Novus Holdings Limited and its subsidiaries

Registration Number: 2008/011165/06

Annual financial statements

for the year ended 31 March 2023

The reports and statements set out below comprise the annual financial statements presented to the shareholders.

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Statement of responsibility by the Board of directors

for the year ended 31 March 2023

The annual financial statements of the Group and the Company are the responsibility of the directors of Novus Holdings Limited ("Board"). In discharging this responsibility, they rely on the management of the Group to prepare the annual financial statements presented on pages 21 to 99 in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act, 2008 (Act No 71 of 2008), as amended, ("Companies Act"). As such, the annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective. The directors' responsibilities also include implementing adequate controls and security to maintain the integrity of the Company's website.

The directors believe that the Group and the Company have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The financial statements support the viability of the Group and the Company. The preparation of the financial results was supervised by the chief financial officer, Keshree Alwar CA (SA).

The independent auditing firm, PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of directors (Board) and committees of the Board, has audited the annual financial statements. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 11.

The annual financial statements were approved by the Board of directors on 15 June 2023 and are signed on its behalf by:

A VAN DER VEEN
Executive Chairman

K ALWAR
Chief Financial Officer

Executive Chairman and CFO responsibility statement

Each of the directors, whose names are stated below, hereby confirm that-

- The annual financial statements set out on pages 21 to 99, fairly present in all material respects the financial position, financial performance and cash flows of Novus Holdings Limited in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to Novus Holdings Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Novus Holdings Limited;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied; we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- We are not aware of any fraud involving directors.

A VAN DER VEEN
Executive Chairman

K ALWAR
Chief Financial Officer

Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, 2008 (Act No 71 of 2008), as amended, ("Companies Act"), we, Kilgetty Statutory Services Proprietary Limited, in our capacity as company secretary of Novus Holdings Limited, confirm that for the year ended 31 March 2023, the Company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of our knowledge, true, correct and up to date.

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

15 June 2023

Report of the Audit and Risk Committee

The Audit and Risk Committee (“the committee”) submit this report, as required by section 94 of the South African Companies Act, 2008 (Act No 71 of 2008), as amended, ("Companies Act").

FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The committee has adopted formal terms of reference, delegated to it by the Board of directors, as its committee charter. The committee has discharged the functions in terms of its charter and ascribed to it in terms of the Companies Act as follows:

- Reviewed the year-end financial statements, culminating in a recommendation to the Board to adopt them. In the course of its review the committee:
  - takes appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act;
  - considers and, when appropriate, makes recommendations on internal financial controls;
  - deals with concerns or complaints relating to accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls; and
  - reviews legal matters that could have a significant impact on the organisation's financial statements.
- Reviewed the external audit reports on the annual financial statements;
- Approved the internal audit charter and audit plan;
- Reviewed the internal audit and risk management reports, and, where relevant, recommendations are made to the Board;
- Evaluated the effectiveness of risk management, controls and the governance processes;
- Verified the independence of the external auditors, nominated PricewaterhouseCoopers Inc. as the auditors for 2023 and noted the appointment of Mr Paul Liedeman as the designated auditor;
- Approved the audit fees and engagement terms of the external auditors;
- Determined the nature and extent of allowable non-audit services and pre-approved the contract terms for the provision of non-audit services by the external auditors.
- Confirmed that appropriate financial reporting procedures are established and that those procedures are operating effectively.

MEMBERS OF THE AUDIT AND RISK COMMITTEE

The committee comprises two independent non-executive directors and one non-independent non-executive director who meet at least three times per year in accordance with the committee charter. All members act independently as described in section 94 of the Companies Act.

ATTENDANCE

The committee has met three times during the year.

The internal and external auditors, in their capacity as auditors to the Group, attended and reported at all three meetings of the committee. Executive directors and relevant senior managers attended meetings by invitation.

Committee agendas provide for confidential meetings between the committee members and the internal and external auditors.

Report of the Audit and Risk Committee (continued)

INTERNAL AUDIT

The committee has oversight of the Group's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors and serves as a link between the Board and these functions. The internal audit function reports functionally to the chair of the committee and administratively to the Group Chief Financial Officer.

Based on the review of the Group's system of internal controls and risk management, and considering the information and explanations given by management and discussions with the external auditor on the results of the audit, nothing has come to the attention of the committee that caused it to believe that the Group's system of internal controls and risk management are not effective, and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

COMBINED ASSURANCE

The Group implements a combined assurance model ("CAM") and this is overseen by the committee. The CAM draws from the risk management process and assesses the adequacy of assurance being provided using the three lines of defence model (i.e. management-based assurance, risk and compliance-based assurance and independent assurance). The committee has considered the risk assessments and mitigation plans presented by management, evaluated and approved the plans of the internal audit function and the external auditors, and the outcomes of the audit work performed. The committee is satisfied that the combined assurance framework is appropriate and provides sufficient assurance over the Group's risk universe.

RISK MANAGEMENT

The Group has an enterprise-wide risk management framework which is designed to ensure that significant risks and related incidents are identified, documented, managed, monitored and reported in a consistent and structured manner across the Group. The committee has reviewed the strategic risks which could materially impact the ability of the Group to deliver its objectives and the related mitigation plans and considers these appropriate.

EXTERNAL AUDITORS

In assessing the auditor's independence, the committee considered guidance contained in King IV™ as well as the Independent Regulatory Board for Auditors ("IRBA") publications and the related commentary thereon. PricewaterhouseCoopers Inc. have been auditors of the Group for twenty-nine years and Mr Paul Liedeman has been the designated auditor since the 2022 financial year.

The Board sets a policy that governs the level and nature of non-audit services, which requires pre-approval by the committee for all non-audit services. In determining the independence of the external auditors, the committee considers the level and types of non-audit services provided as well as other enquiries and representations. The committee is satisfied that the auditors do not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the Group. The total non-audit services for the 2023 financial year performed by and paid to PricewaterhouseCoopers Inc. amounted to R1,9 million (2022: R0,1 million). In addition, the committee has satisfied itself that the auditors' independence was not prejudiced by any consultancy, advisory or other work undertaken or as a result of any previous appointment as auditor.

The committee has considered the relevant audit quality indicators, including the audit firm's system of quality control. It noted that PricewaterhouseCoopers Inc. was subject to a review of its quality control practices in terms of International Standard on Quality Control by the IRBA. No legal or disciplinary proceedings have been concluded against the firm in the past nine years. The committee was satisfied with the quality of the audit concluded.

PricewaterhouseCoopers Inc., being the audit firm, as well as Mr Paul Liedeman, being the Group's designated auditor for the 2023 financial year, have been accredited on the JSE list of auditors in terms of the criteria in the JSE Listings Requirements.

Report of the Audit and Risk Committee (continued)

The committee is satisfied that in discharging its duties in terms of its mandate, together with the robust internal PricewaterhouseCoopers Inc. independence processes that the firm's independence is maintained and has not been impacted by tenure. The PricewaterhouseCoopers Inc. internal independence processes include periodic internal quality reviews in addition to those conducted by IRBA, the rotation of the Group audit partner and key component audit partners at least every five years, independence training and monitoring of non-audit services.

In terms of the requirements of the IRBA, the Group is obliged to rotate its external auditor for the 2024 financial year. Following a comprehensive tender process, the Audit and Risk Committee have recommended to appoint BDO South Africa Incorporated ("BDO") as the new external auditor of the Group, with Ms Fayaz Mohamed as designated audit partner, replacing PricewaterhouseCoopers Inc. with effect from the financial year commencing on 01 April 2023. The appointment is subject to shareholder approval at the Group's next Annual General Meeting to be held on 25 August 2023. As required by section 3.84(g)(iii) of the JSE Listings Requirements, the committee has satisfied itself that BDO is suitable for appointment as audit firm and Ms Fayaz Mohamed, as appointed designated auditor respectively by considering, *inter alia*, the information stated in paragraph 22.15(h) of the JSE Listings Requirements.

During the year under review the committee reviewed a representation by the external auditors and after conducting its own review, confirmed the independence of the auditors.

SIGNIFICANT AREAS OF JUDGEMENT

Many areas within the financial statements that require judgement form an integral part of the financial statements. The committee has assessed the significance of the assets and liabilities on the statement of financial position and relating items that require significant judgement and the following key audit matters are highlighted:

- *Valuation of goodwill*

  The Group tests annually whether goodwill has suffered any impairments, in accordance with the accounting policy stated in note 1.1 and 1.5. The committee is satisfied that the carrying values of goodwill are fairly stated. Further details are provided in note 3.

- *Valuation of Property, Plant and Equipment*

  The Group evaluates the carrying values of property, plant and equipment for impairment whenever circumstances indicate that the carrying value of such assets might not be recoverable in accordance with the accounting policy stated in note 1.1 and 1.4. The committee is satisfied that the carrying values of these assets are fairly stated. Further details are provided in note 2.

  The Group engages with internal technical experts in assessing the appropriateness of estimated useful lives in accordance with the accounting policy stated in note 1.1. The committee agreed with the procedures followed to determine the appropriate economic useful lives that are a true reflection of the future economic use of the applicable assets. Further details are provided in note 2.

- *Valuation of investments in subsidiaries*

  The Group tests annually whether investments in subsidiaries have suffered any impairments, in accordance with the accounting policy stated in note 1.1 and 1.2. The committee is satisfied that the carrying values of these investments are fairly stated. Further details are provided in note 5.

- *Valuation of intangible assets acquired as part of a business combination*

  The Group determines the fair values of all identifiable intangible assets acquired as part of a business combination using recognised valuation techniques, in accordance with the accounting policy stated in note 1.1 and 1.5. The committee is satisfied that the carrying values of these intangibles are fairly stated. Further details are provided in note 4.

Report of the Audit and Risk Committee (continued)

EXPERTISE AND EXPERIENCE OF CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

In terms of the JSE Listings Requirements, the committee performs an annual evaluation of the financial reporting function in the Group. The committee was satisfied that the financial reporting function had appropriate resources, skills, expertise and experience. The committee also confirmed that it is and was satisfied that Ms Keshree Alwar, the Group Chief Financial Officer possesses the appropriate skills, expertise and experience to meet the responsibilities required for that position during her service as such.

DISCHARGE OF RESPONSIBILITIES

The committee determined that during the financial year under review it had discharged its legal and other responsibilities as governed in the Board approved charter. The Board concurred with this assessment.

ANNUAL REPORT

- *Annual financial statements*

  After review of the annual financial statements for the year ended 31 March 2023, the committee is of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and IFRS as issued by the International Accounting Standards Board (IASB), and fairly present the results of operations, cash flow and the financial position. On this basis, the committee recommended that the Board of directors approve the annual financial statements for the year ended 31 March 2023.

- *Integrated annual report*

  The committee reviewed this report, taking cognisance of material factors and risk that may impact the integrity thereof and recommended that the Board of directors approve the integrated annual report for the year ended 31 March 2023.

A MAYMAN
Chairman: Audit and Risk Committee

15 June 2023

Directors' report to the shareholders

The Board herewith presents the report on the activities and financial results for the year under review:

NATURE OF THE BUSINESS

Novus Holdings Limited ("Novus Holdings" or "the Group" or "the Company") was incorporated in 2008 under the laws of the Republic of South Africa. Our principal operations are in print media, labels and flexible plastic packaging. These activities are conducted primarily in South Africa.

FINANCIAL REVIEW

Novus Holdings' performance for the 2023 financial year improved since the previous year based on revenue with overall revenue up by 6,0% in 2023 to R3,2 billion (2022: R3,0 billion) whilst the impact of paper pricing negatively impacted the Print segment's profitability. Gross profit margin therefore declined by 5,6% year on year.

The Group's acquisition of Maskew Miller Learning Proprietary Limited (previously known as Pearson South Africa Proprietary Limited) ("MML") saw the inclusion of R156,4 million educational revenue for the four-month period with the effective date of the transaction on 30 November 2022. A gain on bargain purchase of R100,1 million was recognised on acquisition.

Print revenue comprising 74,4% (2022: 78,7%) of total revenue decreased year on year, due to the inclusion of educational revenue from MML and an increase in packaging revenue.

Packaging revenue increased by 3,8% from 2022 and currently represents 20,6% (2022: 21,1%) of the Group's revenue.

The Other segment which comprises mainly non-print/packaging/educational related revenue currently represents 0,1% (2022: 0,3%) of the Group's revenue.

