESPONSIBILITY AND APPROVAL BY THE BOARD OF DIRECTORS

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

The directors are required, in terms of the Act, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and the group as at the end of the financial year and the results of its operations and cash flows for the period 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 annual financial statements.

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

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

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

The directors have reviewed the company and the group's cash flow forecast for the year to 30 June 2016 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 Grant Thornton are responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their unqualified report is presented on page 22.

The preparation of the annual financial statements was supervised by the Acting Financial Director, TJW Holden, BCom, CA(SA). The annual financial statements set out on pages 23 to 64, which have been prepared on the going-concern basis, were approved by the Board of Directors and are signed on its behalf by:

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
28 October 2015

DECLARATION BY COMPANY SECRETARY

In terms of sections 88 and 89 of the South African Companies Act, 71 of 2008, as amended ("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.

N Sooka
Company Secretary

Johannesburg
28 October 2015

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

Report on the financial statements

We have audited the consolidated and separate financial statements of Caxton and CTP Publishers and Printers Limited set out on pages 27 to 64, which comprise the statements of financial position as at 30 June 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Caxton and CTP Publishers and Printers Limited as at 30 June 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2015, we have read the Directors' Report, Audit Committee's Report and Declaration by Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton

GRANT THORNTON JOHANNESBURG PARTNERSHIP
Chartered Accountants (SA)
Registered Auditors

Paul Badrick
Partner
Chartered Accountant (SA)
Registered Auditor

52 Corlett Drive
Wanderers Office Park
Illovo
2196

28 October 2015

DIRECTORS' REPORT

NATURE OF BUSINESS

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

REVIEW OF BUSINESS OPERATIONS

Gross turnover for the year increased by R944,6 million to R7 194 million (2014: R6 250 million). Profit from operating activities before depreciation and impairment increased by R67,7 million to R757,9 million (2014: R690,2 million). Net finance income received amounted to R114,8 million (2014: R103,1 million) with capital expenditure during the year totalling R454 million (2014: R396 million). Net cash resources amounted to R1 989 million (2014: R2 222 million).

ORDINARY DIVIDEND

An ordinary dividend of 65.0 cents (2014: 60.0 cents) (gross) (net 55.25000 cents (2014: net 53.23143 cents)) per ordinary share was declared on 2 September 2015 payable to shareholders registered on 13 November 2015.

PREFERENCE DIVIDEND

A preference dividend of 530.0 cents per share (2014: 490.0 cents) (gross) (net 450.50000 cents (2014 net 418.37163 cents)) per share was declared on 2 September 2015 payable to shareholders registered on 13 November 2015.

SHARE CAPITAL

Particulars of the authorised and issued share capital of the company are set out in note 12 of the financial statements. The company repurchased 1 797 000 shares during the year.

SUBSIDIARY COMPANIES

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

	2015 R000	2014 R000
Profits	**339 266**	81 036
Losses	**(35 550)**	(45 298)
	303 716	35 738

DIRECTORATE

The names of the directors and the secretary are set out on page 3 of this report. In terms of the Memorandum of Incorporation of the company, no less than a third of the non-executive directors retire at the forthcoming annual general meeting. Mr ACG Molusi and Mr NA Nemukula retire as directors and being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDING

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

Directors	2015 Direct	2014 Direct	2015 Indirect	2014 Indirect
PG Greyling	**1 317 384**	1 325 000	**4 000 000**	–
TJW Holden	**–**	–	**4 000 000**	170 225
TD Moolman*	**–**	–	**3 742 470**	3 342 470
GM Utian	**–**	–	**–**	42 174
Total	**1 317 384**	1 325 000	**11 742 470**	3 554 869

* The Moolman & Coburn Partnership, through various intermediate companies controlled by it, controls Caxton Holdings Proprietary Limited, which holds 42,64% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. The Moolman & Coburn Partnership and its intermediate companies control an additional 5,23% and its associates acting in concert hold a further 3,09% of the issued ordinary shares of Caxton and CTP Publishers and Printers Limited. It therefore controls a total of 50,96% of the issued ordinary shares of the company.

The Directors do not have any non-beneficial shareholdings in the company.

SHAREHOLDER SPREAD

At the year-end, the ordinary shares of the company were held by the following categories of shareholders:

	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public shareholders				
Directors of the holding and subsidiary companies	**6**	**0,15**	**16 788 666**	**4,30**
Shareholders holding more than 10% of the issued ordinary shares				
– Caxton Holdings Proprietary Limited	**1**	**0,03**	**165 652 708**	**42,47**
	7	**0,18**	**182 441 374**	**46,77**
Public shareholders	**3 937**	**99,82**	**207 589 277**	**53,23**
Total	**3 944**	**100,00**	**390 030 651**	**100,00**

According to the records of the company, other than as indicated above, no shareholder held 5% or more of the company's shares at 30 June 2015 or at 30 September 2015.

SUBSEQUENT EVENTS

The directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in the report or group annual financial statements that would significantly affect the operations of the group or the results of those operations.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements, which appear on pages 23 to 64, have been approved by the Board and are signed on its behalf by:

TJW Holden
Managing Director

TD Moolman
Chief Executive Officer

Johannesburg
28 October 2015

AUDIT COMMITTEE'S REPORT

The Audit Committee ("the committee") is pleased to present this report on its activities during the financial year ended 30 June 2015.

BACKGROUND

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

TERMS OF REFERENCE

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

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

MEMBERSHIP

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

The Audit 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 Audit 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 auditor and is satisfied that the external auditor has remained independent as defined by the Act.

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

The committee, in consultation with executive management, agreed to an audit fee for the 2015 financial year.

The fee is considered appropriate for the work that was done. Audit fees are disclosed in note 24 to the financial statements.

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 recommend for approval at the annual general meeting, Grant Thornton as the external auditor for the 2016 financial year and Mr P Badrick as the designated lead auditor. This will be his fifth year as auditor of the company and group.

FINANCIAL DIRECTOR

As required in terms of the JSE Listings Requirements, the committee has satisfied itself that the company's Acting 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

During the financial year 30 June 2015 the committee performed its duties in terms of its charter and a summary of the main activities is set out below:

- Nominated the appointment and retention of the external auditors, Grant Thornton with the designated partner Mr P Badrick after satisfying itself, through enquiry, that Grant Thornton is independent.
- Provided oversight to the external audit function, including:
  - nature and scope of the audit engagement;
  - determined the fees for the audit; and
  - determined 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 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 functions and its resources.

RECOMMENDATION OF ANNUAL FINANCIAL STATEMENTS

The committee evaluated the annual financial statements for the year ended 30 June 2015 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.

Grant Thornton, 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 2015 fairly present, in all material respects, the financial results for the year and the position of the company and the group as at 30 June 2015.

T Slabbert
Chairman

Audit committee
28 October 2015

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2015

COMPANY				GROUP	
2014 R000	2015 R000	Notes		2015 R000	2014 R000
			ASSETS		
			Non-current assets		
–	**–**	2	Property, plant and equipment	**2 484 914**	2 208 608
–	**–**	3	Goodwill	**–**	–
1 390 843	**1 387 979**	4	Interest in subsidiaries	**–**	–
141 764	**132 398**	5	Interest in associates	**240 030**	221 695
9 312	**9 312**	6	Investments	**29 026**	28 022
1 229	**2 142**	16	Deferred taxation	**2 142**	18 527
–	**71 416**	43	Loans to directors	**71 416**	–
1 543 148	**1 603 247**			**2 827 528**	2 476 852
			Current assets		
–	**–**	7	Inventories	**811 659**	638 750
20 764	**13 533**	8	Accounts receivable	**1 052 058**	982 193
118 716	**43 845**	4	Amounts owed by group companies	**–**	–
–	**–**		Taxation	**10 226**	–
65 582	**60 685**	9	Preference shares – listed	**60 685**	65 582
850 000	**1 050 000**	10	Preference shares – unlisted	**1 050 000**	850 000
849 110	**408 107**	11	Bank and cash resources	**878 247**	1 306 489
1 904 172	**1 576 170**			**3 862 875**	3 843 014
3 447 320	**3 179 417**		**TOTAL ASSETS**	**6 690 403**	6 319 866
			EQUITY AND LIABILITIES		
			Equity		
			Equity attributable to owners of the parent:		
9 796	**9 941**	12	Ordinary share capital	**9 941**	9 796
305 834	**385 268**		Ordinary share premium	**385 268**	305 834
249 277	**245 294**	13	Non-distributable reserves	**447 600**	454 704
1 025 967	**878 430**	14	Retained income	**4 396 852**	4 205 800
1 590 874	**1 518 933**		**Equity attributable to owners of the parent**	**5 239 661**	4 976 134
–	**–**	15	Non-controlling interest	**56 999**	52 642
100	**100**	12	Preference share capital	**100**	100
1 590 974	**1 519 033**		**TOTAL EQUITY**	**5 296 760**	5 028 876
			Non-current liabilities		
–	**–**	16	Deferred taxation	**283 431**	281 305
–	**–**			**283 431**	281 305
			Current liabilities		
7 934	**8 302**	17	Accounts payable	**885 312**	739 031
–	**–**	18	Provisions	**224 900**	248 719
1 705 352	**1 529 739**	19	Amounts owed to group companies	**–**	–
121 896	**122 151**		Bank overdraft	**–**	–
21 164	**192**		Taxation	**–**	21 935
1 856 346	**1 660 384**			**1 110 212**	1 009 685
3 447 320	**3 179 417**		**TOTAL EQUITY AND LIABILITIES**	**6 690 403**	6 319 866

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

COMPANY 2014 R000	COMPANY 2015 R000	Notes		GROUP 2015 R000	GROUP 2014 R000
–	**–**	22	Gross turnover	**7 194 175**	6 249 623
–	**–**		*Less:* Inter-group	**932 787**	860 072
–	**–**		Revenue	**6 261 388**	5 389 551
–	**–**		Other operating income	**111 906**	94 191
–	**–**		**Total operating income**	**6 373 294**	5 483 742
–	**–**		Changes in inventories of finished goods and work in progress	**83 038**	36 440
–	**–**		Raw materials and consumables used	**2 614 891**	2 181 323
–	**–**	23	Staff costs	**1 407 389**	1 227 915
–	**43 188**	43	IFRS 2 share-based payment expense – equity settled	**43 188**	–
(20)	**(390)**	24	Other net operating expenses	**1 466 873**	1 347 889
(20)	**42 798**		**Total operating expenses**	**5 615 379**	4 793 567
20	**(42 798)**		**Profit/(loss) from operating activities before depreciation**	**757 915**	690 175
–	**–**	25	Depreciation and amortisation	**280 727**	259 728
20	**(42 798)**		**Profit/(loss) from operating activities after depreciation**	**477 188**	430 447
82 488	**12 189**	25	Impairment expense	**22 174**	459 548
(82 468)	**(54 987)**		**Net profit/(loss) from operating activities**	**455 014**	(29 101)
533 374	**149 630**	27	Finance income	**117 335**	104 257
–	**–**	28	Finance costs	**(2 581)**	(1 180)
–	**–**	29	Fair value movement on currency hedge	**(5 444)**	1 431
–	**2 200**	43	IFRS 2 deemed interest receivable on unwinding of transaction	**2 200**	–
346 605	**–**		Profit/(loss) on realisation of investments	**–**	470 067
–	**–**		Income from associates	**30 168**	19 500
797 511	**96 843**		**Profit before taxation**	**596 692**	564 974
101 408	**9 038**	30	Taxation	**162 810**	129 115
696 103	**87 805**		**Profit for the year**	**433 882**	435 859
(115 253)	**(3 984)**		**Other comprehensive income:**	**(3 984)**	(119 119)
			Items that will not be reclassified subsequently to profit or loss		
–	**–**		Fair value adjustment – land and buildings	**–**	(3 866)
			Items that will be reclassified subsequently to profit or loss		
(115 253)	**(3 984)**		Fair value adjustment – investment and preference shares	**(3 984)**	(115 253)
580 850	**83 821**		**Total comprehensive income for the year**	**429 898**	316 740
			Profit attributable to:		
–	**–**		Non-controlling interests	**10 608**	9 043
696 103	**87 805**		Equity holders of the parent	**423 274**	426 816
696 103	**87 805**			**433 882**	435 859
			Total comprehensive income attributable to:		
–	**–**		Non-controlling interests	**10 608**	9 043
580 850	**83 821**		Owners of the parent	**419 290**	307 697
580 850	**83 821**			**429 898**	316 740
		31	Earnings per share (cents)	**106,8**	105,0
		31	Adjusted earnings per share (cents)	**117,1**	105,0
		31	Headline earnings per share (cents)	**108,8**	98,4
		31	Adjusted headline earnings per share (cents)	**119,1**	98,4
		32	Ordinary dividend paid per share (cents)	**60,0**	55,0
		33	Preference dividend paid per share (cents)	**490,0**	450,0