The current year included impairments of property, plant and equipment which amounted to R20,5 million, mainly within the Print segment. A total impairment charge of R69,1 million was recognised in the prior year.

The Group made a profit after tax of R59,6 million (2022: R92,8 million).

The annual financial statements on pages 21 to 99 set out the financial position, results of operations, changes in equity and cash flows of the Group for the financial year ended 31 March 2023.

SHARE CAPITAL

The authorised share capital at 31 March 2023 was 3 000 000 000 ordinary no par value shares. There were no changes to the issued share capital in the current year. Details are reflected in note 11 of the annual financial statements.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2023 the Group's investment in property, plant and equipment amounted to R755,0 million, compared with R793,6 million in the prior year. The Group impaired property, plant and equipment to the value of R20,5 million (2022: R69,1 million) in the current year. Details are reflected in note 2 of the annual financial statements. Capital commitments at 31 March 2023 amounted to R3,0 million (2022: R0,2 million).

DIVIDENDS

No dividends were declared in the current financial year (2022: Rnil).

GROUP

The name, country of incorporation and effective percentage interest of the holding company in each of the principal subsidiaries are disclosed in note 5 to the annual financial statements.

BORROWINGS

The Company has unlimited borrowing powers in terms of its memorandum of incorporation.

Directors' report to the shareholders (continued)

GOING CONCERN

The Board believes that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

EVENTS AFTER REPORTING DATE

Other than the matters raised in note 41 to the Group annual financial statements, no other events occurred after the reporting date that may have a material effect on the Group's results.

DIRECTORS AND AUDITOR

The following changes took place during the period:

Effective 31 March 2023, Mr Neil Birch retired as Chief Executive Officer and Dr Phumla Mnganga resigned as Chairman and independent non-executive director. Ms Nolovuyo Mkhondo resigned from the Board and as member of the Human Capital Committee on the same date.

Mr André van der Veen was appointed as the Executive Chairman effective 01 April 2023 to address the existing vacancy on the Board with Ms Lulama Mtanga appointed as Lead Independent Director. Mr van der Veen has resigned as Chairman of the Human Capital Committee with Mr Adrian Zetler replacing him as Chairman and member of the Committee with effect from 01 April 2023.

PricewaterhouseCoopers Inc. will continue in office as auditor in accordance with section 90(6) of the Companies Act for the 2023 financial year and due to mandatory audit firm rotation, the Board has appointed BDO South Africa Incorporated as the Group auditors for the 2024 financial year.

DIRECTORS' INTERESTS AND EMOLUMENTS

Particulars of the emoluments of directors and their interests in the issued share capital of the company and in contracts are disclosed in notes 16, 30 and 36 to the annual financial statements.

Signed on behalf of the Board.

A VAN DER VEEN
Executive Chairman

15 June 2023

K ALWAR
Chief Financial Officer

15 June 2023

Independent auditor's report

To the Shareholders of Novus Holdings Limited

Report on the audit of the consolidated and separate financial statements

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Novus Holdings Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2023, and its consolidated and separate financial performance and its 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.

What we have audited

- Novus Holdings Limited's consolidated and separate financial statements set out on pages 21 to 99 comprise:
- the consolidated and separate statements of financial position as at 31 March 2023;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

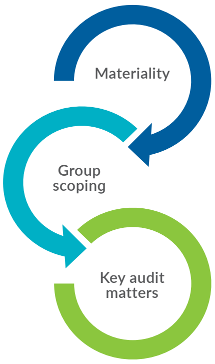
Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards).

Independent auditor's report (continued)

OUR AUDIT APPROACH

Overview



Overall group materiality

- Overall group materiality: R24,0 million, which represents 0,75% of consolidated revenue.

Group audit scope

- There are four components within the Group which operate mainly in Cape Town, Johannesburg, Isithebe and Durban.
- Three of these components were subjected to a full scope audit and one component (associate) was subject to a review.

Key audit matters

Consolidated financial statements

- Acquisition of Pearson South Africa Proprietary Limited (now Maskew Miller Learning Proprietary Limited) effective 30 November 2022; and
- Assessment of impairment of plant and machinery

Separate financial statements

Assessment of impairment of investments in subsidiaries

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R24,0 million
How we determined it	0,75% of total consolidated revenue
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is commonly measured when profit before taxation is volatile. Consolidated revenue is also reflective of the Group's intentions to grow revenue over time in the Print and non-Print segments. We chose 0.75% based on our professional judgement, after consideration of the range of qualitative materiality thresholds that we would typically apply when using revenue to compute materiality.

Independent auditor's report (continued)

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group mainly consists of four components, namely Print, Flexible Packaging, Maskew Miller Learning ("MML"), which was acquired effectively on 30 November 2022, and Mthembu Paper Mill. Print and MML operate mainly in Cape Town and Johannesburg, Flexible Packaging operates in Isithebe, and Mthembu Paper Mill operates in Durban. In the prior year, Labels was a component, but was amalgamated effectively 01 April 2022 into the Print component. We performed a full scope audit on Print, MML and Flexible Packaging and a review on Mthembu Paper Mill (associate), either due to their financial significance or specific risks in relation to their contribution to the consolidated revenue and consolidated total assets of the Group.

In establishing the overall approach to the group audit and in order to issue our audit opinion on the consolidated financial statements of the Group, we determined the extent of the work that needed to be performed by us, as the group engagement team, and the component audit teams operating under our instructions. The component teams consisted of members of the PwC network firm. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

KEY AUDIT MATTERS

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

Independent auditor's report (continued)

Key audit matter	*How our audit addressed the key audit matter*

Acquisition of Pearson South Africa (now Maskew Miller Learning) effective 30 November 2022
This key audit matter relates to the consolidated financial statements only
 	
On 30 November 2022, the group, through its wholly owned subsidiary, Novus Print Proprietary Limited acquired 75% of the issued share capital (10 742 shares) of Pearson South Africa Proprietary Limited (now Maskew Miller Learning Proprietary Limited) for a purchase consideration of R842,3 million.
 	
In accordance with IFRS 3 Business Combinations, the Group has consolidated Maskew Miller Learning from the acquisition date. Refer to note 38.
 	
The acquisition resulted in the recognition of total net assets (at fair value) of R1,0 billion (of which the Groups' share is R942,4 million) and a gain on bargain purchase of R100,1 million. Total assets assumed at fair value consisted mainly of intangible assets, trade and other receivables and cash and cash equivalents. Management performed the purchase price allocation as required by IFRS 3: *Business Combinations*.
 	
The minority shareholder (Sphere Investments Proprietary Limited) waived its rights with regards to a put option recognised in relation to their shares in Maskew Miller Learning. This resulted in a modification of the cash settled share-based payment to an equity settled share-based payment within the records of Maskew Miller Learning Proprietary Limited. The equity settled share-based payment was recognised as non-controlling interest in the statement of financial position.
 	
The Group recognised non-controlling interests (NCI) in Maskew Miller Learning Proprietary Limited at the non-controlling interest's proportionate share (3,23%) of the acquired entity's net identifiable assets. The fair value of the option attributable to the minority shareholder was accounted for at acquisition (Refer to note 38).
	Our audit procedures included:
	Regarding the contractual terms of the transaction, the following procedures were performed:
	▪ We obtained the contractual agreements and read the significant contract terms relevant to the accounting and disclosures in the financial statements;
	▪ Based on our understanding of the transaction, we agreed the purchase price to the contract and agreed the settlement of the price to the bank. No material differences were noted; and
	▪ Through inspection of the agreements and consideration of all the suspensive conditions precedent, we concur with the transaction date of 30 November 2022, as determined by management.
	Regarding the valuation of assets acquired and liabilities assumed, the following procedures were performed:
	▪ We obtained the analysis prepared by management that identifies and values the assets and liabilities acquired;
	▪ Based on our knowledge of the business and the industry we assessed the completeness of the intangible assets identified. We are satisfied that all significant intangible assets have been identified;
	▪ We deployed our valuation experts to assess the methodology adopted and the underlying assumptions applied by management for each type of intangible asset identified, which included the following:
	    ▪ the discount rates;
	    ▪ royalty rate;
	    ▪ revenue growth rate; and
	    ▪ EBITDA margin.
	
	We assessed the assumptions by comparing them with historical data. Based on our work performed, we found these to be reasonable.
	
	We evaluated the reasonability of management's discount rates, using our valuation expertise, by recalculating the discount rate and benchmarking the cost of capital and cost of debt of the company against industry specific market information available for similar companies, as well as considering territory specific factors. No material exceptions were noted.

Independent auditor's report (continued)

Key audit matter	*How our audit addressed the key audit matter*
Acquisition of Pearson South Africa (now Maskew Miller Learning) effective 30 November 2022 (continued) We considered the accounting for the acquisition of Maskew Miller Learning to be a matter of most significance to our current year audit due to the following: ▪ the judgement and estimates involved in allocating the purchase price to the net assets identified in the business combinations. ▪ The determination of the fair value of the intangible assets required specialist skills and knowledge; and ▪ Management assigned indefinite useful lives to certain intangible assets acquired.	**Our audit procedures included (continued):** We tested the mathematical accuracy of the valuation models for the intangible assets acquired. No material differences were noted. We noted no matters in relation to the independence and competence of the expert used by management. Regarding the indefinite useful lives assigned by management to the brand, we inspected management's assessment of the criteria applied in terms of IFRS 3: *Business Combinations* and agree with the conclusion reached. We performed specified procedures on the opening balance sheet of Pearson South Africa at the acquisition date, including cut off. No material differences were noted. With regards to the accounting and valuation of the put option attributable to the minority shareholder of Pearson South Africa, we deployed our IFRS experts to assess the treatment and interrelationship of IFRS 2: *Share - based payment* and IFRS 3: *Business Combinations* as it pertains to the recognition of the fair value of the modified put option at acquisition date as non-controlling interest. Furthermore, we deployed our Actuarial specialists for the review of the valuation of the equity settled put option prepared by management's expert, at acquisition date. No material differences were noted. We reviewed the disclosures regarding the transaction in the consolidated financial statements and no material differences were noted.

Independent auditor's report (continued)

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of plant and machinery *This key audit matter relates to the consolidated financial statements only* The carrying value of the Group's plant and machinery at 31 March 2023 amounted to R371,9 million, after recognising an impairment charge of R20,5 million. Items of plant and machinery are assessed by management for impairment whenever circumstances indicate that the carrying values may not be recoverable. Refer to notes 1.1(b), 1.4 and 2 to the consolidated financial statements for disclosures regarding plant and machinery. Management determines the recoverable amounts of the CGUs to which plant and machinery are allocated by calculating the higher of the CGUs' fair value less costs to sell or value-in-use. This requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the CGUs. A discounted cash flow calculation was used to determine the recoverable amounts of the CGUs. The calculation was based on three years budgeted and two years forecasted information using the long term average industry growth. There were instances where individual plant and machinery assets were impaired to their recoverable amount based on fair value less cost to sell. The inputs that were available include market values of these assets obtained from manufacturers or agents of the same equipment or similar types of equipment. Where the market values were not obtainable, the recoverable amounts were estimated by management with the use of their internal technical experts with comparable market values. We considered the impairment of plant and machinery to be a matter of most significance to our current year audit due to the degree of estimation uncertainty and the judgement applied by management in assessing the impairments, as well as the magnitude of these balances.	**Our audit procedures included:** ▪ Through discussion with management, we obtained an understanding of the approach followed by them in the valuation of plant and machinery. ▪ We evaluated the valuation methodologies used by management in determining the recoverable amounts and considered whether the value-in-use of the CGUs or the fair value less costs to sell of the plant and machinery were appropriate and consistent with the requirements of International Accounting Standard (IAS) 36 *Impairment of Assets* and International Financial Reporting Standard 13 *Fair value Measurement*. ▪ Where the value-in-use model was applied, the following procedures were performed: – We assessed management's forecasted future cash flows against historical experience and agreed the forecasted information to management approved budgets and business plans, without exception. – We assessed the assumptions underlying the forecasted future cash flows which includes; ▪ revenue estimates, ▪ volume growth rates, ▪ operating margins, ▪ working capital requirements, ▪ pre-tax cash outflows and ▪ long term growth rates. We obtained an understanding of the process followed by management to determine these assumptions through discussions held with management. We assessed the assumptions by comparing them with industry averages and historical data. Based on our work performed, we found these to be reasonable and consistent with the industry average. We performed independent sensitivity calculations on the impairment assessments to ascertain the impact of changes to the key assumptions on the available headroom. The results of our sensitivity analyses were consistent with management's conclusions. – We evaluated the reasonability of management's discount rates, using our valuation expertise, by recalculating the discount rate and benchmarking the cost of capital and cost of debt of the CGU against industry specific market information available for similar companies, as well as considering territory specific factors. No material exceptions were noted.

Independent auditor’s report (continued)

Key audit matter	*How our audit addressed the key audit matter*
Assessment of impairment of plant and machinery (continued)	**Our audit procedures included (continued):** – We compared the carrying amounts of the CGUs to the recoverable amounts. We recalculated the amount of the impairment with no exceptions. Where the fair value less costs to sell model was applied, the following procedures were performed: – We assessed the reasonableness of the fair value less cost to sell recoverable amounts by assessing past actual market prices received on similar plant and machinery sold considering their remaining useful life. No material exceptions were noted. – We obtained the market information provided by independent agents and print machine manufacturers and compared these to past transactions of similar assets. No material exceptions noted. – We assessed the skills and competency of the independent agents and print machine manufacturers that performed the valuation assessment through evaluating their inputs and estimates. We did not note any aspects requiring further consideration. – We compared the recoverable amount of plant and machinery to the carrying amount and noted no further impairment charges. ▪ We recalculated the mathematical accuracy of the models used in the value-in-use and fair value less costs to sell calculations performed by management and found no exceptions. ▪ We evaluated the appropriateness of the disclosures in the consolidated financial statements against the requirements of IFRS, specifically relating to the sensitivity of the key assumptions on the recoverable amount.

Independent auditor's report (continued)

Key audit matter	*How our audit addressed the key audit matter*
Assessment of impairment of investments in subsidiaries *This key audit matter relates to the separate financial statements only* The carrying value of investments in subsidiaries in the separate financial statements amounted to R1,06 billion as at 31 March 2023. The Company's most significant wholly owned subsidiary includes Paarl Media Holdings Proprietary Limited (R1,044 billion) which comprises the Print segment. Impairment is assessed with reference to value-in-use and fair value less cost to sell calculations, leveraging the assessment of the subsidiaries' underlying cash flows (as explained in the key audit matter on the consolidated financial statements) to determine the recoverable amount of the investment. Refer to notes 1.2 and 5 to the annual financial statements for disclosures relating to the investments in subsidiaries. We considered the impairment of investments in subsidiaries to be a matter of most significance to our current year audit due to the degree of estimation uncertainty and the judgement applied by management in assessing the impairments as well as the magnitude of these balances.	▪ Through discussion with management, we obtained an understanding of the approach followed by them in assessing the recoverable amount of investments in subsidiaries. ▪ We assessed the recoverable amount of Paarl Media Holdings Proprietary Limited concurrently with assessing the Print segment CGU 's value-in-use forecasted cash flows and fair value less cost to sell valuations of the assets, as noted in the key audit matter on impairment of plant and machinery above. The key assumptions used by management were the same as those noted above in the value-in-use model and fair value less cost to sell for the impairment of plant and machinery, and the procedures thereon are not duplicated here. ▪ We recalculated and compared the total recoverable amount of the valuation of the divisions to management's calculation of the higher of value-in-use model or fair value less cost to sell for the Print segment CGU to the carrying value of the investment in the subsidiary and noted no further impairments.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Novus Holdings Limited and its subsidiaries Annual Financial Statements for the year ended 31 March 2023", which includes the Directors' report to the shareholders, the Report of the audit and risk committee and the Certificate by the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Integrated Annual Report 2023 for the year ended 31 March 2023", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report (continued)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

Independent auditor's report (continued)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Novus Holdings Limited for 29 years.

PRICEWATERHOUSECOOPERS INC.
Director: Paul Liedeman
Registered Auditor

Cape Town, South Africa

19 June 2023

Statements of financial position

as at 31 March 2023

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
ASSETS					
Non-current assets		**1 441 286**	1 046 110	**1 057 618**	1 060 105
Property, plant and equipment	2	**754 993**	793 582	–	–
Investment property	40	**62 317**	62 764	–	–
Goodwill	3	**80 212**	80 212	–	–
Other intangible assets	4	**438 521**	2 795	–	–
Investments in subsidiaries	5	–	–	**1 057 618**	1 060 105
Financial assets at fair value through other comprehensive income		**3 049**	3 064	–	–
Investment in associates	39	**11 197**	12 058	–	–
Other financial assets at amortised cost		**570**	1 118	–	–
Deferred taxation asset	6	**90 427**	90 517	–	–
Current assets		**1 845 841**	1 448 847	**70**	71
Inventory	7	**802 446**	437 223	–	–
Intangible assets – product development	4	**54 598**	–	–	–
Trade and other receivables	8	**547 862**	420 114	–	–
Related party receivables	30	**17 499**	20 921	–	–
Contract assets	8.1	**9 389**	2 185	–	–
Current income tax receivable		**17 413**	–	–	–
Derivative financial instruments	32	**4 401**	487	–	–
Cash and cash equivalents	9	**392 233**	567 917	**70**	71
Non-current assets held for sale	10	**109 945**	109 788	–	–
TOTAL ASSETS		**3 397 072**	2 604 745	**1 057 688**	1 060 176
EQUITY					
Capital and reserves attributable to the Group's equity holders		**2 169 867**	2 098 078	**600 118**	302 606
Share capital	11	**507 208**	509 314	**577 958**	580 064
Treasury shares	11	**(343 653)**	(345 759)	**(343 650)**	(345 756)
Other reserves	12	**(107 436)**	(118 516)	–	–
Retained earnings		**2 113 748**	2 053 039	**365 810**	68 298
Non-controlling interest		**46 836**	–	–	–
TOTAL EQUITY		**2 216 703**	2 098 078	**600 118**	302 606
LIABILITIES					
Non-current liabilities		**346 792**	67 461	–	–
Post-employment medical liability	13	**23 498**	2 940	–	–
Provisions	14	**9 349**	10 748	–	–
Borrowings and lease liabilities	15	**189 394**	27 367	–	–
Deferred taxation liabilities	6	**121 174**	21 715	–	–
Deferred grant income	18	**3 377**	4 691	–	–
Current liabilities		**833 577**	439 206	**457 570**	757 570
Post-employment medical liability	13	**1 798**	–	–	–
Current portion of borrowings and lease liabilities	15	**325 537**	4 748	–	–
Trade and other payables	17	**504 202**	404 224	**408**	413
Related party payables	30	–	–	**457 162**	757 157
Current income tax payable		–	9 102	–	–
Derivative financial instruments	32	**717**	19 811	–	–
Bank overdrafts	9	**9**	7	–	–
Deferred grant income	18	**1 314**	1 314	–	–
TOTAL EQUITY AND LIABILITIES		**3 397 072**	2 604 745	**1 057 688**	1 060 176

Income statements

for the year ended 31 March 2023

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Revenue	19	**3 195 625**	3 014 233	**313 836**	–
Cost of sales	21	**(2 595 234)**	(2 280 212)	**–**	–
Gross profit		**600 391**	734 021	**313 836**	–
Operating expenses	21	**(593 453)**	(540 898)	**–**	(8)
Administrative and other expenses		**(582 118)**	(539 120)	**–**	(8)
Net impairment losses on financial assets	8	**(11 335)**	(1 778)	**–**	–
Other gains/(losses)	20	**76 624**	(32 260)	**(16 323)**	–
Operating profit		**83 562**	160 863	**297 513**	(8)
Finance income	22	**21 284**	11 763	**–**	8
Finance costs	23	**(49 245)**	(25 362)	**(1)**	–
Impairment of associates	20	**–**	(3 968)	**–**	–
Share of net (losses)/profits of associates accounted for using the equity method	39	**(861)**	(7 317)	**–**	–
Profit before taxation		**54 740**	135 979	**297 512**	–
Taxation	24	**4 853**	(43 172)	**–**	–
Net profit for the year		**59 593**	92 807	**297 512**	–
Attributable to:					
Equity holders of the Group		**60 585**	92 807	**297 512**	–
Non-controlling interest		**(992)**	–	**–**	–
		59 593	92 807	**297 512**	–
Earnings per share (cents):					
Basic	25	**18,90**	30,42	**–**	–
Diluted	25	**18,90**	30,42	**–**	–

Statements of comprehensive income

for the year ended 31 March 2023

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Net profit for the year		59 593	92 807	297 512	–
Other comprehensive income/(loss)					
Items that may be subsequently reclassified to profit or loss					
Hedging reserve	12	3 862	(5 415)	–	–
Foreign exchange movement, gross		5 291	(7 521)	–	–
Foreign exchange movement, tax portion		(1 429)	2 106	–	–
Fair value reserve		(11)	(15)	–	–
Net fair value losses gross		(15)	(21)	–	–
Net fair value losses, tax portion		4	6	–	–
Items that will not be reclassified to profit or loss					
Post–employment benefit obligations and provisions	13,14	(69)	(84)	–	–
Remeasurement of post-employment benefit obligations and provisions, gross		(96)	(117)	–	–
Remeasurement of post-employment benefit obligations and provisions, tax portion		27	33	–	–
Total other comprehensive income/(loss), net of tax		3 782	(5 514)	–	–
Total comprehensive income for the year		63 375	87 293	297 512	–
Attributable to:					
Equity holders of the Group		64 367	87 293	297 512	–
Non-controlling interest		(992)	–	–	–
		63 375	87 293	297 512	–

Statement of changes in equity

for the year ended 31 March 2023

COMPANY	Notes	Share capital R'000	Treasury shares R'000	Retained earnings R'000	Total R'000
Balance as at 01 April 2021		602 656	(368 172)	380 289	614 773
Total comprehensive income for the year		–	–	–	–
Profit for the year		–	–	–	–
Transactions with owners:					
Transfer of shares for awards vested		(22 416)	22 416	–	–
Transfer of shares used for scrip dividend		(68 768)	–	–	(68 768)
Dividends paid	29.2	–	–	(243 223)	(243 223)
Scrip dividend issue		68 768	–	(68 768)	–
Scrip issue costs		(176)	–	–	(176)
Balance as at 31 March 2022		580 064	(345 756)	68 298	302 606
Total comprehensive income for the year		**–**	**–**	**297 512**	**297 512**
Profit for the year		**–**	**–**	**297 512**	**297 512**
Transactions with owners:					
Transfer of shares for awards vested		**(2 106)**	**2 106**	**–**	**–**
Balance as at 31 March 2023		**577 958**	**(343 650)**	**365 810**	**600 118**
Notes		**11**	**11**		