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2015

COMPANY 2014 R000	COMPANY 2015 R000	Notes		GROUP 2015 R000	GROUP 2014 R000
(707 519)	**(107 733)**		**CASH FLOW FROM OPERATING ACTIVITIES**	**515 149**	295 114
20	**390**	39.1	Cash generated by operations	**766 688**	749 510
(10 742)	**7 599**	39.2	Changes in working capital	**50 847**	(52 994)
(10 722)	**7 989**		Cash generated by operating activities	**817 535**	696 516
(135 762)	**(30 010)**	39.3	Taxation paid	**(175 547)**	(264 153)
39 096	**31 713**		Interest received	**53 562**	55 358
–	**–**		Interest paid	**(2 581)**	(1 180)
494 278	**117 917**		Dividends received	**63 773**	48 899
386 890	**127 609**		**Net cash inflow from operating activities**	**756 742**	535 440
(1 094 409)	**(235 342)**	39.4	Dividends paid	**(241 593)**	(240 326)
1 275 898	**74 912**		**CASH FLOW FROM INVESTING ACTIVITIES**	**(710 567)**	564 654
			Property, plant, equipment and intangibles		
–	**–**	2	– additions to maintain operations	**(303 184)**	(335 488)
			– additions to expand operations	**(150 440)**	(62 163)
–	**–**		– proceeds from disposals	**69 573**	38 077
–	**–**			**(384 051)**	(359 574)
310 222	**74 871**	39.5 & 39.8	Investments – Subsidiary businesses (net of cash acquired)	**(337 342)**	(63 899)
965 676	**41**	39.6	– Associates, other investments and loans	**10 826**	988 127
1 275 898	**74 912**			**(326 516)**	924 228
82 220	**(208 438)**		**CASH FLOW FROM FINANCING ACTIVITIES**	**(32 825)**	(56 096)
138 316	**(175 613)**		Decrease in amount owing to group companies	**–**	–
(56 096)	**(32 825)**		Own shares acquired	**(32 825)**	(56 096)
650 599	**(241 259)**		Net increase/(decrease) in cash and cash equivalents	**(228 243)**	803 672
998 781	**1 649 380**		Cash and cash equivalents at beginning of year	**2 228 655**	1 424 983
1 649 380	**1 408 121**	39.7	Cash and cash equivalents at end of year	**2 000 412**	2 228 655
(6 584)	**(11 480)**		Fair value adjustment of preference shares	**(11 480)**	(6 584)
1 642 796	**1 396 641**	39.7	Fair value of cash and cash equivalents at end of year	**1 988 932**	2 222 071

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2015

R000	Notes	Ordinary share capital	Ordinary share premium	Preference share capital	Non-distributable reserves	Marked to market reserves	Distri-butable reserves	Non-controlling interest	Total
GROUP									
Balance at 1 July 2013		10 566	171 376	100	214 722	360 486	4 590 180	49 539	5 396 969
Total comprehensive income for the year					(3 866)	(115 256)	426 816	9 043	316 737
Share buy-back and cancellation of treasury shares		(770)	134 458				(578 192)		(444 504)
Ordinary dividends paid	32						(234 161)	(5 940)	(240 101)
Preference dividends paid	33						(225)		(225)
Realisation of land and buildings revaluation reserve					(1 382)		1 382		–
Balance at 30 June 2014		**9 796**	**305 834**	**100**	**209 474**	**245 230**	**4 205 800**	**52 642**	**5 028 876**
Total comprehensive income for the year						**(3 984)**	**423 274**	**10 608**	**429 898**
Shares allocated not issued IFRS 2		**200**	**112 204**						**112 404**
Own shares acquired		**(45)**	**(32 780)**						**(32 825)**
Ordinary dividends paid	32						**(235 097)**	**(6 251)**	**(241 348)**
Preference dividends paid	33						**(245)**		**(245)**
Realisation of land and buildings revaluation reserve					**(3 120)**		**3 120**		**–**
Balance at 30 June 2015		**9 951**	**385 258**	**100**	**206 354**	**241 246**	**4 396 852**	**56 999**	**5 296 760**
COMPANY									
Balance at 1 July 2013		11 676	728 155	100	4 469	360 061	1 444 574	–	2 549 035
Total comprehensive income for the year						(115 253)	696 103		580 850
Share buy-back and cancellation of treasury shares		(1 880)	(422 321)				(857 606)		(1 281 807)
Ordinary dividends paid	32						(256 879)		(256 879)
Preference dividends paid	33						(225)		(225)
Balance at 30 June 2014		**9 796**	**305 834**	**100**	**4 469**	**244 808**	**1 025 967**	**–**	**1 590 974**
Total comprehensive income for the year						**(3 984)**	**87 805**		**83 821**
Shares allocated not issued IFRS 2		**200**	**112 204**						**112 404**
Own shares acquired		**(45)**	**(32 780)**						**(32 825)**
Ordinary dividends paid	32						**(235 097)**		**(235 097)**
Preference dividends paid	33						**(245)**		**(245)**
Balance at 30 June 2015		**9 951**	**385 258**	**100**	**4 469**	**240 824**	**878 430**	**–**	**1 519 032**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2015

1 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 2015 comprise the company and its subsidiaries (together referred to as "the group") and the group's interest in associates and jointly controlled entities.

These annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), SAICA financial reporting guidelines as issued by the Accounting Practices Committee, the Companies Act No 71 of 2008 which came into effect on 1 May 2011 and the Listings Requirements of the Johannesburg Stock Exchange.

The financial statements are prepared in thousands of South African Rands (R000) under the historical cost convention except for investments classified as available-for-sale, derivative instruments and certain property, plant and equipment which are stated at fair value.

The accounting policies applied are consistent with those of the prior year except new standards and interpretations disclosed in note 1.24.

1.2 Basis of consolidation

The group financial statements consolidate those of the parent company and all of the entities over which the group has control. The parent controls a subsidiary if it is exposed to, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its powers over the subsidiary. All subsidiaries have a reporting date of 30 June.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income, from the effective date of acquisition or up to the effective date of disposal, as appropriate. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. Identifiable assets, liabilities and contingent liabilities acquired or assumed are initially measured at their respective fair values at acquisition date.

All intra-group transactions, balances, income and expenses and unrealised gains and losses, are eliminated in full on consolidation.

Non-controlling interest holders' interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interest holders' interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest holders' share of changes in equity since the date of the combination.

1.3 Significant judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Judgements made by management in applying the accounting policies are:

Asset lives and residual values

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 at each reporting date and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, machine usage and maintenance programmes are taken into account. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, inflation, taxation rates and competitive forces.

1. ACCOUNTING POLICIES continued

Impairment of assets

Property, plant and equipment as well as financial and non-financial assets are assessed at each reporting date for indications that impairment might exist. These assets are tested for impairment if there is reason to believe that an impairment may be necessary. The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the recoverable amount.

Treatment of preference shares in the statement of cash flows

Management are of the opinion that both unlisted and listed preference shares meet the definition of cash and cash equivalents in terms of IAS 7.

Management is of the opinion that these preference shares have a short maturity as they can be converted into cash in a relatively short period and that they are subject to insignificant changes in value.

1.4 Impairment of assets

The group assesses at each reporting date whether there is any indication that objective evidence exists that might indicate that a financial asset or group of financial assets is impaired irrespective of whether there is any indication of impairment. The group also tests goodwill acquired in a business combination for impairment annually.

If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount exceeds the recoverable amount and the assets are written down to their recoverable amount.

1.5 Property, plant and equipment

Plant and equipment is initially recorded at cost. 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. Costs include costs incurred initially to acquire an item of property, plant and equipment and costs incurred subsequently to add to, or replace part of it. The carrying amount of an item replaced is written off to profit or loss. Costs are only capitalised to the extent that the cost can be measured reliably and it is probable that the cost will result in the inflow of future economic benefits to the group.

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 anticipated residual value over their estimated useful life to the group. Land is not depreciated.

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

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

1.6 Goodwill

Goodwill is measured as the excess of cost (being the consideration transferred, the amount of any non-controlling interest acquired, and the acquisition date fair value of any equity interest already held in the acquiree) over the net acquisition-date 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.

The excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in the statement of comprehensive income.

1.7 Publication titles

Newspaper and magazine publication titles arise on acquisition of newspapers and magazines and are 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.

1.8 Investments in subsidiaries

In the company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. The cost of an investment in a subsidiary is measured at the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company plus any costs directly attributable to the purchase of the subsidiary.

1.9 Investments in associates

Associates are entities over which the group has significant influence but no control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are recognised at cost, less amounts written off and accumulated impairment losses, in the holding company's separate financial statements.

The group's investment in associates includes goodwill identified on acquisition (net of any accumulated impairment loss). The group's share of the associates' post-acquisition profits or losses is recognised in profit and loss and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

1.10 Investments in jointly controlled entities

Investments in joint ventures are accounted for at cost less accumulated impairment in the holding company, and a proportionate share of the assets/liabilities/income and expenses and cash flows are recognised with similar line items in the consolidated financial statements on a line-by-line basis. The accounting policies of the joint ventures are the same as those of the group in all material respects.

1.11 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; and
- 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.

1.12 Share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid and the directly attributable costs, is recognised as a deduction from equity. Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from equity.

1.13 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 generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit or loss nor the accounting profit or loss. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

1. ACCOUNTING POLICIES continued

1.13 Deferred taxation continued

Deferred tax assets arising from deductible temporary differences are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 asset 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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are off-set when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current assets and liabilities on a net basis.

1.14 Provisions

Provisions are recognised when:

- there is a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the timing or the amount is uncertain.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is minimal. 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.

1.15 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 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, excluding those measured other than at fair value through profit and loss, which includes directly attributable transaction costs, being the fair value of the consideration given.

Financial assets, or a portion of financial assets, are derecognised when the group loses control of the contractual rights that comprise the financial assets. The group loses such control if it realises the rights to benefits specified in the contract, the rights expire, or if the group surrenders those rights. Financial liabilities are derecognised when they are extinguished – that is, when the obligation specified in the contract is discharged, cancelled or expires.

Subsequently the financial instruments are measured as follows:

Investments

Purchases and sales of investments are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Listed and unlisted investments and preference shares, other than investments in associates, subsidiaries and joint ventures are classified as available-for-sale or held for trading. Listed investments, unlisted investments and preference shares are initially measured at fair value including transaction costs. Listed and unlisted investments and preference shares are subsequently measured at fair value with fair value adjustments recognised as other comprehensive income in respect of available-for-sale investments, and profit and loss in respect of held for trading investments. Fair value is determined by reference to the market value of listed and unlisted investments.

When the available-for-sale asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss.

Accounts receivable

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

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in banks, short-term deposits, bank overdrafts and preference shares. Those cash and cash equivalents that do not have a fixed maturity are measured at amortised cost using effective interest rates.

Accounts payable

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

1.16 Foreign currency transactions

Foreign currency transactions are recorded on initial recognition in Rand, by applying to the foreign currency amount the exchange rate between the Rand and the 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 as profit or loss in the period in which they arise.

1.17 Derivative financial instruments

The group has entered into derivative contracts to hedge foreign exchange exposure. Upon initial recognition, these are measured at fair value and subsequent measurement is at fair value through profit or loss with gains or losses on fair value measurements recorded in profit or loss.

Upon derecognition the difference between the carrying amount of the financial liability and the consideration paid will be recognised in profit or loss.

1.18 Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and value added tax. Revenue is recognised when the significant risks and rewards have been transferred to the buyer, recovery of the consideration is probable and the associated costs and possible return of goods can be estimated reliably.

Dividends are recognised when the group’s right to receive the revenue is established. Interest revenue is recognised on a time-apportionment basis that takes into account the effective yield on the investment.

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 care), 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.

The expected cost of 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. ACCOUNTING POLICIES continued

1.20 Leases

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

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

This asset or liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.21 Determination and presentation of operating segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the senior management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the group's headquarters and the sub-group's headquarters). Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets, other than goodwill. Operating segments' disclosure is based on the information that internally is provided to the executive directors, who are ultimately responsible for the decision-making process.

1.22 Financial risk management

The company's activities expose it to a variety of financial risks, namely: currency risk, credit risk, liquidity risk and cash flow 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 SA Rands. These transactions, mainly for the import of capital equipment and inventory are substantially hedged by utilising forward exchange contracts. Details of forward exchange contracts that do not relate to amounts on the statement of financial position are given in note 35.

(b) Credit risk

The company has no significant concentrations of credit risk, due to the diversity of its customers. It has policies in place to ensure that sales of services are made to customers with appropriate credit history. Transactions are limited to high-credit-quality financial institutions.

(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.

(d) Cash flow and interest rate risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company has significant interest-bearing assets and interest is earned at competitive market-related rates.

1.23 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***

Allowances for impairment of debtors

Basis for determining value assigned to key assumption:

The recoverability of debtors is reviewed by management on an ongoing basis and all amounts considered to be irrecoverable, based on history of default and management's past experience, are provided for.

- ***Key assumption***

Impairment of assets

Basis for determining value assigned to key assumption:

Where the group has an asset for which there is no operational use, it is impaired to its recoverable amount. Recoverable amount is determined with reference to the assets value in use taking into account growth rates and discount rates.

- ***Key assumption***

Revaluation of property

Basis for determining value assigned to key assumption:

The group revalues its properties every five years, using an independent professional valuer. The basis applied by the valuer is determined with reference to an open-market value.

- ***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 rate taking into account any risk factors.

1. ACCOUNTING POLICIES continued

1.24 Standards that became effective during the current financial year

Standard		Details of amendment	Effective from
IFRS 2:	Share-based Payments	Annual Improvements 2010 – 2012 Cycle: Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions.	1 July 2014
IFRS 3:	Business Combinations	Annual Improvements 2010 – 2012 Cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9.	1 July 2014
		Annual Improvements 2011 – 2013 Cycle: Amendments to the scope paragraph for the formation of a joint arrangement.	1 July 2014
IFRS 8:	Operating Segments	Annual Improvements 2010 – 2012 Cycle: Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations.	1 July 2014
IFRS 12:	Disclosure of Interests in Other Entities	Investment Entities: Applying the Consolidation Exception: Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the cost of applying the Standards.	1 January 2014
IFRS 13:	Fair Value Measurement	Annual Improvements 2010 – 2012 Cycle: Amendments to clarify the measurement requirements for those short-term receivables and payables.	1 July 2014
		Annual Improvements 2011 – 2013 Cycle: Amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with IAS 39 or IFRS 9.	1 July 2014
IAS 16:	Property, Plant and Equipment	Annual Improvements 2010 – 2012 Cycle: Amendments to the Revaluation method – proportionate restatement of accumulated depreciation.	1 July 2014
IAS 19:	Employee Benefits	Amendments to defined Benefit Plans: Employee Contributions whereby the requirements in IAS 19 for contributions from employees or third parties that are linked to service have been amended.	1 July 2014
IAS 24:	Related Party Disclosure	Annual Improvements 2010 – 2012 Cycle: Amendments to the definitions and disclosure requirements for key management personnel.	1 July 2014
IAS 38:	Intangible Assets	Annual Improvements 2010 – 2012 Cycle: Amendments to the revaluation method – proportionate restatement of accumulated depreciation.	1 July 2014
IAS 40:	Investment Property	Annual Improvements 2011 – 2013 Cycle: Amendments to clarify the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.	1 July 2014
IFRS 9:	Financial Instruments	IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement.	1 January 2014
IFRS 10:	Consolidated Financial Statements	!FRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement.	1 January 2014
!IFRS 12:	Disclosure of Interests in Other Entities	New disclosures required for investment Entities (as defined in IFRS 10).	1 January 2014

Standard		Details of amendment	Effective from
IAS 27:	Consolidated and separate financial statements	Requirement to account for interest in 'Investment Entities' at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments; Recognition and Measurement, in the separate financial statements of a parent.	1 January 2014
IAS 36:	Impairment Assets	The amendment to IAS 36 clarifies the required disclosures of information about the recoverability amount of impaired assets if that amount is based on fair value less costs of disposal.	1 January 2014

There was no material impact at the adoption of these financial statements.

Standards in issue but not yet effective

Standard		Details of amendment	Effective from
IFRS 5:	Non-current Assets Held for Sale and Discontinued Operations	Annual Improvements 2010 – 2012 Cycle: Amends IFRS 5 to clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or *vice versa*), the accounting guidance in paragraphs 27 – 29 of IFRS 5 does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27 – 29.	1 July 2016
IFRS 7:	Financial Instruments	Annual Improvements 2010 – 2012 Cycle: These amendments clarify that the additional disclosure required by the recent amendments to IFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with IAS 34 Interim Financial Reporting when its inclusion would be necessary in order to meet the general principles of IAS 34.	1 July 2016
IFRS 9:	Financial Instruments	!FRS 9 'Financial Instruments (2014)' replaces IAS 39 'Financial Instruments: Recognition and Measurement'. Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 'Consolidated Financial Statements' and those in IAS 28 (2011) 'Investments in Associates' in dealing with the sale or contribution of a subsidiary. Annual Improvements 2010 – 2012 Cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9.	1 January 2018 1 January 2016
IFRS 10:	Consolidated Financial Statements	Amendments to address an acknowledged inconsistency between the requirements in IFRS 10 'Consolidated Financial Statements' and those in IAS 28 (2011) 'Investments in Associates' in dealing with the sale or distribution of a subsidiary. Amendments confirming that the IFRS 10.4(a) consolidation exemption is also available to parent entities which are subsidiaries of investment entities where the investment entity measures its investments at fair value in terms of IFRS 10.31. Amendments modifying IFRS 10.32 to state that the consolidation requirements only applies to subsidiaries who are not themselves investment entities and whose main purpose is to provide services which relate to the investment entity's investment activities. Amendments provision relief to non-investment entity investors in associates or joint ventures that are investment entities by allowing the non-investment entity investor to retain, when applying the equity method, the fair value measurement applied by the investment entity associates of joint ventures to their interests in subsidiaries.	1 January 2016
IFRS 11:	Joint Arrangements	Amendments to provide guidance on the accounting for the acquisition of an interest in a joint operation which the activity of the joint operation constitutes a business.	1 January 2016

1.24 Standards that became effective during the current financial year continued

Standards in issue but not yet effective continued

Standard		Details of amendment	Effective from
IFRS 15:	Revenue from Contracts with Customers	New guidance on recognition of revenue that requires recognition of revenue in a manner that depicts the transfer of goods or service to customers at an amount that reflects the consideration the entity expects to be entitled to in exchange for these goods or services.	1 January 2018
IAS 1:	Presentation of financial statements	Amendments clarifying the materiality requirements of IAS 1 including the emphasis of the potentially detrimental effect of obscuring useful information with immaterial information. Amendments clarifying IAS 1's specified line items on the statement(s) of profit and loss and other comprehensive income and the statement of financial position can be disaggregated. Additional requirements of how entities should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position. Clarification entities have flexibility as to the order in which they present their notes to the financial statements, but also emphasising the need to consider fundamental principles of comparability and understandability in determining the order. Removal of potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.	1 January 2016
IAS 16:	Property, Plant and Equipment	Amendments to prohibit the use of a revenue-based depreciation method for property, plant and equipment as well as guidance in the application of the diminishing balance method for property, plant and equipment.	1 January 2016
IAS 27:	Consolidated and Separate Financial Statements	Amendments to introducing a third option which allows entities to account for investments in subsidiaries, joint ventures and associates under the equity method in their separate financial statements.	1 January 2016
IAS 28:	Investments in Associates	Amendments to address an acknowledge inconsistency between the requirements in IFRS 10 'Consolidated Financial Statements' and those in IAS 28 (2011) 'Investment in Associates' in dealing with the sale or contribution of a subsidiary. In addition IAS 28 (2011) has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of these assets is part of multiple arrangements that should be accounted for as a single transaction.	1 January 2016
IAS 34:	Interim Financial Reporting	Annual Improvements 2012 – 2014 Cycle: The amendments clarify the meaning of disclosure of information elsewhere in the interim financial report and require the inclusion of a cross-reference from the interim financial statements to the location of this information. The amendments specify that this information must be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time, or the interim financial statements will be incomplete.	1 July 2016
IAS 38:	Intangible Assets	Amendments present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate except in two limited circumstances, as well as provide guidance in the application of the diminishing balance method for intangible assets.	1 January 2016

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact.