Statement of changes in equity

for the year ended 31 March 2023

GROUP	Notes	Share capital and premium R'000	Treasury shares R'000	Existing control business combination reserve R'000	Share—based compensation reserve R'000	Hedging reserve R'000	Actuarial reserve R'000	Fair Value through OCI reserve R'000	Total other reserves R'000	Retained earnings R'000	Attributable to equity holders of the Group R'000	Non — controlling interest R'000	Total equity R'000
Balance as at 01 April 2021		602 656	(507 344)	(129 154)	16 453	(2 998)	2 812	44	(112 843)	2 225 000	2 207 469	—	2 207 469
Total comprehensive (loss)/income for the year		—	—	—	—	(5 415)	(84)	(15)	(5 514)	92 807	87 293	—	87 293
Profit for the year		—	—	—	—	—	—	—	—	92 807	92 807	—	92 807
Other comprehensive loss		—	—	—	—	(5 415)	(84)	(15)	(5 514)	—	(5 514)	—	(5 514)
Reclassification adjustment to inventory, gross	12	—	—	—	—	2 551	—	—	2 551	—	2 551	—	2 551
Reclassification adjustment to inventory, tax portion	12	—	—	—	—	(714)	—	—	(714)	—	(714)	—	(714)
Transactions with owners:													
Share based compensation movement		—	—	—	5 480	—	—	—	5 480	—	5 480	—	5 480
Share awards vested and issued		(22 416)	22 416	—	(7 476)	—	—	—	(7 476)	7 476	—	—	—
Transfer of shares used for scrip dividend	11	(139 169)	139 169	—	—	—	—	—	—	—	—	—	—
Dividends paid	29.2	—	—	—	—	—	—	—	—	(203 476)	(203 476)	—	(203 476)
Scrip dividend issue		68 768	—	—	—	—	—	—	—	(68 768)	—	—	—
Scrip issue costs		(525)	—	—	—	—	—	—	—	—	(525)	—	(525)
Total transactions with owners		(93 342)	161 585	—	(1 996)	—	—	—	(1 996)	(264 768)	(198 521)	—	(198 521)
Balance as at 31 March 2022		509 314	(345 759)	(129 154)	14 457	(6 576)	2 728	29	(118 516)	2 053 039	2 098 078	—	2 098 078
Total comprehensive income for the year		—	—	—	—	**3 862**	**(69)**	**(11)**	**3 782**	**60 585**	**64 367**	**(992)**	**63 375**
Profit for the year		—	—	—	—	—	—	—	—	**60 585**	**60 585**	**(992)**	**59 593**
Other comprehensive income		—	—	—	—	**3 862**	**(69)**	**(11)**	**3 782**	—	**3 782**	—	**3 782**
Reclassification adjustment to inventory, gross	12	—	—	—	—	**5 655**	—	—	**5 655**	—	**5 655**	—	**5 655**
Reclassification adjustment to inventory, tax portion	12	—	—	—	—	**(1 527)**	—	—	**(1 527)**	—	**(1 527)**	—	**(1 527)**
Transactions with owners:													
Transactions with non-controlling interests on acquisition date	38	—	—	—	—	—	—	—	—	—	—	**65 016**	**65 016**
Transactions with non-controlling interests: Repurchased	37	—	—	—	—	—	—	—	—	—	—	**3 316**	**3 316**
Transactions with non-controlling interests: Issued	37	—	—	—	—	—	—	—	—	—	—	**(3 316)**	**(3 316)**
Share based compensation movement		—	—	—	**3 293**	—	—	—	**3 293**	—	**3 293**	—	**3 293**
Share awards vested and issued		**(2 106)**	**2 106**	—	**(124)**	—	—	—	**(124)**	**124**	—	—	—
Dividends paid		—	—	—	—	—	—	—	—	—	—	**(17 188)**	**(17 188)**
Total transactions with owners		**(2 106)**	**2 106**	—	**3 169**	—	—	—	**3 169**	**124**	**3 293**	**47 828**	**51 121**
Balance as at 31 March 2023		**507 208**	**(343 653)**	**(129 154)**	**17 626**	**1 415**	**2 659**	**18**	**(107 436)**	**2 113 748**	**2 169 866**	**46 836**	**2 216 703**
Notes		**11**	**11**	**12**	**12**	**12**	**12**	**12**	**12**				

Statements of cash flows

for the year ended 31 March 2023

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Cash generated from operating activities					
Cash generated from/(used in) operations	27	**162 852**	278 669	**–**	(180)
Finance income	22	**21 284**	11 763	**–**	8
Finance costs	23	**–**	(1 109)	**(1)**	–
Taxation paid	28	**(102 512)**	(51 173)	**–**	–
Net cash inflow/(outflow) from operating activities		**81 624**	238 150	**(1)**	(172)
Cash flows from investing activities					
Property, plant and equipment acquired	2	**(48 904)**	(25 120)	**–**	–
Proceeds from sale of property, plant and equipment		**5 907**	15 905	**–**	–
Proceeds from the sale of non-current assets held for sale	10	**–**	94 339	**–**	–
Purchase of intangible assets	4	**(366)**	(420)	**–**	–
Financial assets at amortised cost advanced		**–**	(570)	**–**	–
Financial assets at amortised cost repaid		**507**	1 044	**–**	–
Related party loans advanced	30	**(643)**	(1 820)	**–**	–
Related party loans repaid	30	**–**	41 419	**–**	–
Acquisition of subsidiary	38	**(636 085)**	–	**–**	–
Net cash (outflow)/inflow from investing activities		**(679 584)**	124 777	**–**	–
Cash flows from financing activities					
Proceeds from related party payables	30	**–**	–	**–**	203 250
Proceeds from borrowings	15	**1 000 000**	–	**–**	–
Repayment of borrowings	15	**(515 141)**	(13 295)	**–**	–
Principle portion of lease liabilities	15	**(5 233)**	(10 709)	**–**	–
Interest portion of lease liabilities	15	**(3 233)**	(6 359)	**–**	–
Interest paid	23	**(36 931)**	–	**–**	–
Dividends paid to company's shareholders	29.2	**–**	(203 476)	**–**	(203 476)
Dividends paid to non-controlling interests in subsidiaries		**(17 188)**	–	**–**	–
Transactions with non-controlling interests		**–**	(4 000)	**–**	–
Net cash inflow/(outflow) from financing activities		**422 274**	(237 839)	**–**	(226)
Net (decrease)/increase in cash and cash equivalents		**(175 686)**	125 088	**(1)**	(398)
Cash and cash equivalents at beginning of the year		**567 910**	442 822	**71**	469
Cash and cash equivalents at end of the year	9	**392 224**	567 910	**70**	71

Notes to the annual financial statements

for the year ended 31 March 2023

Accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. BASIS OF PREPARATION

The annual consolidated and separate financial statements of Novus Holdings Limited have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("Listings Requirements") and the South African Companies Act, 2008 (Act No 71 of 2008), as amended, ("Companies Act"). The Listings Requirements require the financial statements to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss or fair value less costs to sell.

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 1.1.

These financial statements incorporate accounting policies that have been consistently applied to all years presented, with the exception of the implementation of the following standards, interpretations and amendments to published standards that became effective and were adopted by the Group during the current financial year:

Standard/Interpretation	Effective date: Years beginning on or after
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	**01 January 2022**
Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37	**01 January 2022**
Annual Improvements to IFRS Standards 2018-2020, and	**01 January 2022**
Reference to the Conceptual Framework – Amendments to IFRS 3.	**01 January 2022**

The relevance of these new standards and amendments to the published standards has been assessed with respect to the Group’s operations.

Standards, interpretations and amendments to published standards which are not yet effective

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2023, but not yet effective on that date. These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Standard/Interpretation	Effective date: Years beginning on or after
Amendment to IAS 1, ‘Presentation of Financial Statements’ on Classification of Liabilities as Current or Non-current	**01 January 2023**
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	**01 January 2023**
Narrow scope amendments to IAS 1 ‘Presentation of Financial Statements’, Practice statement 2 and IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’	**01 January 2023**

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

1.1 *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future and these accounting estimates are an integral part of the preparation of financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) Estimated impairment of goodwill

The Group tests annually whether goodwill is impaired, in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units are determined as being the higher of the value-in-use or fair value less costs to sell. Calculation of these amounts requires the use of estimates. Further details are provided in note 3.

b) Property, plant and equipment

The estimated useful economic lives of property, plant and equipment are based on management's judgement and experience. Management engages with internal technical experts in assessing the appropriateness of estimated useful lives and recoverable amounts of property, plant and equipment. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of property, plant and equipment investment to the Group, variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

The Group is required to evaluate the carrying values of property, plant and equipment for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. The recoverable amounts of the CGUs to which plant and machinery are allocated are determined by calculating the higher of the CGUs' fair value less costs to sell or value-in-use. This requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the CGUs. Refer to note 2 for further details.

c) Expected credit loss allowance on trade and other receivables

At each reporting date, the company and each of its subsidiaries evaluate the recoverability of trade and other receivables and record allowances for expected credit losses based on the ECL model. These allowances are measured through calculating the historical loss rates based on the payment profiles of sales over actual credit losses experienced. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as tough trading conditions due to inflation and consumer behaviour affecting the ability of the customers to settle their debt.

The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

Refer to note 8 where information is provided on historical loss rates calculated and the forward-looking rates it was adjusted with to determine the expected credit loss allowance on trade and other receivables.

d) Estimated impairment of investments in subsidiaries

The Group tests annually whether investments in subsidiaries have suffered any impairment, in accordance with the accounting policy stated in note 1.2. The recoverable amounts of these investments are determined based on value-in-use calculations applicable to the cash generating units which operate in these subsidiaries. These calculations require the use of estimates. Refer to note 3 and 5 for further details.

e) Deferred tax asset

Deferred tax assets include an amount of R121,8 million (2022: R118,5 million) which relates to tax losses carried forward. This is considered a significant estimate. Refer to note 6 for further details.

f) Leases

When the entity has the option to extend the lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management includes all facts or circumstances available to determine the lease term. These facts and circumstances include the location of warehouses and office spaces, the likelihood of changing locations of operations and whether the Group would be able to replace machinery and office equipment without significant cost or business interruption.

As at 31 March 2023, all lease extension options had been taken into account in the lease liability.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

1.1 *Critical accounting estimates and assumptions (continued)*

g) Impairment of inventories

The recoverability of inventories is based upon a detailed line-by-line management review of the Group's inventory items at various stages of the financial year. Information considered in the impairment review include the age complement of the inventory on hand (i.e., when the first and last product was receipted into inventory) including the sales that have occurred during the past year. Other factors considered in the review would ordinarily include the likelihood of future publications of each title, the inter relationship between inventories, product development assets and author cost impairments.

h) Impairment of intangible assets for product development and author costs

Intangible assets not yet available for use are tested for impairment when an indication of impairment exists, and at least annually, irrespective of indicators. Author costs are recovered as and when the related royalties are earned by contractual set off against the royalties due to an author.

i) Valuation of intangible assets acquired as part of a business combination

The fair values of all identifiable intangible assets acquired as part of a business combination are determined using recognised valuation techniques. Such techniques often rely on forecasts of future cash flows and the use of appropriate discount rates that reflect the risk factors associated with the cash flows. These valuations are based on information at the time of the acquisition and the expectations and assumptions that have been deemed reasonable by the Group's management. The risk exists that the underlying assumptions or events associated with such assets will not occur as projected. For these reasons, among others, the actual cash flows may vary from forecasts of future cash flows.

1.2 *Basis of consolidation*

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. The identifiable assets and liabilities acquired, including contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date.

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

1.2 *Basis of consolidation (continued)*

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

The investment in associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity the Group, no further losses are recognised.

Unrealised gains on transactions between the Group and its investment in associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investment in associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of investment in associates is tested for impairment annually. An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs of disposal and value-in-use.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position.

The investments of Novus Holdings Limited in the ordinary shares of its subsidiaries are carried at cost less impairment losses in the separate financial statements.

Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity is to account for the transaction at book value (predecessor values) in its consolidated financial statements. The book value of the acquired entity is the consolidated book value as reflected in the consolidated financial statements at the highest level of common control. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired is allocated to the "existing control business combination reserve" in equity. Where comparative periods are presented, the financial statements and financial information presented are not restated.

Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within the "existing control business combination reserve" in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee, which includes the CEO, Executive Chairman and CFO and other members of the executive management team that makes strategic decisions.

1.4 *Property, plant and equipment*

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Item	Average useful life
Buildings	8 - 50 years
Plant and machinery	3 - 25 years
Furniture and fixtures	3 - 10 years
Motor vehicles	4 - 5 years
Office equipment	1 - 10 years
IT equipment	2 - 5 years

The Group applies the component approach whereby parts of some items of property, plant and equipment may require replacement at regular intervals. The carrying amount of an item of property, plant and equipment will include the cost of replacing the part of such an item when that cost is incurred, if it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. The carrying amount of those parts that are replaced is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Major leasehold improvements are amortised over the shorter of their respective lease periods and estimated useful economic lives.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Major renovations are depreciated over the remaining useful economic life of the related asset.

Items of property, plant and equipment are reviewed for indicators of impairment at least annually. Where indicators of impairment are identified, the carrying values of property, plant and equipment are reviewed to assess whether or not the recoverable amount has declined below the carrying amount. In the event that the recoverable amount of the asset is lower than its carrying amount, the carrying amount is reduced and the reduction is charged to profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

1.4 *Property, plant and equipment (continued)*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains / (losses)' in profit or loss.

Work in progress is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commences when they become available for use and depreciation periods are based on management's assessment of their useful lives.

1.5 *Intangible assets*

Goodwill

Goodwill is initially measured at cost, being an amount representing the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest over the fair value of the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the acquiree (a bargain purchase), the difference is recognised in profit or loss.