2. PROPERTY, PLANT AND EQUIPMENT

Cost or valuation GROUP R000	Freehold land and buildings	Leasehold improve-ments	Plant and machinery	Vehicles	Furniture and equip-ment	Titles	Total
Year ended 30 June 2015							
Opening net book value	**666 977**	**791**	**1 468 013**	**19 072**	**52 417**	**1 338**	**2 208 608**
Additions	**139 381**	**400**	**285 025**	**4 480**	**24 338**	**–**	**453 624**
Disposals	**(546)**	**–**	**(54 431)**	**(425)**	**(3 126)**	**–**	**(58 528)**
Impairment	**–**	**–**	**(22 174)**	**–**	**–**	**–**	**(22 174)**
Acquisition	**–**	**1 657**	**169 231**	**1 242**	**3 384**	**8 597**	**184 111**
Depreciation	**(5 511)**	**(1 720)**	**(234 585)**	**(8 556)**	**(30 067)**	**(288)**	**(280 727)**
Closing net book value	**800 301**	**1 128**	**1 611 079**	**15 813**	**46 946**	**9 647**	**2 484 914**
Summary							
Cost	**184 767**	**5 031**	**3 733 408**	**77 843**	**251 358**	**39 041**	**4 291 448**
Valuation	**647 804**	**–**	**–**	**–**	**–**	**–**	**647 804**
	832 571	**5 031**	**3 733 408**	**77 843**	**251 358**	**39 041**	**4 939 252**
Accumulated depreciation and impairment	**(32 270)**	**(3 903)**	**(2 122 329)**	**(62 030)**	**(204 412)**	**(29 394)**	**(2 454 338)**
Net carrying amount	**800 301**	**1 128**	**1 611 079**	**15 813**	**46 946**	**9 647**	**2 484 914**
Year ended 30 June 2014							
Opening net book value	649 622	791	1 776 227	20 180	39 173	–	2 485 993
Purchases	30 480	–	323 381	7 451	32 689	1 853	395 854
Disposals	(7 599)	–	(30 780)	(127)	(1 171)	–	(39 677)
Impairment	–	–	(384 175)	–	–	(500)	(384 675)
Acquisition of subsidiaries	32	–	5 367	114	5 328	–	10 841
Depreciation	(5 558)	–	(222 007)	(8 546)	(23 602)	(15)	(259 728)
Closing net book value	666 977	791	1 468 013	19 072	52 417	1 338	2 208 608
Summary							
Cost	45 932	2 974	3 525 400	82 061	259 867	30 444	3 946 678
Valuation	647 804	–	–	–	–	–	647 804
	693 736	2 974	3 525 400	82 061	259 867	30 444	4 594 482
Accumulated depreciation and impairment	(26 759)	(2 183)	(2 057 387)	(62 989)	(207 450)	(29 106)	(2 385 874)
Net carrying amount	666 977	791	1 468 013	19 072	52 417	1 338	2 208 608

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

2.2 The impairment of plant and machinery was as a result of obsolescence, restructuring and the recoverable amounts was exceeded by the carrying amounts. The plant and machinery impaired was printing equipment and ancillary equipment. R11,4 million (2014: R350,6 million) was included in the publishing, printing and distribution segment, R10,8 million (2014: R28,4 million) was included in the packaging segment and Rnil million (2014: R5,1 million) was included in the segment disclosed as "other". The recoverable amount of assets which were obsolete due to restructuring and replacement were considered to be nil and an impairment of R22,2 million (2014: R219,3 million) was recognised. In 2014 various plant and machinery's recoverable amounts exceeded the carrying amount which gave rise to an impairment charge of R164,9 million. The cash flow used in the value in use calculation was the forecast for five years and the key assumptions were as follows:

- Average growth rates of between – 6,3% and 10%.
- Discount rate of 14,79%. (Weighted average cost of capital).

In 2014 the impairment of the titles was as a result of assessing future cash flows of these titles. The recoverable amount of the titles was considered to be R1,3 million and an impairment of R0,5 million was recognised. This asset impairment was recognised in the publishing, printing and distribution segment.

2. PROPERTY, PLANT AND EQUIPMENT continued

2.3 Fair value of the group's main property assets were based on appraisals performed by Balme van Wyk and Tugman (Pty) Limited independent valuers, on 30 June 2012. The fair values of the properties were determined on an open market valuation basis. The valuation processes and fair value changes are reviewed by the Board of Directors and Audit Committee at each reporting date. These are all measured using a Level 3 approach. The fair value at year end still approximates the carrying amount.

Fixed property with a fair value of R32 000, recognised upon the acquisition of Media Digital in November 2013, was not revalued at the reporting date. Management determined that the effect of changes in fair values between the acquisitions and reporting date is immaterial.

2.4 The net carrying value of the properties would have been R596 946 575 (2014: R463 221 951) had the asset been measured using the historic cost model.

COMPANY			GROUP	
2014	2015		2015	2014
R000	R000		R000	R000
		3. GOODWILL		
		Opening net book value	–	–
		Acquisition of subsidiaries	–	74 873
		Impairment	–	(74 873)
–	–	Closing net book value	–	–
		Summary		
		Gross carrying amount	**128 934**	128 934
		Impairment	**(128 934)**	(128 934)
–	–	Net carrying amount	–	–

Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the business combination. The goodwill arising during 2014 on the acquistion of Ramsay Media, Harbari Media and MegaDigital (R74,9 million) was allocated to the publishing CGU – which forms part of the publishing, printing and distribution segment.

Value in use was used as the basis to determine the recoverable amount of the CGU.

The cash flows used in the value in use calculation was the forecast for five years and the following key assumptions were applied by management:

The cash flows used in the calculation was the forecast for five years and the following key assumptions were applied:

- Average growth rate of between 0% and 6%
- Discount rate of between 16% and 18%

The Board believes that this forecast was justified due to the long-term nature of each business. The values assigned to key assumptions represent management's assessment of the business and are based on both external and internal sources of historical data.

In 2014 the carrying amount of the goodwill exceeded the recoverable amount as determined above and an impairment loss of R74,9 million was raised. The reason for the recognition of the impairment loss was the ongoing decline in the magazine market; and for the digital printing division the reason was the obsolescence of the equipment.

COMPANY			GROUP	
2014 R000	2015 R000		2015 R000	2014 R000
		4. INTEREST IN SUBSIDIARIES		
1 473 331	**1 390 843**	Shares at cost	**–**	–
(82 488)	**(2 864)**	Less accumulated impairment	**–**	–
1 390 843	**1 387 979**			
118 716	**43 845**	Amount owing by subsidiaries	**–**	–
1 509 559	**1 431 824**		**–**	–
1 390 843	**1 387 979**	Shown as non-current assets	**–**	–
118 716	**43 845**	Shown as current assets	**–**	–
		The amounts owing by the subsidiaries are unsecured bear interest at market related rates determined from time to time and are repayable on demand.		
		5. INTEREST IN ASSOCIATES		
		Associated companies		
130 284	**130 284**	Shares at cost	**162 168**	149 968
–	**(9 324)**	Less accumulated impairment	**–**	–
–	**–**	Share of post-acquisition reserves	**72 511**	64 919
130 284	**120 960**	Total carrying value	**234 679**	214 887
11 480	**11 438**	Loans	**5 351**	6 808
141 764	**132 398**		**240 030**	221 695
		Associated company details are set out on page 66.		
		Fair value of listed investments in Cognition Holdings Limited at 30 June was R99,4 million (2014: R108 million).		

Loans to associated companies

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 gross carrying value of the loan.

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 interest rates which are charged on the loan accounts.

Management assesses the recoverability of the loans on an ongoing basis. The loans are unsecured, bear interest at market related rates agreed upon from time to time and have no fixed terms of repayment.

At 30 June 2015, 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 R0,1 million (2014: R0,2 million).

If interest rates had been 1% lower, group post-tax profit would have decreased by approximately R0,1 million (2014: R0,2 million).

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		6. INVESTMENTS		
		Listed investments – available-for-sale		
–	**–**	Old Mutual PLC	**34**	31
–	**–**		**34**	31
		Unlisted investments – available-for-sale		
9 312	**9 312**	Thebe Convergent Technology Holdings (Pty) Ltd – preference shares	**9 312**	9 312
–	**–**	Stanlib Income Fund	**19 680**	18 679
9 312	**9 312**		**28 992**	27 991
9 312	**9 312**	**Total investments**	**29 026**	28 022
9 312	**9 312**	Fair value of investments	**29 026**	28 022

Investments listed – available-for-sale
Equity price risk refers to the risk that the fair value of the future cash flows of the listed investments will fluctuate because of changes in the market prices.

The Group's available for sale financial assets are valued using the fair market value at 30 June 2015.

Fair value estimation
IFRS 13 requires disclosures of fair value measurements by level of the following fair value measurement hierachy:

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:

- Old Mutual is Level 1
- Thebe Convergent Technology and Stanlib are Level 2

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		7. INVENTORIES		
		Raw materials	**569 723**	479 852
		Work in progress	**73 372**	50 419
		Finished goods	**168 564**	108 479
–	**–**		**811 659**	638 750
		Comprising:		
		Inventory at cost	**797 039**	630 235
		Inventory at net realisable value	**14 620**	8 515
–	**–**		**811 659**	638 750
		Write down of inventories less costs to sell as an expense	**3 170**	7 016

COMPANY 2014 R000	2015 R000			GROUP 2015 R000	2014 R000
		8.	**ACCOUNTS RECEIVABLE**		
–	**–**		Trade accounts receivable	**1 014 614**	931 071
–	**–**		Allowance for impairments	**(45 365)**	(37 710)
–	**–**		Prepayment and deferred expenditure	**21 463**	12 468
20 764	**13 533**		Other accounts receivable	**61 346**	76 364
20 764	**13 533**			**1 052 058**	982 193

Trade accounts receivable

Exposure to credit risk

Gross trade receivables represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:	**1 014 614**	931 071

The maximum exposure to credit risk for gross trade receivables at the reporting date by type of customer was:

	Average debtors terms (days)	2015 R000	2014 R000
Parastatals/government	60	**10 049**	10 822
Corporates	30	**862 571**	767 971
SMMEs	30	**133 548**	138 774
Individuals	30	**8 446**	13 504
		1 014 614	931 071

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

The maximum exposure to credit risk for gross trade receivables at the reporting date by geographical region was:

	Average debtors terms (days)	2015 R000	2014 R000
South Africa	30	**960 587**	909 899
Rest of Africa	60	**54 027**	21 172
		1 014 614	931 071

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		8. ACCOUNTS RECEIVABLE continued		
		Management views the debtors' days per geographic region as within expectations compared with the group's standard payment terms for that region.		
		Debtors' days differ in Africa due to local economic and market conditions and risks involved in trading in that geographic region.		
		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.		
		Trade receivables		
		Within terms	**973 933**	895 069
		Current	**517 936**	469 836
		Due 30 days and less	**308 659**	260 550
		Due 30 to 60 days	**97 554**	106 393
		Due 60 to 90 days	**40 947**	47 299
		Due 90 days+	**8 837**	10 991
		Past due	**40 681**	36 002
		Due 60 to 90 days	**9 154**	10 457
		Due 90 days+	**31 527**	25 545
–	**–**		**1 014 614**	931 071
		Listings of overdue customer balances are reviewed monthly and reviewed against their credit terms/limits. Customers exceeding their credit terms/limits must settle their overdue balances before any further credit is extended.		
		Appropriate action is taken to recover long overdue debts.		
		Allowance for impairment of debtors		
		Opening balance	**37 710**	36 317
		Impairment loss (reversed)/recognised	**(10 170)**	(11 470)
		Additional impairment loss	**17 825**	12 863
–	–		**45 365**	37 710
		The following impairment losses/(reversal) were recognised:		
		Financial difficulties/bankruptcy	**2 174**	3 140
		Absconded	**947**	–
		Dispute	**4 534**	(1 747)
–	–		**7 655**	1 393

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		8. ACCOUNTS RECEIVABLE continued		
		Analysis of impairment of debtors		
		Current trade receivables	**–**	–
		Amounts in 30 days and less	**370**	9
		Amounts in 30 to 60 days	**3 756**	2 835
		Amounts in 60 to 90 days	**721**	916
		Amounts in 90 days+	**12 978**	9 103
–	**–**		**17 825**	12 863
		Other receivables		
		The carrying amount of the following financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:		
20 764	**13 533**	Other accounts receivable	**61 346**	76 364
20 764	**13 533**		**61 346**	76 364
		9. PREFERENCE SHARES LISTED – AVAILABLE-FOR-SALE		
6 735	**6 375**	Preference shares earning a dividend, payable semi-annually, of 72% of prime.	**6 375**	6 735
58 847	**54 310**	Preference shares earning a dividend payable semi-annually, of between 52,19% and 52,65% of prime	**54 310**	58 847
65 582	**60 685**		**60 685**	65 582
		10. PREFERENCE SHARES UNLISTED – AVAILABLE-FOR-SALE		
850 000	**1 050 000**	Preference shares earning a dividend of 55,89% – 58,42% of prime.	**1 050 000**	850 000
850 000	**1 050 000**		**1 050 000**	850 000

The group is exposed to interest rate risk as the dividend yield on the preference shares are linked to fixed percentages of the prime rate of interest, which is subject to fluctuations in the fair value of future cash flows.

The group is exposed to equity securities price risk on the listed preference shares as investments are held and classified on the statement of financial position as available for sale.

Management does not consider to have any credit risk associated with these investments in preference shares as the instruments are those of reputable counterparties that have a credit rating of at least A1 by Standard & Poor's.

At 30 June 2015, 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 R10,5 million (2014: R6,6 million).

If interest rates had been 1% lower group post-tax profit would have decreased by approximately R10,5 million (2014: R6,6 million).

Refer to note 27 for the amount of dividends and interest received.

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		11. BANK AND CASH RESOURCES		
–	**–**	Cash at bank	**381 568**	389 465
849 110	**408 107**	Cash on call and deposit	**496 679**	917 024
849 110	**408 107**		**878 247**	1 306 489

The group's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions. As a result the group has insignificant credit risk with respect to cash and cash equivalents on the statement of financial position at year-end. Surplus funds are invested in such a manner as to achieve maximum returns and whilst minimising risk. The group's cash deposits are for short periods ranging from daily to monthly at fluctuating market-related rates and exposure to interest rate risk therefore exists.

At 30 June 2015, 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 R7,4 million (2014: R7,9 million).

If interest rates had been 1% lower group post-tax profit would have decreased by approximately R7,4 million(2014:R7,9 million).

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		12. SHARE CAPITAL		
		AUTHORISED		
		Ordinary shares		
30 000	**30 000**	1 200 000 000 ordinary shares of 2,5 cents each	**30 000**	30 000
		Preference shares		
200	**200**	100 000 6% cumulative participating preference shares of R2 each	**200**	200
		ISSUED		
		Ordinary shares		
9 796	**9 751**	390 030 651 (2014: 391 827 651) ordinary shares of 2,5 cents each	**9 751**	9 796
		Preference shares		
100	**100**	50 000 6% cumulative participating preference shares of R2 each	**100**	100
		ALLOCATED BUT UNISSUED		
		Ordinary shares		
–	**200**	8 000 000 ordinary shares of 2,5 cents each	**200**	–

The unissued shares are under the control of the directors until the next annual general meeting.

COMPANY				GROUP	
2014	2015			2015	2014
R000	R000			R000	R000
		13.	**NON-DISTRIBUTABLE RESERVES**		
			Comprises:		
4 469	**4 469**		Realisation reserve	**32 975**	32 975
–	**–**		Loans acquired at a discount	**16 515**	16 515
–	**–**		Surplus on revaluation of land and buildings (net of tax)	**160 406**	160 406
244 808	**240 825**		Fair value adjustments – investments (net of tax)	**237 704**	244 808
249 277	**245 294**			**447 600**	454 704
		14.	**RETAINED INCOME**		
1 025 967	**878 430**		Accumulated profits	**4 396 852**	4 205 800
		15.	**NON-CONTROLLING INTEREST**		
			Balance at beginning of the year	**52 642**	49 539
			Share of earnings	**10 608**	9 043
			Dividends	**(6 251)**	(5 940)
–	**–**		Balance at end of year	**56 999**	52 642
		16.	**DEFERRED TAXATION**		
82 407	**(1 229)**		Balance at beginning of year	**262 778**	465 378
–	**–**		Profit or loss transfer	**19 424**	(112 399)
(83 636)	**(913)**		Non-distributable reserves transfer – revaluations	**(913)**	(85 079)
–	**–**		Disposal	**–**	(5 122)
(1 229)	**(2 142)**		Balance at end of year	**281 289**	262 778
			Comprising:		
–	**–**		Credit balances	**283 431**	281 305
(1 229)	**(2 142)**		Debit balances	**(2 142)**	(18 527)
			Deferred taxation comprises temporary differences arising on:		
–	**–**		– property, plant and equipment	**369 887**	356 760
(1 229)	**(2 142)**		– investments	**(2 142)**	(1 229)
–	**–**		– accounts receivable	**(5 623)**	(4 140)
–	**–**		– accounts payable	**(66 492)**	(70 605)
–	**–**		– assessed losses	**(4 855)**	(9 243)
–	**–**		– other	**(9 486)**	(8 765)
(1 229)	**(2 142)**			**281 289**	262 778

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		17. ACCOUNTS PAYABLE		
–	–	Trade accounts payable	**532 189**	365 070
7 934	**8 302**	Sundry accounts payable and accruals	**353 123**	373 961
7 934	**8 302**		**885 312**	739 031

Trade payables

Management of liquidity risk

The group has negotiated favourable credit terms with suppliers, which 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 suppliers are paid when due.

Currency risk

The group has clearly defined policies for the management of foreign currency risks. Transactions which create foreign currency cash flows are hedged with forward exchange and currency hedge contracts.

There are no further foreign currency risks.

Interest rate risk

The group has no material exposure to interest risk as there are no suppliers that charge interest.

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		18. PROVISIONS		
		Bonus		
		Opening balance	**72 214**	58 504
		Additional provisions	**68 371**	63 881
		Acquired	**6 340**	–
		Utilised	**(79 368)**	(50 171)
–	–	Closing balance	**67 557**	72 214
		Leave pay		
		Opening balance	**25 158**	20 436
		Additional provisions	**24 471**	21 439
		Acquired	**12 861**	–
		Utilised	**(28 196)**	(16 717)
–	–	Closing balance	**34 294**	25 158
		Volume discount allowed		
		Opening balance	**16 407**	19 565
		Additional provisions	**59 336**	39 105
		Acquired	**2 492**	–
		Utilised	**(60 982)**	(42 263)
–	–	Closing balance	**17 253**	16 407
		Retrenchments		
		Opening balance	**90 905**	39 618
		Additional provisions	**1 392**	66 145
		Acquired	**51 916**	–
		Utilised	**(104 299)**	(14 858)
–	–	Closing balance	**39 914**	90 905

COMPANY			GROUP	
2014	2015		2015	2014
R000	R000		R000	R000
		18. PROVISIONS continued		
		Other		
		Opening balance	**44 035**	39 276
		Additional provisions	**58 469**	43 016
		Acquired	**38 325**	15 527
		Utilised	**(74 947)**	(53 784)
–	**–**	Closing balance	**65 882**	44 035
		Total provisions		
		Opening balance	**248 719**	177 399
		Additional provisions	**212 039**	233 586
		Acquired	**111 934**	15 527
		Utilised	**(347 792)**	(177 793)
–	**–**	Closing balance	**224 900**	248 719

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

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

Volume discounts are paid after the financial year-end.

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

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

19. AMOUNTS OWED TO GROUP COMPANIES

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
1 705 352	**1 529 739**	The amounts owed are unsecured, interest free and repayable on demand	**–**	–

20. FINANCIAL ASSETS BY CATEGORY

R000	Loans and receivables	Non-financial instruments	Available-for-sale	Total
GROUP				
2015				
Property, plant and equipment	**–**	**2 484 914**	**–**	**2 484 914**
Interests in associates	**5 351**	**234 679**	**–**	**240 030**
Investments		**–**	**29 026**	**29 026**
Loans to directors	**71 416**	**–**	**–**	**71 416**
Deferred taxation	**–**	**2 142**		**2 142**
Inventories	**–**	**811 659**	**–**	**811 659**
Accounts receivables	**1 030 595**	**21 463**	**–**	**1 052 058**
Taxation	**–**	**10 226**	**–**	**10 226**
Preference shares – listed	**–**	**–**	**60 685**	**60 685**
Preference shares – unlisted	**–**	**–**	**1 050 000**	**1 050 000**
Bank and cash resources	**878 247**	**–**	**–**	**878 247**
	1 985 609	**3 565 083**	**1 139 711**	**6 690 403**
2014				
Property, plant and equipment	–	2 208 608	–	2 208 608
Interests in associates	6 808	214 887	–	221 695
Investments		–	28 022	28 022
Deferred taxation	–	18 527		18 527
Inventories	–	638 750	–	638 750
Accounts receivables	969 725	12 468	–	982 193
Preference shares – listed	–	–	65 582	65 582
Preference shares – unlisted	–	–	850 000	850 000
Bank and cash resources	1 306 489	–	–	1 306 489
	2 283 022	3 093 240	943 604	6 319 866
COMPANY				
2015				
Interest in subsidiaries	**–**	**1 387 979**	**–**	**1 387 979**
Interest in associates	**11 438**	**120 960**	**–**	**132 398**
Investments	**–**	**–**	**9 312**	**9 312**
Loans to directors	**71 416**	**–**	**–**	**71 416**
Deferred taxation	**–**	**2 142**	**–**	**2 142**
Accounts receivables	**13 533**	**–**	**–**	**13 533**
Amounts owed by group companies	**43 845**	**–**	**–**	**43 845**
Preference shares – listed	**–**	**–**	**60 685**	**60 685**
Preference shares – unlisted	**–**	**–**	**1 050 000**	**1 050 000**
Bank and cash resources	**408 107**	**–**	**–**	**408 107**
	548 339	**1 511 082**	**1 119 997**	**3 179 417**
2014				
Interest in subsidiaries	–	1 390 843	–	1 390 843
Interest in associates	11 480	130 284	–	141 764
Investments	–	–	9 312	9 312
Accounts receivables	20 764	–	–	20 764
Amounts owed by group companies	118 716	–	–	118 716
Deferred taxation	–	1 229	–	1 229
Preference shares – listed	–	–	65 582	65 582
Preference shares – unlisted	–	–	850 000	850 000
Bank and cash resources	849 110	–	–	849 110
	1 000 710	1 522 356	924 894	3 447 320

21. FINANCIAL LIABILITIES BY CATEGORY

R000	Non-financial instruments	Amortised cost	Total
GROUP			
2015			
Deferred taxation	**283 431**	**–**	**283 431**
Accounts payable	**–**	**885 312**	**885 312**
Provisions	**224 900**	**–**	**224 900**
	508 331	**885 312**	**1 393 643**
2014			
Deferred taxation	281 305	–	281 305
Accounts payable	–	739 031	739 031
Taxation	21 935	–	21 935
Provisions	248 719	–	248 719
	551 959	739 031	1 290 990
COMPANY			
2015			
Taxation	**192**	**–**	**192**
Accounts payable	**–**	**8 302**	**8 302**
Amounts owed to group companies	**–**	**1 529 739**	**1 529 739**
Bank overdraft		**122 151**	**122 151**
	192	**1 660 192**	**1 660 384**
2014			
Deferred taxation	21 164	–	21 164
Accounts payable	–	7 934	7 934
Amounts owed to group companies	–	1 705 352	1 705 352
Bank overdraft		121 896	121 896
	21 164	1 835 182	1 856 346