Goodwill arising on acquisition of subsidiaries is included in "goodwill" in the statement of financial position. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. An impairment test is performed by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Acquired intangible assets

Separately acquired intangible assets include trademarks, licences, customer lists and relationships, trademarks and brands, publishing rights, content and technology and are shown at historical cost. Those intangible assets acquired in a business combination are recognised at fair value at the acquisition date. The finite useful life intangibles are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives of two to twenty years. Brands are classified as indefinite useful life assets which are tested annually for impairment.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two to five years.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

1.5 *Intangible assets (continued)*

Computer software is amortised on the straight-line method over its estimated useful life (three to ten years) when available for use.

Work in progress is defined as intangible assets still in the development phase and not yet available for use. These assets are tested annually for impairment and carried at cost less accumulated impairment losses while still being developed. Amortisation on these assets commences when they become available for use and amortisation periods are based on management's assessment of their useful lives.

Copyrights

Expenditure on acquired copyrights is initially stated at historical cost. Copyrights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Copyrights are amortised using the straight-line method to allocate the cost of copyrights over their estimated useful lives (maximum of twenty years). The carrying value is reviewed annually and written down to its recoverable amount if the carrying amount is greater than the recoverable amount.

Product development assets

Product development assets represent direct costs incurred in the development of educational programmes and titles prior to their publication. These costs are recognised as current intangible assets where the title will generate probable future economic benefits and costs can be measured reliably. These costs are eligible for capitalisation when incurred after the research phase when feasibility has been completed and prior to publication of the product/availability for use or sale. Product development assets relating to content are amortised upon publication of the title over estimated economic lives of three to five years, being an estimate of the expected operating lifecycle of the title, with a higher proportion of the amortisation taken in the earlier years for printed product. The rates of amortisation are 70%, 15% and 15% over three years for printed products and over five years for digital products.

The assessment of the useful economic life and the recoverability of product development assets involves judgement and is based on historical trends and management's estimation of future potential sales. Product development assets are assessed for impairment triggers on a regular basis or when triggering events occur. The carrying amount of product development assets is set out in note 4.

Product development assets are measured at cost less accumulated amortisation and accumulated impairment losses.

1.6 *Financial assets*

The Group classifies its financial assets in the following categories: financial assets at amortised cost and financial assets at fair value through other comprehensive income. The classification depends on the business model within which the financial assets are managed; and the contractual cash flow characteristics of the asset (that is, whether the cash flows represent "solely payments of principal and interest"). Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost

Financial assets at amortised cost includes loans and receivables and are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets at amortised cost are carried at amortised cost using the effective interest rate method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Financial assets at fair value through other comprehensive income

The Group elected to classify its non-listed investment under this category. Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value, and any fair value changes in the carrying amount of financial assets are recognised in other comprehensive income and accumulated under the heading of financial assets at FVOCI reserve. When these financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Other gains/(losses)'.

1.6 *Financial assets (continued)*

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

a) Financial assets carried at amortised cost

The Group assesses whether its financial assets at amortised cost are impaired based on the basis of expected credit losses (ECL). This analysis requires the identification of significant increases in the credit risk of the counterparty. Considering that the majority of the Group's financial assets are trade receivables, the analysis also integrates statistical data reflecting the past experience of losses incurred due to default. Refer to note 1.8 for impairments related to trade and other receivables where the simplified approach to measuring the ECL is used.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

The model and some of the assumptions used in calculating these ECLs are key sources of estimation uncertainty.

A provision for impairment of financial assets carried at amortised cost, except for trade and other receivables, is established using the general approach to measuring expected credit losses (ECLs) for financial assets carried at amortised cost.

Financial assets are written off when there is no reasonable expectation of recovery such as when attempts are unsuccessfully made to recover debt with the assistance of lawyers. When financial assets have been written off, the company continues to attempt to recover the amount due. Where recoveries are made, these are recognised in profit or loss.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in the fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in the income statement. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'Other gains / (losses)'.

1.6 *Financial assets (continued)*

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the income statement within 'Other gains / (losses)'.

1.7 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) within the Print and Packaging segments. It excludes borrowing costs. Within the Education segment, the cost of finished goods comprises only the purchase price of the product, including non-refundable purchase taxes and import duties, net of rebates or other discounts; costs that are directly attributable to the purchase of inventories, including initial delivery and handling costs; and other costs that are incurred in bringing the inventory to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials. Provisions are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

1.8 *Trade and other receivables*

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of the current receivables, they are all classified as current.

A provision for impairment of trade receivables is established using the simplified approach to measuring expected credit losses (ECL's) for trade receivables at an amount equal to the lifetime ECLs. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience. The historical credit loss rates are based on the payment profiles of sales over a period of 12 months during the previous reporting period and the correspond/ding actual credit losses experienced during the current 12 month reporting period. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as tough trading conditions due to inflation and consumer behaviour affecting the ability of the customers to settle their debt.

1.8 *Trade and other receivables (continued)*

The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the customer; or
- The customer is over terms after it is highly probable the customer will not be able to pay all amounts owing according to original terms of payment or numerous defaults on revised repayment plans put in place.

Information about the Group's exposure to foreign currency risk and interest rate risk can be found in note 32.

1.9 *Cash and cash equivalents*

In the consolidated statement of cash flows, cash includes cash on hand, deposits held at call with banks. Cash equivalents includes other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown separately within current liabilities on the statement of financial position.

1.10 *Non-current assets held for sale*

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

1.11 *Share capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

1.12 *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

1.12 *Borrowings (continued)*

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

1.13 *Employee benefits*

Retirement benefits

The Group provides retirement benefits for its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds in the countries in which the Group operates. The assets of these funds are generally held in separate trustee-administered funds. The Group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefit

The Group's contributions to medical aid benefit funds for employees are recognised as an expense in the period during which the employees render services to the Group.

Post-employment medical aid benefit

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent qualified actuaries carry out annual valuations of these obligations. All actuarial re-measurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. The actuarial valuation method used to value the obligations is the projected unit credit method. Future benefits are projected using specific actuarial assumptions and the liability to in-service members is accrued over their expected working lifetime. These obligations are unfunded.

1.14 *Share-based payments*

The Group grants share options, share appreciation rights (SARs) and restricted shares (RSPs) to its employees under a number of equity compensation plans. The Group has recognised an employee benefit expense in the income statement, representing the fair value of share options/SARs/RSPs granted to the Group's employees. A corresponding credit to equity has been raised for equity-settled plans, whereas a corresponding credit to liabilities has been raised for cash-settled plans. The fair value of the options/SARs/RSPs at the date of grant under equity-settled plans is charged to income over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the Group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

A share option scheme/SAR/RSP is considered equity-settled when the option/gain is settled by the issue of shares. They are considered cash-settled when they are settled in cash or any other asset, i.e. not by the issue of shares. Each share trust deed, SAR and RSP plan rules, as appropriate, indicates whether the option/gain is to be settled by the issue of shares or not.

1.15 *Current and deferred income tax*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

1.15 *Current and deferred income tax (continued)*

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates, only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The normal South African company tax rate used for the year ending 31 March 2023 is 27% (2022: 28%). On 23 February 2022, the Minister of Finance announced that the Corporate tax rate will decrease from 28% to 27% for years of assessment commencing on/after 1 April 2022. Deferred tax assets and liabilities have been calculated using the 27% (2022: 27%) rate, being the rate that the Group expects to apply to the periods when the assets are realised or the liabilities are settled.

Capital gains tax is calculated as 80% (2022: 80%) of the company tax rate. Local income tax as per note 24 refers to taxation applicable to the country in which the subsidiaries operate.

1.16 *Dividends withholding tax (DWT)*

Shareholders are subject to DWT on dividends received, unless they are exempt in terms of the amended tax law. DWT is levied at 20% (2022: 20%) of the dividend received. The DWT is categorised as a withholding tax as the tax is withheld and paid to tax authorities by the company paying the dividend or by a regulated intermediary and not the beneficial owner of the dividend.

1.17 *Provisions*

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required on 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 may be small.

Provisions are measured at the present value of the cash resources expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

1.18 *Trade and other payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

1.19 *Revenue*

Revenue from contracts with customers

Printing revenue

Printing revenue is recognised upon client acceptance of product specifications and completion of printing to client specifications (point in time).

Packaging revenue

Packaging revenue is recognised based on contractual arrangements with customers, either upon client acceptance of product specifications and completion of the product to client specifications (point in time) or upon delivery of the related product and customer acceptance (point in time).

Educational revenue

Educational revenue consists of:

Revenue that is derived from selling a range of products to its customers ostensibly in the South Africa market. Sales are recognised when control of products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products (point in time). Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. These revenues are derived mainly from provincial education departments in South Africa, schools and bookshops. Revenue is also derived from higher learning institutions in South Africa. A small element of product is exported to markets outside of South Africa where the product is aligned with that territory's curriculum.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 60 days and in some instances 90 days, which is consistent with market practice.

Revenue from digital products sold that recognised over the period relating to the right to access the digital content (i.e. the period of the licence). These are normally sold with 12 months' access and usage is available during the financial period. Accordingly, the full revenue is recognised within the financial year, which coincides with the academic year (point in time). Revenue is measured as the amount of consideration which the Group most likely expects to receive, based on the price list applicable to a given performance obligation, net of returns and allowances and trade discounts. Payment is due once delivery is made within terms of invoice.

Distribution revenue

Revenues from distribution services are recognised upon delivery of the product to the customer and acceptance thereof. Where print and distribution services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated.

Waste revenue and Other revenue (mainly consisting out of publishing revenue) is recognised at a point in time upon delivery of the related product and customer acceptance.

1.19 *Revenue (continued)*

Revenue other than from contracts with customers

Other revenue mainly consists of rent received.

Other revenue for the Company, comprises dividends received from subsidiaries and is recognised when the right to receive payment is established.

Revenue is measured as the amount of consideration which the Group most likely expects to receive, based on the price list applicable to a given performance obligation, net of returns and allowances, trade discounts and volume rebates. Payment is due once delivery is made within terms of invoice. The Group has no significant payment terms in place with its customers.

A contract asset is raised for products printed but not yet invoiced/delivered, where the performance obligations have been met. This is recognised as a separate line item in the statement of financial position.

1.20 *Other income*

Interest received on financial assets are included in “Finance income”. Interest is accrued using the effective interest method.

1.21 *Dividend distribution*

Dividend distribution to the company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Board of directors.

1.22 *Leases*

The Group leases various offices, factory premises and equipment. Certain lease contracts in place have renewal options included. Renewal options are only included in the lease term if the lease is reasonably certain to be extended.

For any new contracts entered into, the Group considers whether the contract contains a lease and applies IFRS 16: Leases as set out below.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The lease liability is measured as the present value of lease payments over the lease term, discounted at the Group’s incremental borrowing rate. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. The right-of-use asset is recognised at the amount of the initial measurement of the lease liability and any initial direct costs.

Right-of-use assets

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the end of the earlier of the useful life or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

On the statement of financial position, the right-of-use assets have been included in Property, Plant and Equipment.

Lease Liabilities

Subsequent to initial measurement of the lease liability, the liability will be reduced for payments made and increased for finance costs. It is re-measured to reflect any reassessment or modification. When the lease liability is re-measured, the corresponding gain or loss is reflected in profit or loss.

On the statement of financial position, lease liabilities have been included in ‘Borrowings and lease liabilities’ and ‘Current portion of borrowings and lease liabilities’.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

1.22 *Leases (continued)*

The Group has elected to apply the exemptions applicable to short term leases and to assets of low value. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Deferred tax is recognised on temporary differences arising from the lease liability and right-of-use assets.

Measurement and recognition of leases as a lessor

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

The Group leases a building to an associate of the Group. The lease is classified as an operating lease.

Lease payments from operating leases are recognised as income on a straight-line basis. Costs, including depreciation, incurred in earning the lease income is recognised as an expense.

1.23 *Foreign currency translation*

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

1.24 *Government grants*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income (note 18) and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

1.25 *Related parties*

Individuals or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as all directors of Novus Holdings Limited as well as members of the Novus Holdings Limited executive committee and certain members of senior management.

1.26 *Investment property*

Investment property which includes a building, is held for long-term rental yields and is not occupied by the Group. Investment property is measured by applying the cost model and depreciated in equal annual instalments over the useful life of the building which is determined to be fifty years. Investment property is measured at cost less accumulated depreciation and less accumulated impairment.