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		22. TURNOVER		
–	**–**	The group's turnover comprises invoiced sales and circulation revenue.	**6 261 388**	5 389 551
		23. STAFF COSTS		
		– Salaries, wages and bonuses	**1 347 227**	1 180 030
		– Retirement benefit costs	**60 162**	47 885
–	**–**		**1 407 389**	1 227 915

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		24. OTHER NET OPERATING EXPENSES		
		Income		
		Profit on sale of property, plant and equipment	**11 045**	–
		Foreign currency profits	**1 785**	1 536
–	**–**		**12 830**	1 536
		Expenditure		
		Auditors' remuneration:		
336	**336**	– audit fees	**6 753**	6 949
–	**–**	– underprovision previous year	**53**	–
–	**–**	– fees for other services	**360**	330
–	**–**	– expenses	**24**	118
336	**336**		**7 190**	7 397
		Fees for:		
		– administrative, managerial and secretarial services	**14 100**	12 855
		– royalties	**3 606**	3 247
–	**–**		**17 706**	16 102
		Loss on sale of property, plant and equipment	**–**	1 600
		Foreign currency losses realised	**2 234**	3 395
		Operating leases		
		– buildings	**33 980**	19 487
		– equipment	**3 226**	513
		25. DEPRECIATION AND IMPAIRMENT		
		Depreciation		
		– buildings and leasehold improvements	**7 231**	5 558
		– plant and machinery	**234 585**	222 007
		– motor vehicles	**8 556**	8 546
		– furniture and equipment	**30 067**	23 602
		– titles	**288**	15
–	**–**		**280 727**	259 728
		Impairment		
		– plant and machinery	**22 174**	384 175
		– titles	**–**	500
		– goodwill	**–**	74 873
82 488	**12 189**	– interest in subsidiaries	**–**	–
82 488	**12 189**		**22 174**	459 548
82 488	**12 189**		**302 901**	719 276

26. DIRECTORS' EMOLUMENTS

	Executive Directors			Non-executive Directors							
	TD	PG	TJW	PM	ACG	NA	J	T	GM	P	
R000	Moolman	Greyling	Holden	Jenkins	Molusi	Nemukula	Phalane	Slabbert	Utian	Vallet	Total
Directors' fees				**500**	**158**	**158**	**81**	**250**		**28**	**1 175**
Fees for services				**540**							**540**
Salary	**3 380**	**2 214**	**2 117**						**2 246**		**9 957**
Bonuses		**5 000**	**1 500**								**6 500**
Travel allowance			**137**								**137**
Medical funding		**14**	**16**								**30**
Retirement funding		**231**	**138**								**369**
Total 2015	**3 380**	**7 459**	**3 908**	**1 040**	**158**	**158**	**81**	**250**	**2 246**	**28**	**18 708**
Total 2014	3 308	7 459	2 966	1 508	150	150	–	210	4 966	194	20 911

	2015 R000	2014 R000
Paid by subsidiaries	**18 708**	20 911

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		27. FINANCE INCOME		
39 096	**31 713**	– interest	**53 562**	55 358
7 164	**50 594**	– dividends: listed companies	**4 949**	7 164
57 300	**33 886**	– dividends: unlisted companies	**58 824**	41 735
429 814	**33 437**	– dividends: subsidiary companies	**–**	–
533 374	**149 630**		**117 335**	104 257
		28. FINANCE COSTS		
–	**–**	– interest on bank overdraft	**43**	150
–	**–**	– other interest	**2 538**	1 030
–	**–**		**2 581**	1 180
		29. FAIR VALUE MOVEMENTS ON CURRENCY HEDGES		
–	**–**	Resulting from the fair value of foreign exchange contracts outstanding at year-end	**(5 444)**	1 431
		The fair value of contracts outstanding at year end was R120,0 million (2014: R93,7 million).		

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		30. TAXATION		
		South African normal tax		
11 324	**9 251**	– current	**146 745**	155 891
(29)	**(213)**	– prior year	**(3 359)**	(4 922)
–	**–**	– foreign	**–**	71
		Deferred tax		
–	**–**	– current	**18 612**	(113 878)
–	**–**	– prior year	**812**	1 479
90 113	**–**	Capital gains tax	**–**	90 474
101 408	**9 038**	Total tax	**162 810**	129 115
223 303	**27 116**	Tax at the standard rate of 28% on income before tax (2014: 28%)	**167 074**	158 193
121 895	**18 078**	Difference	**4 264**	29 078
		Reconciled as follows:		
138 397	**29 604**	– dividend and other non-taxable income	**18 622**	13 807
(61 549)	**(11 739)**	– disallowable expenses	**(16 153)**	(28 709)
29	**213**	– effect of prior year	**2 547**	3 443
45 057	**–**	– capital gains tax	**–**	45 213
–	**–**	– associate	**8 447**	5 460
–	**–**	– tax losses not utilised	**(9 205)**	(10 369)
(39)	**–**	– other	**6**	233
121 895	**18 078**		**4 264**	29 078
		Estimated tax losses included in deferred tax:		
		– at the beginning of year	**9 243**	9 220
		– incurred and acquired during the year	**–**	2 540
		– utilised during year	**(4 387)**	(2 517)
–	**–**	– at end of year	**4 856**	9 243
		The group has estimated tax losses of R70,8 million available for set off against future taxable income.		

31. EARNINGS PER SHARE

Reconciliation between earnings, adjusted earnings and headline earnings

	2015		2014	
	R000	R000	R000	R000
	Gross	Net of tax	Gross	Net of tax
Earnings attributable to owners of the parent		**423 274**		426 816
Adjustments for:				
impairment of goodwill	**–**	**–**	74 876	74 876
impairment of property, plant and equipment	**22 175**	**15 966**	384 674	276 963
(Profit)/loss on disposal of property, plant and equipment	**(11 045)**	**(7 952)**	1 600	1 152
profit on disposal of investments	**–**	**–**	(470 067)	(379 980)
Headline earnings		**431 288**		399 827
Net IFRS 2 share based payment expense – equity settled		**40 988**		–
Adjusted headline earnings		**472 276**		399 827
Earnings per share (cents)		**106,8**		105,0
Adjusted earnings per share (cents)		**117,1**		105,0
Headline earnings per share (cents)		**108,8**		98,4
Adjusted headline earnings per share (cents)		**119,1**		98,4

Reconciliation of weighted average number of shares	2015 Number of shares	2014 Number of shares
Weighted average number of shares in issue	**391 632 132**	406 494 087
Weighted average number of shares allocated in terms of the directors' share purchase scheme, but not issued	**4 830 685**	–
Earnings per share based on	**396 462 817**	406 494 087

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

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

COMPANY 2014 R000	COMPANY 2015 R000		GROUP 2015 R000	GROUP 2014 R000
		32. ORDINARY DIVIDENDS		
256 879	**234 247**	Paid	**235 097**	234 161
		33. PREFERENCE DIVIDENDS		
225	**245**	Paid	**245**	225

The preference dividend consists of a fixed cumulative dividend of 6% per annum and an additional dividend of ½% of the nominal value of the preference shares of R2 per share for every completed 5% ordinary dividend of the nominal value of the ordinary shares of 2,5% per share in excess of 10% of the nominal value of the ordinary shares of 2,5 cents per share declared on the ordinary shares in respect of any one financial year.

COMPANY 2014 R000	COMPANY 2015 R000			GROUP 2015 R000	GROUP 2014 R000
		34.	**COMMITMENTS**		
			Capital expenditure on plant and machinery		
			– approved but not contracted	**144 000**	150 000
			The capital expenditure will be financed from existing resources.		
			Operating lease commitments		
			Future minimum rentals under non-cancellable leases are as follows:		
			Within one year	**19 649**	6 979
			After one year, but not more than five years	**13 874**	6 607
–	**–**			**33 523**	13 586
			The lease commitments relates substantially to land and buildings with escalation clauses that are generally inflation linked. Options to renew the leases are on similar conditions to the current leases.		
		35.	**CONTINGENT LIABILITIES AND FOREIGN EXCHANGE EXPOSURE**		
		35.1	**Currency risk**		
			The group incurs currency risk as a result of transactions which are denominated in a currency other than the group entity's functional currency on purchases and sales.		
			The currencies giving rise to currency risk, in which the group primarily deals are Pound Sterling, US Dollars and Euros.		
			The group entities hedge all 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 which create foreign currency cash flows are hedged with forward exchange and currency hedge 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 any of the periods presented.		
		35.2	**Foreign currency contracts**		
			The principal or contract amounts of foreign exchange and currency hedge contracts (in South African Rands) outstanding at balance sheet date were:		
			Ave rate of exchange		
			Euro 13,5613	**93 501**	72 257
			Pound Sterling 18,069	**–**	10 436
			US Dollar 12,3416	**25 025**	12 446
–	**–**			**118 526**	95 139

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 the directors' report respectively.

Controlling shareholders

Messrs TD Moolman (2014: and Mr GM Utian) 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 2015 amounted to R48,5 million (2014 : R46,1 million).

The balance owing to the Partnership at the year end amounted to R4,4 million (2014 : R4,5 million).

Subsidiaries

Details of investments in subsidiaries and joint ventures are disclosed in in the annexure on page 65.

Associates

Details of income from associates are disclosed in the statement of comprehensive income, note 5 and in the annexure on page 67.

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: 5 507 (2014: 5 327) of the group's employees are covered by the plans.

COMPANY 2014 R000	COMPANY 2015 R000			GROUP 2015 R000	GROUP 2014 R000
		39.	**NOTES TO THE CASH FLOW STATEMENT**		
		39.1	**Cash generated by operations**		
797 511	**96 843**		Profit before taxation	**596 692**	564 974
–	**–**		Associate income	**(30 168)**	(19 500)
(39 096)	**(31 713)**		Interest received (net)	**(50 981)**	(54 178)
(494 278)	**(117 917)**		Dividends received	**(63 773)**	(48 899)
			Adjustment for non-cash items:		
–	**–**		– depreciation of property, plant and equipment	**280 727**	259 728
82 488	**12 189**		– impairment	**22 174**	459 548
(346 605)	**–**		– profit on disposal of investments	**–**	(470 067)
–	**–**		– surplus on disposal of property, plant and equipment	**(11 045)**	1 600
–	**–**		– foreign currency difference on revaluation of inventory	**449**	1 942
–	**–**		– profit on currency hedge	**5 444**	(1 431)
–	**–**		– movement in provisions	**(23 819)**	71 320
–	**–**		– provisions acquired	**–**	(15 527)
	(2 200)		– IFRS 2 interest on unwinding of transaction	**(2 200)**	–
	43 188		– IFRS 2 share based payment expense – equity settled	**43 188**	–
20	**390**			**766 688**	749 510
		39.2	**Changes in working capital**		
–	**–**		Decrease in inventories	**70 579**	10 027
(10 796)	**7 231**		Decrease/(Increase) in accounts receivable	**145 249**	(172 497)
54	**368**		Decrease/(Increase) in accounts payable	**(53 047)**	102 410
–	**–**		Provisions acquired	**(111 934)**	–
–	**–**		Working capital acquired	**–**	7 066
(10 742)	**7 599**			**50 847**	(52 994)