2. PROPERTY, PLANT AND EQUIPMENT

	Notes	Land and buildings Owned R'000	Land and buildings Right–of–use asset R'000	Plant and machinery Owned R'000	Plant and machinery Right–of–use asset R'000	Vehicles, computers and office equipment Owned R'000	Vehicles, computers and office equipment Right–of–use asset R'000	Work in progress R'000	Total R'000
Cost		538 931	71 997	2 867 592	67 857	176 755	831	1 794	3 725 757
Accumulated depreciation and impairment		(196 630)	(34 799)	(2 324 798)	(52 835)	(162 471)	(762)	–	(2 772 295)
Net book value at 01 April 2021		342 301	37 198	542 794	15 022	14 284	69	1 794	953 462
Additions – cash		50	–	15 075	–	1 589	–	8 406	25 120
Additions – other		15 104	–	226	–	10	–	–	15 340
Disposals		–	(6 370)	(12 493)	(11 503)	(216)	–	–	(30 582)
Reclassifications		3 373	(3 237)	31	–	–	–	(205)	(38)
Depreciation	21	(14 619)	(7 414)	(52 374)	(1 943)	(7 468)	(69)	–	(83 887)
Transfers from work–in–progress		602	–	5 694	–	2 169	–	(8 465)	–
Impairment		–	(136)	(68 979)	–	–	–	–	(69 115)
Transferred to 'held for sale'	10	(16 631)	–	(81)	–	(6)	–	–	(16 718)
Net book value at 31 March 2022		330 180	20 041	429 893	1 576	10 362	–	1 530	793 582
Cost		**539 584**	**48 822**	**2 726 600**	**2 926**	**172 233**	**–**	**1 530**	**3 491 695**
Accumulated depreciation and impairment		**(209 404)**	**(28 781)**	**(2 296 707)**	**(1 350)**	**(161 871)**	**–**	**–**	**(2 698 113)**
Additions – cash		**2 395**	**–**	**11 813**	**–**	**7 533**	**–**	**27 163**	**48 904**
Additions – other		**–**	**1 219**	**–**	**–**	**–**	**–**	**–**	**1 219**
Acquisition of subsidiary	38	**5 260**	**139**	**–**	**–**	**4 896**	**–**	**–**	**10 295**
Disposals		**–**	**–**	**(6 956)**	**–**	**(11)**	**–**	**–**	**(6 967)**
Reclassifications		**–**	**–**	**61**	**–**	**–**	**–**	**–**	**61**
Depreciation	21	**(13 699)**	**(4 263)**	**(45 770)**	**(576)**	**(7 157)**	**–**	**–**	**(71 465)**
Transfers from work–in–progress		**15 178**	**–**	**3 531**	**–**	**4 931**	**–**	**(23 640)**	**–**
Impairment		**–**	**–**	**(20 479)**	**–**	**–**	**–**	**–**	**(20 479)**
Transferred to 'held for sale'	10	**–**	**–**	**(157)**	**–**	**–**	**–**	**–**	**(157)**
Net book value at 31 March 2023		**339 314**	**17 136**	**371 936**	**1 000**	**20 554**	**–**	**5 053**	**754 993**
Cost		**562 417**	**42 055**	**2 659 391**	**2 926**	**170 018**	**–**	**5 053**	**3 441 860**
Accumulated depreciation and impairment		**(223 103)**	**(24 919)**	**(2 287 455)**	**(1 926)**	**(149 464)**	**–**	**–**	**(2 686 867)**

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	2023 R'000	2022 R'000
Net book value of owned assets at 31 March	**736 857**	771 965
Net book value of right-of-use assets at 31 March	**18 136**	21 617
	754 993	793 582

Additions – other

"Additions – other" relates to non-cash acquisitions made during the year. This relates to leasing of new building space. The non-cash acquisitions in the prior year relates to the Novus Print Bloemfontein building capitalised upon it's transfer amounting to R15,1 million. The acquisition price for this building was paid in 2021 with transfer of ownership to Novus Print in 2022. Novus Print previously leased this building which housed its newspaper operations in Bloemfontein. The building together with other related assets was reclassified to non-current assets held for sale and sold within the previous financial year. Refer to note 10 for further details.

Reclassifications

Reclassifications relate to items reclassified to/from other asset categories.

Impairments

The Group recognised an impairment of property, plant and equipment of R20,5 million (2022: R69,1 million). An impairment charge of R16,9 million was accounted for in the Print segment (2022: Rnil) and R3,6 million within the Packaging segment (2022: R69,1 million).The impairment loss has been included in "Other gains/(losses)" in the income statement." The R69,1 million impairment charge in the prior year relates to assets within the Packaging segment which were impaired to their recoverable amount mainly due to the exit of a large customer contract impacting the future cash flows of the Novus Labels division.

The recoverable amounts of Plant and machinery when assessing for impairment were determined with reference to the following valuation methodologies:

At 31 March 2023	Print R'000	Packaging R'000	Other R'000	Basis of determination of recoverable amount
Net book value				
Plant and machinery Owned	**–**	**135 904**	**–**	**Value in use**
Plant and machinery Owned	**203 061**	**32 874**	**97**	**Fair value less costs to sell**
Total Plant and machinery Owned	**203 061**	**168 778**	**97**	

At 31 March 2022	Print R'000	Packaging R'000	Packaging R'000	Basis of determination of recoverable amount
Net book value				
Plant and machinery Owned	150 882	141 306	–	Value in use
Plant and machinery Owned	95 129	42 447	129	Fair value less costs to sell
Total Plant and machinery Owned	246 011	183 753	129	

2. PROPERTY, PLANT AND EQUIPMENT (continued)

The material impairments in the current and prior year relate to the following:

Print

During the current year, management reviewed the future cash flows of the business taking into account the impact of increased paper pricing and estimated cost increases, and subsequently impaired assets by R16,9 million to their recoverable amount of R69,2 million.

Where assets were impaired to their recoverable amount based on value-in-use, the value-in-use is based on discounted cash flow calculations. The Group based its cash flow calculations on three years budgeted and two years forecasted information. The budgeted information for year 1 was approved by the Board of directors on a consolidated level, with years 2 - 3 derived from budgeted information approved by management and extrapolated over the forecasted years. The growth rate of -5% for the Print segment and 3% for remaining segments (2022: -5% for Print segment and 3% for remaining segments) is a long-term average growth rate which was used to extrapolate the cash flows into the future. This rate was also compared to the average long term industry growth rates for reasonableness. The discount rate used of 16,8% (2022: 15,5%) is pre-tax and reflects the specific risks relating to this segment.

As a result of the material impairments taken since 2018, several assets are carried at fair value less costs to sell with no subsequent reversals of these impairments required as its value-in-use remains below its carrying amount. The cash flows are based on management's best estimate and therefore subject to judgement which includes elements of uncertainty. Should these assumptions change, an assessment would be made to consider any further impairment.

Packaging

Novus Labels

In the prior year the impairment resulted from the decision to terminate the division's largest customer contract, significantly influencing the future cash flows of the division and the assets recoverable amount. This led to an impairment of plant and machinery of R65,0 million to its recoverable amount of R42,4 million. The recoverable amount was determined to be the fair value less costs to sell for all plant and machinery in the division.

ITB

In the current financial year, an impairment charge of R3,6 million (2022: R4,1 million) was recognised to fully impair machinery and equipment used to produce low-end retail carrier bags. The division took a decision to stop servicing this market and accordingly the machinery and equipment has become redundant. Refer to note 3 for goodwill impairment testing performed specifically on the ITB CGU within the Packaging segment where goodwill remains on the statement of financial position and the assumptions applied in the value-in-use calculations, the assumptions remained consistent when assessing PPE for impairment.

Education

The Education CGU was considered for impairment in the current year and no impairment was deemed necessary. Refer to note 4 which provides additional information on the impairment assessment performed on the intangible assets recognised at acquisition date relating to the Education CGU.

The recoverable amounts of the impaired assets and cash generating units (including goodwill) were determined by reference to either the asset's fair value less costs to sell or value-in-use. Where assets were impaired to their recoverable amount based on fair value less cost to sell as and where inputs were available, the inputs used were market values of these assets obtained from manufacturers or agents of the same equipment or similar types of equipment. Where the market values were not obtainable, the recoverable amounts were estimated by management with the use of internal technical experts, approximation of values using recent sale transactions of print equipment and given that these are unobservable inputs, the fair value of these assets were classified as level 3 fair value estimates. Where there was no market considered for the specific asset and there is no value-in-use, this asset was impaired in full. Where fair value less costs to sell was used, if one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no further significant impairments that would have to be recognised.

There were no other impairments or reversals of impairments relating to property, plant and equipment in the current year.

At 31 March 2023, the City Deep, Paarden Eiland and Montague Gardens buildings owned by Novus Print with a carrying value of R309,4 million, have been pledged as security for working capital facilities. Refer to note 9.

3. GOODWILL

	2023 R'000	2022 R'000
Cost		
Opening balance	**245 984**	245 984
Closing balance	**245 984**	245 984
Accumulated impairment		
Opening balance	**165 772**	149 064
Impairment charge	**—**	16 708
Closing balance	**165 772**	165 772
Net book value	**80 212**	80 212

Impairment testing of goodwill

The Group has allocated its goodwill to various cash-generating units. The recoverable amounts of these cash—generating units have been determined based on either a value-in-use calculation or fair value less costs to sell, where more appropriate. The value-in-use is based on discounted cash flow calculations. The Group based its cash flow calculations on three years budgeted and two years forecasted information. The budgeted information for year 1 was approved by the Board on a consolidated level, with years 2 - 3 derived from budgeted information approved by management and extrapolated over the forecasted years. The growth rates disclosed are the long—term average growth rates which were used to extrapolate the cash flows into the future. These rates were also compared to the average long term industry growth rates for reasonableness. The discount rates used are pre—tax and reflect specific risks relating to the relevant cash generating units in which they operate.

The Group allocated the remaining goodwill to the following cash-generating units:

	Net Book Value R'000	Basis of determination of recoverable amount	Discount rate applied to cash flows	Growth rate to extrapolate cash flows into perpetuity
Cash—generating unit				
At 31 March 2023				
ITB	**80 212**	**Value in use**	**16,8%**	**3%**
	80 212			
At 31 March 2022				
Novus Labels	—	Value in use	15,5%	5%
ITB	80 212	Value in use	15,5%	3%
	80 212			

Goodwill represents the above cash—generating units' ability to generate future cash flows, which is a direct result of various factors, including increased expected economic benefits from a larger customer base operating in growth sectors to supply packaging for the food and beverage industry.

3. GOODWILL (continued)

The following assumptions were used for cash generating units with goodwill for years 1 - 5.

ITB

Average EBITDA growth rate of 4% (2022: 2%) across the years, resulting in an EBITDA ranging from R65 million to R76 million (2022: R56 million to R66 million) per year.

Average capital expenditure for maintenance of R9,7 million (2022: R8,3 million) per year.

If one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no further significant impairments that would have to be recognised. If the discount rate increased by 2%, or if the growth rate decreased by 2%, there would be no further impairment charge, with all other assumptions remaining constant. The recoverable amount of this CGU currently exceeds its carrying value by 67% (2022: 42%).

Novus Labels

The division terminated a sales agreement with its largest customer in the prior year after reviewing its profitability and significant working capital investment. This impacted the future cash flows of the division and as a result the forecasted cash flows from FY2023 onwards were adjusted downwards to take into account the CGU's expected performance based on the revised business plans. This led to a decrease in the recoverable amount since 31 March 2021 to below its carrying amount and the goodwill amounting to R16,7 million was therefore impaired in full in the prior year.

4. OTHER INTANGIBLE ASSETS

		Non—Current			Current	
	Notes	Patents, trade marks and customer lists R'000	Brands R'000	Computer Software R'000	Product development cost R'000	Total R'000
Cost		10 137	–	87 665	–	97 802
Accumulated amortisation and impairment		(8 272)	–	(75 815)	–	(84 087)
Net book value at 01 April 2021		1 865	–	11 850	–	13 715
Additions		420	–	–	–	420
Amortisation	21	–	–	205	–	205
Transfers from work—in—progress		(403)	–	(2 128)	–	(2 531)
Impairment		–	–	(9 014)	–	(9 014)
Net book value at 31 March 2022		1 882	–	913	–	2 795
Cost		**10 557**	**–**	**86 744**	**–**	**97 301**
Accumulated amortisation and impairment		**(8 675)**	**–**	**(85 831)**	**–**	**(94 506)**
Additions		**–**	**–**	**–**	**5 434**	**5 434**
Acquisition of subsidiary	38	**386 067**	**93 447**	**–**	**56 976**	**536 490**
Amortisation*	21	**(43 130)**	**–**	**(658)**	**(7 812)**	**(51 600)**
Net book value at 31 March 2023		**344 819**	**93 447**	**255**	**54 598**	**493 119**
Cost		**403 326**	**93 447**	**82 088**	**62 410**	**641 271**
Accumulated amortisation and impairment		**(58 507)**	**–**	**(81 833)**	**(7 812)**	**(148 152)**

* *The amortisation recognised on the acquired intangible assets is disclosed within the Education segment.*

4. OTHER INTANGIBLE ASSETS (continued)

The prior year impairment charge of R9 million occurred in the Print segment and related to components of software deemed to be redundant. These components were impaired to a recoverable amount of Rnil. The average remaining useful life of computer software is three years. Customer relationships (R385,6 million) recognised as part of the acquisition transaction were recognised at their fair value at the date of acquisition and is subsequently amortised on a straight—line bases over three years. Brands recognised (R93,4 million) as part of the acquisition have an indefinite useful life. Refer to note 38 for additional information.

Significant estimate: Valuation of intangible assets acquired as part of a business combination

The intangible assets relating to customer relationships and brands were recognised as part of the acquisition transaction of Maskew Miller Learning Proprietary Limited ("MML").

It was identified that MML has some strong customer relationships. The business benefits from long-term relationships with education departments and content owners/developers, to provide high-quality learning material to students.

MML is home to Maskew Miller Longman and Heinemann, two of the best-known names in South African publishing and leaders in the provision of print materials and Curriculum Assessment Policy Statement ('CAPS') approved textbooks.

Maskew Miller Longman and Heinemann are separable trade names/brands and generate their own cash flows and these trade names/brands will continue to be in existence as the Company will continue to publish books under these trade names/brands.

As such, it is prudent to recognise Maskew Miller Longman and Heinemann brands as intangible assets.

Key assumptions used in the valuation of the customer relationships and brands were:

	2023
Weighted average cost of capital	**23,91%**
Revenue growth rates	**2,5% - 4,2%**
Royalty rate	**3,00%**
Cash flow forecast period	**3 years**
Customer attrition rate	**10%**
Customer relationship valuation method	**Residual income approach**
Brands valuation method	**Relief from royalty method**

Impairment testing of acquired indefinite useful live assets

The indefinite useful life assets are tested annually for impairment. These assets form part of the Education CGU. The recoverable amounts of the Education CGU have been determined based on a value-in-use calculation. The value-in-use is based on discounted cash flow calculations. The Group based its cash flow calculations on three years budgeted information. The budgeted information for year 1 was approved by the Board of directors on a consolidated level, with years 2 - 3 derived from budgeted information approved by management and extrapolated over the forecasted years. The revenue growth rates disclosed per above are the long-term average growth rates which were used to extrapolate the cash flows into the future. The discount rate used was 23,91%. No impairment was deemed necessary.

5. INVESTMENTS IN SUBSIDIARIES

The following information relates to the Group's financial interest in its significant subsidiaries, over which the Group has control through its direct and indirect interests in respective intermediate holding companies and other entities.

All subsidiaries, except for Novus Holdings Share Trust which has a year end of 28 February, share the same financial year—end as Novus Holdings Limited and are incorporated in South Africa.

Name of company	Nature of business	Effective interest 2023	Effective interest 2022	Company Carrying Amount 2023 R'000	Company Carrying Amount 2022 R'000
Unlisted		**%**	%		
Direct interests					
Paarl Media Holdings Proprietary Limited	Printing	**100,0**	100,0	**1 043 782**	1 043 782
Paarl Coldset Proprietary Limited	Printing	**100,0**	100,0	**—**	16 323
Novus Print Proprietary Limited	Printing	**1,0**	0,0	**13 836**	—
Latiano 554 Proprietary Limited	Investment holding company	**100,0**	100,0	*	*
Novus Packaging Holdings Proprietary Limited	Investment holding company	**100,0**	100,0	*	*
Novus Holdings Share Trust	Investment holding entity	**100,0**	100,0	*	*
				1 057 618	1 060 105
Indirect interests					
Macleary Investments 456 Proprietary Limited	Dormant	**100,0**	100,0		
Paarl Media Paarl Proprietary Limited	Dormant	**100,0**	100,0		
Novus Print Proprietary Limited	Printing	**99,0**	100,0		
Intrepid Printers Proprietary Limited	Dormant	**100,0**	100,0		
Novus Packaging Proprietary Limited	Packaging, printing and tissue manufacturing	**100,0**	100,0		
Victory Ticket 376 Proprietary Limited t/a Digital Print Solutions	Dormant	**100,0**	100,0		
ITB Manufacturing Proprietary Limited	Packaging	**100,0**	100,0		
Isithebe Contracting Services Proprietary Limited	Packaging	**100,0**	100,0		
Molakai Investments Proprietary Limited	Packaging	**100,0**	100,0		
Plaslope Proprietary Limited	Packaging	**100,0**	100,0		
Maskew Miller Learning Proprietary Limited	Educational publishing	**94,0**	0,0		

* *The carrying amounts of these investments are less than R1,000.*

Impairment is assessed with reference to value-in-use calculations, leveraging the assessment of the subsidiaries' underlying cash flows to determine the recoverable amount of the Group's investments.

	2023 R'000	2022 R'000
Opening balance	**1 060 105**	1 060 105
Impairment	**(16 323)**	—
Additions	**13 836**	—
Closing balance	**1 057 618**	1 060 105
Cost	**1 310 957**	1 297 121
Accumulated impairment	**(253 339)**	(237 016)

5. INVESTMENTS IN SUBSIDIARIES (continued)

During the current year, Paarl Coldset Proprietary Limited distributed the net asset value of the business in preparation for deregistration of the entity. This resulted in the investment in Paarl Coldset Proprietary Limited being fully impaired by R16,3 million in the current financial year. As a result of the distribution, as its only shareholder, Novus Holdings Limited obtained a 1% direct investment in Novus Print Proprietary Limited to the value of R13,8 million. This amount has also been recognised in note 19 as revenue.

6. DEFERRED TAXATION

The deferred tax assets and liabilities and movement thereon are attributable to the following items:

	Opening balance R'000	Charged to income R'000	Acquisition of subsidiary R'000	Charged to other comprehen-sive income R'000	Charged to equity R'000	Closing balance R'000
2023						
Deferred taxation assets						
Property, plant and equipment	41 279	(34 154)	(254)	–	–	6 871
Receivables and other current assets	281	(3 501)	6 923	–	–	3 704
Provisions and other current liabilities	(1 152)	6 427	18 397	–	–	23 672
Income received in advance	200	813	–	–	–	1 013
Tax losses carried forward	118 495	3 312	–	–	–	121 807
Capitalised finance leases	6 971	1 162	–	–	–	8 133
Derivative assets	5 220	(5 220)	–	–	–	–
Other	2 317	16 948	(1 362)	30	–	17 932
	173 611	(14 214)	23 704	30	–	183 132
Deferred taxation liabilities						
Property, plant and equipment	(100 527)	12 603	–	–	–	(87 924)
Intangible assets	(1 306)	11 529	(130 393)	–	–	(120 170)
Receivables and other current assets	(1 282)	1 025	(37)	–	–	(294)
Provisions and other current liabilities	(561)	–	–	–	–	(561)
Hedging reserve	(981)	–	–	(2 955)	–	(3 936)
Derivative assets	–	(992)	–	–	–	(992)
Share based compensation	(152)	152	–	–	–	–
	(104 809)	24 317	(130 430)	(2 955)	–	(213 878)
Net deferred taxation	68 802	10 103	(106 726)	(2 925)	–	(30 747)
Notes		24	38			

6. DEFERRED TAXATION (continued)

	Opening balance R'000	Charged to income R'000	Acquisition of subsidiary R'000	Charged to other comprehensive income R'000	Charged to equity R'000	Closing balance R'000
2022						
Deferred taxation assets						
Property, plant and equipment	43 719	(2 440)	–	–	–	41 279
Receivables and other current assets	795	(514)	–	–	–	281
Provisions and other current liabilities	10 131	(11 283)	–	–	–	(1 152)
Income received in advance	350	(150)	–	–	–	200
Tax losses carried forward	131 737	(13 242)	–	–	–	118 495
Capitalised finance leases	17 903	(10 932)	–	–	–	6 971
Derivative assets	3 402	1 818	–	–	–	5 220
Other	(3 952)	6 230	–	39	–	2 317
	204 085	(30 513)	–	39	–	173 611
Deferred taxation liabilities						
Property, plant and equipment	(137 385)	36 858	–	–	–	(100 527)
Intangible assets	(1 533)	227	–	–	–	(1 306)
Receivables and other current assets	(2 389)	1 107	–	–	–	(1 282)
Provisions and other current liabilities	(561)	–	–	–	–	(561)
Hedging reserve	(2 273)	(100)	–	2 106	(714)	(981)
Share based compensation	(158)	6	–	–	–	(152)
	(144 299)	38 098	–	2 106	(714)	(104 809)
Net deferred taxation	59 786	7 585	–	2 145	(714)	68 802
Note		24	38			

A summary of the Group's recognised tax losses carried forward at 31 March and the expected dates of utilisation are set out below. The tax losses are within the South African tax jurisdiction.

	Group 2023 R'000	Group 2022 R'000
Utilised within one to eight years:		
Novus Packaging Proprietary Limited	**395 243**	438 870
Novus Print Proprietary Limited	**55 892**	–
	451 135	438 870

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amount accrued would not have a material adverse impact on the Group's income statement and statement of financial position.

6. DEFERRED TAXATION (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. The deferred tax assets relate mainly to carried forward tax losses of Novus Packaging Proprietary Limited. During the current year, in accordance with Section 20 of the Income Tax Act 1962 (Act 58 of 1962), the assessed loss carried forward from the prior year was limited to 80% of the current year's taxable income, where applicable. Novus Packaging Proprietary Limited had incurred tax losses over a number of years following the acquisition of the Correll Tissue business. They relate mainly to costs of integrating the operations and delays in the expansion project of the business. The increase in the tax losses in the current financial year relates to the assessed loss incurred by Novus Print Proprietary Limited. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on budgets that were determined by incorporating approved business plans for the subsidiaries. Novus Packaging Proprietary Limited started to utilise the assessed loss from the 2021 financial year and based on future projections it is considered unlikely that the same circumstances within which the losses accumulated will recur. The Group expects to fully utilise this deferred tax asset within the next 8 years based on current projections and forecasts.

Deferred tax assets and liabilities are offset when the income tax relates to the same fiscal authority and there is a legal right to offset at settlement. The following amounts are shown in the consolidated statement of financial position:

	Group 2023 R'000	Group 2022 R'000
Deferred tax asset	**90 427**	90 517
Deferred tax liabilities	**(121 174)**	(21 715)
	(30 747)	68 802

7. INVENTORY

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Raw materials	**672 454**	369 433	**–**	–
Finished products, trading inventory and consumables	**120 881**	57 050	**–**	–
Work-in-progress	**18 792**	18 307	**–**	–
Gross inventory	**812 127**	444 790	**–**	–
Less: Provision for slow-moving and obsolete inventories	**(9 681)**	(7 567)	**–**	–
Net inventory	**802 446**	437 223	**–**	–

The increase in raw materials since the prior year from R369,4 million to R672,5 million in the current year, is due to the Print segment being impacted by excessive paper price increases during the current year as well as making strategic purchases to mitigate global raw material shortages and availability. Finished goods have increased since the prior year due to the inclusion of the Education segment's finished goods.

The total provision charged to the income statement to write inventory down to net realisable value amounted to R4,6 million (2022: R6,4 million), and reversals of these provisions amounted to R1,0 million (2022: R1,3 million). Provisions utilised amounted to R1,5 million (2022: R3,9 million).

The cost of inventories recognised as an expense and included in 'costs of goods sold' amounted to R1,8 billion (2022: R1,5 billion).