COMPANY 2014 R000	COMPANY 2015 R000			GROUP 2015 R000	GROUP 2014 R000
		39.	**NOTES TO THE CASH FLOW STATEMENT** continued		
		39.3	**Taxation paid**		
1 665	**(21 164)**		Opening tax	**(21 935)**	11 692
(101 408)	**(9 038)**		Charged in profit or loss	**(143 386)**	(241 514)
–	**–**		Taxation acquired	**–**	917
(57 183)	**–**		CGT Recycled	**–**	(57 183)
21 164	**192**		Closing tax payable/(overpaid)	**(10 226)**	21 935
(135 762)	**(30 010)**			**(175 547)**	(264 153)
		39.4	**Dividends paid**		
(1 094 409)	**(235 342)**		Charged to reserves	**(235 342)**	(234 386)
–	**–**		Dividends of non-controlling interests	**(6 251)**	(5 940)
(1 094 409)	**(235 342)**			**(241 593)**	(240 326)
		39.5	**Investments – subsidiary businesses**		
(50 000)	**–**		Acquisitions (net of cash acquired)	**337 342**	(63 899)
400 000	**–**		Proceeds from disposal of investments	**–**	–
(39 778)	**74 871**		Advances to group companies	**–**	–
310 222	**74 871**			**337 342**	(63 899)
		39.6	**Investments – associates and other investments**		
(47 250)	**–**		Acquisitions	**(13 205)**	(48 143)
999 175	**–**		Proceeds from disposal of investments	**–**	993 456
13 751	**41**		(Increase)/decrease in loans	**24 031**	42 814
965 676	**41**			**10 826**	988 127
		39.7	**Cash and cash equivalents**		
727 214	**285 956**		Cash	**878 247**	1 306 489
922 166	**1 122 165**		Preference shares at cost	**1 122 165**	922 166
(6 584)	**(11 480)**		Fair value adjustment	**(11 480)**	(6 584)
1 642 796	**1 396 641**		Fair value of cash and cash equivalents	**1 988 932**	2 222 071

39.8 Business combination

Nampak Cartons & Labels division which was acquired on the 1 August 2014 has been accounted for as a business combination for the current period. The acquired business contributed revenue of R1 074 million and a net profit after tax of R39,9 million. Had this business been acquired for the full reporting period the revenue would have been R1 172 million and the net profit after tax would be R43,3 million.

Hozi Holdings (Pty) Limited which was acquired on 1 July 2014 has been accounted for as a business combination for the current period. The acquired business contributed revenue of R0,894 million and a net loss after tax of R0,190 million.

These amounts have been calculated using the group's accounting policies.

During 2014 the group acquired 100% of Habari Media (Pty) Limited, the remaining 70% of Ramsay Media (Pty) Limited and 51% of Mega Digital (Pty) Limited. The acquired business contributed revenues of R62,0 million and net profit after tax of R14,2 million to the group for the year ended 30 June 2015. Had these businesses been acquired for the full financial year the revenue would have been R232.6 million and the net loss after tax R16,4 million.

These amounts have been calculated using the group's accounting policies.

39. NOTES TO THE CASH FLOW STATEMENT continued

39.8 Business combination continued

Details of the assets and liabilities acquired and the goodwill are as follows:

R000	2015 Acquirees fair value	2014 Acquirees fair value
Property, plant and equipment	**175 748**	10 841
Intangibles	**8 597**	–
Inventories	**243 252**	729
Accounts receivable	**215 114**	67 791
Bank and cash resources	**239**	11 145
Accounts payable	**(193 435)**	(77 003)
Taxation	**–**	(917)
Deferred taxation	**–**	5 122
Provisions	**(60 018)**	–
Retrenchment provisions	**(51 916)**	–
Fair value of net assets acquired	**337 581**	17 708
Initial investment amount	**–**	(30 075)
Loss upon change of holding	**–**	12 538
Goodwill to maintain the group's position in the media market	**–**	74 873
Total purchase consideration paid in cash	**337 581**	75 044
Total purchase consideration	**337 581**	75 044
Less: Cash and cash equivalents in subsidiary acquired	**(239)**	(11 145)
Cash flow on acquisition	**337 342**	63 899

R000	Carrying amount	Carrying amount
Property, plant and equipment	**175 748**	10 841
Intangibles	**8 597**	–
Inventories	**243 252**	729
Accounts receivable	**215 114**	67 791
Bank and cash resources	**239**	11 145
Accounts payable	**(193 435)**	(77 003)
Taxation	**–**	(917)
Deferred taxation	**–**	5 122
Provisions	**(60 018)**	–
Retrenchment provisions	**(51 916)**	–
Fair value of net assets acquired	**337 581**	17 708
Initial investment amount	**–**	(30 075)
Loss upon change of holding	**–**	12 538
Goodwill to maintain the group's position in the media market	**–**	74 873
Total purchase consideration paid in cash	**337 581**	75 044

The purchase consideration is made up as follows:

- acquisition of the Nampak Cartons and labels division – R328,4 million
- acquisition of digital media assets for property and vehicle verticals – R9,2 million

40. SEGMENTAL ANALYSIS

	GROUP			
	2015		2014	
	R000	%	R000	%
Revenue				
Publishing, printing and distribution	**4 953 458**	**79**	5 007 795	93
Packaging	**1 933 608**	**31**	807 646	15
Other	**307 109**	**5**	435 521	8
Inter-group sales – Publishing, printing and distribution	**(862 779)**	**(14)**	(745 027)	(14)
Inter-group sales – Packaging	**(61 698)**	**(1)**	(18 012)	–
Inter-group sales – Other	**(8 310)**	**(0)**	(98 372)	(2)
	6 261 388	**100**	5 389 551	100
Net profit from operating activities and finance income				
Publishing, printing and distribution	**348 622**	**73**	310 921	72
Packaging	**165 589**	**35**	50 787	12
Corporate and other	**(37 023)**	**(8)**	68 739	16
	477 188	**100**	430 447	100
Other information				
Total assets				
Publishing, printing and distribution	**2 816 959**	**42**	3 221 634	51
Packaging	**1 259 676**	**19**	524 102	8
Corporate and other	**2 613 768**	**39**	2 574 130	41
	6 690 403	**100**	6 319 866	100
Total liabilities				
Publishing, printing and distribution	**826 562**	**59**	923 528	72
Packaging	**385 721**	**28**	169 763	13
Corporate and other	**179 258**	**13**	197 700	15
	1 391 541	**100**	1 290 991	100
Capital expenditure				
Publishing, printing and distribution	**141 067**	**31**	269 960	68
Packaging	**171 010**	**38**	38 366	10
Corporate and other	**141 547**	**31**	87 528	22
	453 624	**100**	395 854	100
Depreciation and impairment				
Publishing, printing and distribution	**164 099**	**54**	566 754	79
Packaging	**77 641**	**26**	66 998	9
Corporate and other	**61 161**	**20**	85 524	12
	302 901	**100**	719 276	100

The group operates in South Africa.

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 2015 and 30 June 2014. The company had no debt during the years under review.

42. SHARE-BASED PAYMENTS – CASH SETTLED

In the current year, the group implemented a staff share incentive scheme whereby share appreciation rights have been allocated to selected employees, which gave rise to a charge of R21,3 million.

This scheme operates as a cash bonus scheme where the bonus is calculated with reference to the share price based on a unit allocation. The allocation period is spread equally over three years, and the bonuses will be determined over a further four years.

	Date of grant:	Number of share appreciation rights
Grant 1	1 July 2014	5 833 333
Grant 2	30 June 2016	5 833 333
Grant 3	30 June 2017	5 833 334

The first grant was issued at R15 a share, in line with the share price around the date of the grant.

The second issue will be granted at the 30-day weighted average Caxton share price on the JSE as at the issue date (30 June 2016).

The third issue will be granted at the 30-day weighted average Caxton share price on the JSE as at the issue date (30 June 2017).

The share appreciation rights will be determined as follows:
– 25% will vest on 30 June 2018
– 25% will vest on 30 June 2019
– 25% will vest on 30 June 2020
– 25% will vest on 30 June 2021

The values of the share appreciation rights were determined using the Black-Scholes Merton Option Valuation Model, for cash settled instruments. The model inputs were as follows:

2015	**Grant 1**
Share price at reporting date	R18.65
Exercise price	R19.33
Expected volatility	44,93%
Risk free interest rate	8,43%
Dividend yield	3,08%
Fair value	R7.47
Market to market value	R3.65
Intrinsic value (R'000)	R5 057

The exercise price is based on the assumed weighted average price across all three issues as at 30 June 2017. The volatility is based on statistical analysis of the daily share prices over the last five years, prior to the reporting date. The group expects the future volatility of its share price to be in line with the historical volatility.

43. SHARE-BASED PAYMENTS – EQUITY SETTLED

The group entered into share subscription agreements with the Greyling Family Trust and the Holden Family Trust. The salient features of these agreements are summarised as follows:

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

The IFRS 2 charge has been calculated as the difference between 95% of the fair value of the shares and the present value of the R57 000 000 loan on the effective date of the transaction, with the present value of the loan being calculated using the assumed repayment period of the loan.

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

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

The value of the IFRS 2 charge amounted to R43 187 641.

Based on the assumptions that the loans unwind over a 10-year period, deemed interest income of R2 199 753 has been credited to the statement of comprehensive income during the year under review.

INFORMATION RELATING TO SUBSIDIARIES AND JOINT VENTURES

Name	Nature of operations	Issued capital R	Holding % 2015	Holding % 2014	Cost/valuation 2015 R'000	Cost/valuation 2014 R'000	Owing* 2015 R'000	Owing* 2014 R'000
Directly held								
Caxton Publishers and Printers	Holding company	29 083	**100**	100	**1 352 228**	1 352 228	**41 317**	115 966
Caxton Share Investments	Investments	41 000	**100**	100	**–**	–		
Darwain Investments	Printing	300	**60**	60	**494**	494		
Highway Mail	Publishing	50 000	**67**	67	**471**	471		
Impala Stationery Manufacturers	Stationery manufacturer	1 000	**100**	100				
Moneyweb Holdings	Intergrated media	107 000	**50**	50	**17 856**	20 720		
Noordwes Koerante	Publishing	250	**90**	90				
Northwest Web Printers	Printing	100	**90**	90				
Ramsay Media	Publishing	24 000	**100**	100	**13 921**	13 921		
Raylene Designs	Repro designs	180	**100**	100	**–**	–		
Ridge Times	Publishing	4 000	**67**	67	**512**	512		
Saxton Investments	Investments	100	**100**	100				
Zululand Observer	Publishing	47	**60**	60	**2 497**	2 497		
Indirectly held								
CTP Limited	Publishing and printing	2 500 718	**100**	100				
CTP Digital Services	CD and DVD replication	100	**100**	100				
Direct Stationery U.K.	Stationery distributors	1 711	**100**	100				
Erfrad 13	Property owning	100	**100**	100				
Habari Media	Publishing	1	**100**	100				
Highway Printers	Printing	100	**100**	100				
Kagiso Publishers	Printing	700	**100**	100				
Magscene	Magazine distributors	1 000	**100**	100				
Mega Digital	Printing	120	**51**	51				
Pecanview Properties	Property owning	1	**100**	100				
Project Northwards	Property owning	166	**100**	100				
The Citizen Limited	Holding company	3 195 161	**100**	100				
The Citizen (1978)	Publishing	3	**100**	100				
Tight Lines	Publishing	180	**100**	100				
Thornbird Trade & Invest 100	Printing	564	**67**	67				
Bucket Full	Packaging	1	**100**	–				
Hozi Holdings	Publishing	100	**100**	–				
Perskor News Agency	Magazine distributors	100	**100**	100				
					1 387 979	1 390 843	**41 317**	115 966

All are private companies unless otherwise stated and are incorporated in the Republic of South Africa. There is no individual subsidiary with a material non-controlling interest.

* *The amounts owing are interest free and repayable on demand.*

Name	Nature of operations	Issued capital R	Holding % 2015	Holding % 2014	Cost/valuation 2015 R'000	Cost/valuation 2014 R'000	Owing* 2015 R'000	Owing* 2014 R'000
Jointly controlled entities								
MCS Caxton International Press	Distribution	20 000	**50**	50			**28**	–
Mahareng Publishing	Publishing	1 000	**50**	50			**2 000**	2 250
Safeway Publishing	Packaging	100	**50**	50			**500**	500
Remade Publishing	Recycling	100	**50**	50			**–**	–
Umlingo	Stationery distributors	100	**50**	50			**–**	–
Levain	Publishing	100	**50**	50			**–**	–
					–	–	**2 528**	2 750
					1 387 979	1 390 843	**43 845**	118 716

INFORMATION RELATING TO ASSOCIATES

Name	Nature of operations	Issued capital R	Holding % 2015	Holding % 2014	Cost/valuation 2015 R'000	Cost/valuation 2014 R'000	Owing* 2015 R'000	Owing* 2014 R'000
Directly held								
Capital Media (Feb)	Newspaper publisher	4	**50**	50	**–**	–		1 431
Carpe Diem	Magazine publisher	120	**30**	30	**4 728**	4 728		
FBC Properties	Property owning	15 700	**50**	50	**1 352**	1 352		38
Ezweni Magazine Distribution	Magazine distributor	1 000	**46**	46	**–**	–		
Cognition Holdings	Digital and telecommunication solutions	136 002	**35**	35	**108 747**	108 747		
Fordsburg Mayfair Media	Newspaper publisher	1 000	**50**	50	**–**	–		
Green Willow Properties 177	Property owning	120	**50**	50	**–**	–		
Heraut Publiseerders	Newspaper publisher	100	**50**	50	**189**	189		
Hutton Trading	Advert delivery	120	**50**	50	**250**	250	**2 650**	2 650
Ince	Integrated communications	13 000	**26**	26	**2 181**	2 181		
Leo Kantoor Meubels	Property owning	100	**50**	50	**–**	–		
Lincroft Books (March)	Newspaper publisher	100	**40**	40	**130**	130		
Lonehill Trading (March)	Magazine publisher	120	**50**	50	**1 170**	1 170	**1 893**	1 892
Mooivaal Media (March)	Newspaper publisher	25 000	**50**	50	**1 565**	1 565		
Overdrive Publishing	Magazine publisher	1 000	**25**	25	**1 250**	1 250	**3 079**	3 370
Rising Sun Community Newspapers	Newspaper publisher	100	**45**	45	**–**	–		(10 104)
Ronain Investments	Property owning	1 000	**50**	50	**33**	33	**17**	
Rowaga Properties	Property owning	1 000	**50**	50	**1 175**	1 175		
Sentrale Makelaars	Dormant	50 000	**50**	50	**56**	56		
Shumani Print Services	Printer	1 000	**49**	49	**3 159**	3 159	**3 799**	3 531
Tambuti Brits	Property owning	100	**50**	50	**–**	–		
Tambuti Enterprise	Property owning	100	**50**	50	**143**	143		
Tambuti Upington	Property owning	100	**50**	50	**–**	–		
Tambuti Vryburg	Property owning	100	**50**	50	**–**	–		
Wordsmiths	Newspaper publisher	10 000	**50**	50	**3 750**	3 750		
Indirectly held								
Capital Newpapers	Newspaper publisher	1 000	**45**	45	**–**	–		4 000
RSA Web (Feb)	Internet service provider	1 000	**25**	25	**20 090**	20 090		
Vehicle Traders Limited Edition	Digital subscription sales	3 622 101	**50**	–	**12 200**	–		
					162 168	149 968	**11 438**	6 808

All are private companies except Cognition Holdings, and all are incorporated in South Africa.

The financial year-ends are June unless otherwise stated.

Investments of between 25% and 50% are accounted as associates.

INFORMATION RELATING TO ASSOCIATES *continued*

The group's proportional share of interest in associated companies and jointly controlled entities is as follows:

	Associated companies		Jointly controlled entities	
	R000		**R000**	
	2015	2014	**2015**	2014
STATEMENT OF FINANCIAL POSITION				
Property, plant and equipment	**78 792**	84 685	**1 327**	1 463
Investments and long-term receivables	**18 710**	742	**–**	–
Current assets	**120 207**	144 447	**3 641**	10 122
Total assets	**217 709**	229 874	**4 968**	11 585
Long-term liabilities	**18 796**	30 085	**2 250**	3 070
Deferred taxation	**4 713**	(2 033)	**(110)**	(354)
Current liabilities	**59 099**	72 518	**1 889**	6 212
Total liabilities	**82 608**	100 570	**4 029**	8 928
Attributable net asset value	**135 101**	129 304	**939**	3 081
STATEMENT OF COMPREHENSIVE INCOME				
Turnover	**265 325**	319 272	**9 871**	26 201
Income before taxation	**38 065**	31 567	**2 057**	4 449
Taxation	**(7 897)**	(12 067)	**(571)**	(1 871)
Net income for the year	**30 168**	19 500	**1 486**	2 578

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 ("the meeting") will be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg, on Wednesday, 9 December 2015 at 10:00 am.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 30 October 2015 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 27 November 2015. The last day to trade in order to be eligible to vote at the meeting is accordingly Friday, 20 November 2015.

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, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) ("transfer secretaries") to be received not later than 48 (forty-eight) hours (excluding Saturdays, Sundays and gazetted South African public holidays) prior to the meeting.

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;
- 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 2015 be and are hereby adopted."

   Explanation: The reason for and effect of ordinary resolution number 1 is to receive and adopt the annual financial statements for the company and the group for the year ended 30 June 2015.

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 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 under the Act, the authority given at the annual general meeting needs to be renewed.

3. ***Ordinary resolution number 3: re-election of directors***

"Resolved that:

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

3.2 Mr 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."

Explanation: The reason for ordinary resolution number 3 is that the Memorandum of Incorporation requires that a third of the company's non-executive directors retire at the annual general meeting. A retiring director, if eligible, may be re-elected.

Brief biographies of these directors appear on page 3 of the integrated annual report. The ordinary resolutions number 3.1 and 3.2 will be considered separately.

4. ***Ordinary resolution number 4: reappointment of independent auditors***

"Resolved that:

Grant Thornton Johannesburg Partnership be and is hereby reappointed as independent auditors of the company 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 an independent auditor and have its annual financial statements audited.

5. ***Ordinary resolution number 5: re-election of the Audit and Risk Committee chairman and members***

"Resolved that:

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

Brief biographies of these directors appear on page 3.

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 annual general meeting."

Special resolutions

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

Voting requirements: 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 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 being 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;
- 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:

- Caxton and the group will be able in the ordinary course of business to pay its debts;
- the assets of Caxton 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;
- the ordinary capital and reserves of Caxton and the group will be adequate for the purposes of the company's and the group's businesses, respectively; and the working capital of Caxton 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.

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

- Details of directors on page 3;
- Directors' interests in securities on page 23 (there are no non-beneficial interests);
- Major shareholders on page 24;
- Material changes in the nature of the company's trading or financial position post-30 June 2015 on page 24; and
- The share capital note 12 on page 48.

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

Directors' responsibility statement
The directors, whose names appear on page 3 of the integrated annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolution contains all information relevant to special resolution number 1.

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

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 2016 to 31 December 2016 be as follows:

PM Jenkins	R1 166 550
T Slabbert	R242 550
ACG Molusi	R170 625
NA Nemukula	R170 625
J Phalane	R170 625

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 OR INTER-RELATED ENTITIES TO 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 Caxton."

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 OR INTER-RELATED ENTITIES TO 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 Caxton 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 or purchase of securities to any entity which 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. ADVISORY RESOLUTION NUMBER 1: APPROVAL OF REMUNERATION POLICY

"Resolved that:
The company's remuneration policy as set out in the corporate governance report, be and is hereby approved.

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

By order of the Board

N Sooka
Company Secretary

28 October 2015

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

Transfer Secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

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

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders’ meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy (“proxy instrument”) (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders’ meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation (“MOI”) of the company at least 48 hours before the meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:
   - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)(4)(a));
   - 6.2 the appointment is revocable unless the proxy appointment expressly states other wise (section 58(4)(b)); and
   - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).

8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company’s MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument.

10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));

10.2 the invitation or form of proxy instrument supplied by the company must:

10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));

10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b) (ii)); and

10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));

10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

FORM OF PROXY

CAXTON&CTP publishers & printers LIMITED

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

For use by certificated shareholders and dematerialised shareholders with own name registration at the annual general meeting of the holders of ordinary shares in the company ("Caxton shareholders") to be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10:00 am on Wednesday, 9 December 2015.

I/We (full names)

of (address)

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

1. or failing him/her,

2. or failing him/her,

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

		For	Against	Abstain
	Ordinary resolutions			
1.	To adopt the annual financial statements for the year ended 30 June 2015			
2.	To place unissued ordinary shares of the company under the control of the directors			
3.1	To re-elect Mr ACG Molusi as director of the company			
3.2	To re-elect Ms NA Nemukula as director of the company			
4.	To re-appoint Grant Thornton Johannesburg Partnership as the independent auditors			
5.1	To re-elect Ms T Slabbert 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 Company Secretary to sign documentation to effect ordinary and special resolutions passed			
	Special resolutions			
1.	To approve the general authority for the company and/or subsidiary to acquire the company's own shares			
2.	To approve the remuneration of the non-executive directors			
3.	To approve financial assistance to related or inter-related companies			
4.	To approve financial assistance for subscription for or purchase of securities			
	Advisory resolution			
1.	To approve the remuneration policy as set out in the corporate governance report			

Signed at on 2015

Signature

Assisted by (where applicable)

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

Please read the notes on the reverse hereof.

NOTES

1. A Caxton shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the shareholder concerned. The person whose name appears first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those names that follow.

2. The shareholder's instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that shareholder wishes to vote by inserting an "X" in the relevant box unless a shareholder wishes to split his/her votes. In this case, the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the annual general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.

3. A Caxton shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of any resolution proposed at the annual general meeting or any other proxy to vote or abstain from voting, at the annual general meeting as he/she deems fit, in respect of the shares concerned.

4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the company, Computershare Investor Services (Pty) Limited (70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 am on Monday, 7 December 2015.

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's 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 am on Monday, 7 December 2015. 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 which is completed and/or received, other than in compliance with the Memorandum of Incorporation of the company or these notes.

ADMINISTRATION

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

Postal address
PO Box 43587
Industria, 2042

Company Secretary
N Sooka

Auditors
Grant Thornton Johannesburg Partnership
52 Corlett Drive
Wanderers Office Park
Illovo
2196

Attorneys
Fluxmans Inc.
30 Jellicoe Avenue
Rosebank
Johannesburg, 2196

Bankers
First National Bank
BankCity, Johannesburg, 2001

Sponsor
Arbor Capital Sponsors (Pty) Limited
Registration number 2006/033725/07
Ground Floor, One Building
Woodmead North Office Park
54 Maxwell Drive
Woodmead, 2191
Suite 439, Private Bag X29, Gallo Manor, 2052

Transfer Secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Telephone: +27 11 370 5000

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CAXTON&CTP publishers & printers LIMITED