8. TRADE AND OTHER RECEIVABLES

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Trade accounts receivable, gross		**529 092**	390 012	**–**	–
Less: Contract assets	8.1	**(9 389)**	(2 185)	**–**	–
Less: Expected credit loss allowance (ECL)		**(29 264)**	(20 447)	**–**	–
		490 439	367 380	**–**	–
Prepayments		**12 564**	13 605	**–**	–
VAT receivable		**9 780**	10 580	**–**	–
Sundry deposits		**13 062**	12 984	**–**	–
Other receivables		**22 017**	15 565	**–**	–
		547 862	420 114	**–**	–

The Group's maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group also has credit guarantees in place limited to 80% of the R52,2 million (2022: R71,2 million) insured debtors' book within the Packaging segment trade receivables.

The Group has not pledged any of its trade receivables as security against its lease liabilities or other liabilities.

The top 5 customers amounting to R107,3 million (2022: R132,6 million) comprises 20% (2022: 34%) of the outstanding balance of trade receivables and operates within the consumer retail, food & beverage and publishing industries.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As at 31 March 2023, to measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Although the industry has stabilised in comparison to the prior year, the permanent COVID-19 impact has been factored into expected credit losses and includes negative business confidence and business/customers still under pressure financially. Management has considered as part of their assessment the low, medium and high scenarios, the probability of these likely outcomes in concluding on the impact of loss on the trade receivable book. Based on the industry the customer operates in, an additional credit risk premium was taken into account which varies based on external published customer ratings, industry growth or contraction and regulatory environment in which the customer operates. The Group identifies specific credit loss allowances if these receivables are over terms after it is highly probable the customer will not be able to pay all amounts owing according to original terms of payment or numerous defaults on revised repayment plans put in place. Specific loss allowance for the current year amounts to R29,3 million (2022: R20,4 million). Write-offs were recognised by the Group during the current year amounting to R2,5 million (2022: R14,4 million).

The movement in the expected credit loss allowance of trade receivables during the year was as follows:

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Expected credit loss allowance of trade receivables				
Opening balance	**20 447**	28 966	**–**	–
Expected credit loss allowance	**16 142**	9 536	**–**	–
Unused amounts reversed	**(4 807)**	(3 608)	**–**	–
Allowance utilised	**(2 518)**	(14 447)	**–**	–
Closing balance	**29 264**	20 447	**–**	–

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

8. TRADE AND OTHER RECEIVABLES (continued)

The ageing of the expected loss allowance per age class is presented below:

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Current	**8 238**	6 869	**–**	–
30 days and older	**3 763**	1 633	**–**	–
60 days and older	**3 212**	581	**–**	–
90 days and older	**2 411**	791	**–**	–
120 days and older	**11 640**	10 573	**–**	–
	29 264	20 447	**–**	–

As at 31 March 2023, the ageing of trade receivables classes are as follows:

	Group 2023 R'000	**Group 2023 R'000**	Group 2022 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
	Gross carrying amount	**% ECL^**	Gross carrying amount	% ECL^	**Gross carrying amount**	Gross carrying amount
Current	**293 615**	**2,8%**	285 988	2,4%	**–**	–
Past due:						
30 days and older	**53 253**	**7,1%**	60 547	2,7%	**–**	–
60 days and older	**17 881**	**18,0%**	22 410	2,6%	**–**	–
90 days and older	**24 943**	**9,7%**	5 923	13,4%	**–**	–
120 days and older	**130 011**	**9,0%**	12 959	81,6%	**–**	–
	519 703	**5,6%**	387 827	5,3%	**–**	–

^ ECL per age class raised as a % of gross debtors per age class

As at 31 March 2023, the credit risk of trade receivables can be assessed by reference to their customer type and industry in which they operate and are categorised and ranked by concentration of risk as follows:

	Group 2023 R'000	**Group 2023**	Group 2022 R'000	Group 2022	**Company 2023 R'000**	Company 2022 R'000
		% ECL*		% ECL*		
Listed South African companies	**205 196**	**8,1%**	178 433	1,5%	**–**	–
Government / parastatals	**118 971**	**1,4%**	78	0,0%	**–**	–
South African corporates	**181 431**	**5,9%**	180 575	9,8%	**–**	–
Corporates in the rest of Africa	**13 680**	**1,1%**	24 670	0,0%	**–**	–
Corporates in the rest of the world	**425**	**0,0%**	4 071	0,0%	**–**	–
	519 703		387 827		**–**	–

** ECL raised as a % of debtors book*

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

8. TRADE AND OTHER RECEIVABLES (continued)

	Group 2023 R'000								
	Magazines	**Retail**	**Books**	**Newspapers**	**Directories**	**Packaging**	**Education**	**Other**	**Total**
Listed South African companies	**5 863**	**78 439**	**3 611**	**37 489**	**14 359**	**61 881**	**1 066**	**2 489**	**205 197**
Government / parastatals	**23**	**—**	**—**	**—**	**—**	**73**	**118 874**	**—**	**118 970**
South African corporates	**23 774**	**27 345**	**24 809**	**2840**	**—**	**14 045**	**83 149**	**5 469**	**181 431**
Corporates in the rest of Africa	**2 191**	**256**	**6 687**	**442**	**—**	**4 104**	**—**	**—**	**13 680**
Corporates in the rest of the world	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**425**	**425**
	31 851	**106 040**	**35 107**	**40 771**	**14 359**	**80 103**	**203 089**	**8 383**	**519 703**

	Group 2022 R'000								
	Magazines	Retail	Books	Newspapers	Directories	Packaging	Education	Other	Total
Listed South African companies	3 136	66 190	3 436	10 808	—	93 778	—	1 085	178 433
Government / parastatals	28	—	—	—	—	—	—	50	78
South African corporates	24 047	31 125	54 015	14 553	18 992	27 515	—	10 328	180 575
Corporates in the rest of Africa	2 435	214	3 132	500	1 403	16 986	—	—	24 670
Corporates in the rest of the world	—	—	—	—	—	—	—	4 071	4 071
	29 646	97 529	60 583	25 861	20 395	138 279	—	15 534	387 827

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

8. TRADE AND OTHER RECEIVABLES (continued)

As at 31 March 2023, the expected credit loss allowance of trade receivables was assessed and recognised by reference to their customer type and industry in which they operate as follows:

	Group 2023 R'000								
	Magazines	**Retail**	**Books**	**Newspapers**	**Directories**	**Packaging**	**Education**	**Other**	**Total**
Listed South African companies	4 093	1 422	18	9 645	—	259	—	1 253	16 690
Government	—	—	—	—	—	—	1 710	—	1 710
South African corporates	2 398	1 840	5 244	304	—	921	—	—	10 707
Corporates in the rest of Africa	—	—	38	119	—	—	—	—	157
	6 491	3 262	5 300	10 068	—	1 180	1 710	1 253	29 264

	Group 2022 R'000								
	Magazines	Retail	Books	Newspapers	Directories	Packaging	Education	Other	Total
Listed South African companies	—	2 663	2	—	—	63	—	—	2 728
South African corporates	3 397	1 312	4 182	7 724	—	1 104	—	—	17 719
	3 397	3 975	4 184	7 724	—	1 167	—	—	20 447

Through conducting the IFRS 9 assessments, a historical credit loss rate of between 0,22% and 46,45% (2022: 0,80% and 88,31%) was calculated relating to customer type across the various industries and was adjusted with forward looking information and a credit risk premium to derive the probability of default rates. An average rate of 1,67% (2022: 4,77%) was applied to magazine customers, 1,02% (2022: 2,54%) to retail customers, 0,93% (2022: 3,60%) to books customers, 1,00% (2022: 3,64%) to newspapers customers, 0,17% (2022: 2.00%) to directories customers, 0,29% (2022: 0%) to education customers, 1.35% (2022: 2,10%) to packaging customers and 0,31 % (2022: 0,90%) to other customers. Where the ECL % has decreased from the prior year, this is mainly in relation to the change in the composition of the debtors' book, as well as the risk profile of the customer and industry.

8.1 *Contract Assets*

The Group recognised contract assets of R9,4 million (2022: R2,2 million) related to contracts with customers. Contract assets are raised for products that are printed but not yet invoiced or delivered to the customer by year—end. Contract assets are assessed for impairment in terms of IFRS 9. Management has assessed the expected credit loss relating to these contract assets and it was deemed insignificant.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Cash at bank and on hand	**188 344**	567 917	**70**	71
Deposits on call	**203 889**	–	**–**	–
Bank overdrafts	**(9)**	(7)	**–**	–
	392 224	567 910	**70**	71
Total amount of undrawn facilities available for future operating activities and commitments	**562 903**	179 791	**–**	–

The banking facilities of the Group are secured as follows:

Cession of the bank accounts and insurance policies in the names of Novus Print Proprietary Limited ("Novus Print") and Novus Holdings Limited. The bank balance at 31 March 2023 for the accounts ceded amounted to R52,0 million. First mortgage bonds over three properties owned by Novus Print, with a carrying value of R309,4 million at 31 March 2023.

Cross collateralisation with the term loan facility (included in note 15).

Cross guarantees and suretyships exist between the various Novus Group companies for the remaining banking facilities.

10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

As per the prior year, the asset held for sale relates to the Novus Print Linbro Park building. A binding sale agreement has been entered into, with a purchase consideration of R125 million. The conditions precedent were fulfilled subsequent to year-end in May 2023 resulting in the sale being unconditional. The registration of transfer has commenced.

	Notes	**2023 R'000**	2022 R'000
Opening balance		**109 788**	181 336
Transfers from property, plant and equipment	2	**157**	16 718
Disposals	38	**–**	(88 266)
Closing balance		**109 945**	109 788
Proceeds as per statement of cash flows		**–**	94 339
Included within profit on sale of assets	20	**–**	6 073

In accordance with IFRS 5, the land and buildings were measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

11. SHARE CAPITAL

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Authorised				
3 000 000 000 ordinary no par value shares (2022: 3 000 000 000 ordinary no par value shares)	**–**	–	**–**	–
Issued				
346 656 348 ordinary no par value shares (2022: 346 656 348 ordinary no par value shares)	**507 208**	509 314	**577 958**	580 064
Treasury shares				
Opening treasury shares	**(345 759)**	(507 344)	**(345 756)**	(368 172)
Scrip dividend issue	**–**	139 169	**–**	–
Share awards vested and issued	**2 106**	22 416	**2 106**	22 416
Shares held as treasury shares	**(343 653)**	(345 759)	**(343 650)**	(345 756)
Treasury shares (in shares)				
Opening treasury shares	**26 095 545**	59 045 431	**26 094 800**	27 786 597
Scrip issue	**–**	(31 258 089)	**–**	–
Shares allotted for employee schemes	**(158 913)**	(1 691 797)	**(158 913)**	(1 691 797)
Closing treasury shares	**25 936 632**	26 095 545	**25 935 887**	26 094 800

Issued share capital

The movement in issued share capital on consolidation in the prior year relates to the scrip dividend alternative which resulted in treasury shares being cancelled and used to settle the scrip dividend. Refer to details included below.

Treasury shares

Treasury shares include 22 462 562 (2022: 22 621 475) ordinary shares issued to the Novus Holdings Share Trust and 3 473 325 ordinary shares issued to Latiano 554 Proprietary Limited, in respect of employee share options. In addition to this, treasury shares include 745 (2022: 745) ordinary shares in the Company, which the Group acquired, through its subsidiary, Novus Print Proprietary Limited, during the 2019 financial year as part of a share repurchase.

The movement in treasury shares in the prior year related to the following:

Scrip dividend

A scrip dividend alternative was offered to shareholders for the dividend declared in June 2021. The dividend was settled by a transfer of 31 258 089 ordinary shares on 13 September 2021 which was settled with treasury shares held in Novus Print Proprietary Limited to shareholders, who elected to receive the Scrip Distribution shares in respect of all or part of their shareholding, resulting in a capitalisation of the distributable retained profits of the Company of R68,8 million.

12. OTHER RESERVES

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Other reserves in the statement of financial position comprise the following:				
Existing control business combination reserve	**(129 154)**	(129 154)	**–**	–
Share-based compensation reserve	**17 626**	14 457	**–**	–
Hedging reserve	**1 415**	(6 576)	**–**	–
Actuarial reserve	**2 659**	2 728	**–**	–
Fair value reserve	**18**	29	**–**	–
	(107 436)	(118 516)	**–**	–

The existing control business combination reserve is used to account for transactions with non-controlling shareholders in terms of the economic entity model, whereby the excess of the cost of the transactions over the acquirer's interest in previously recognised assets and liabilities is allocated to this reserve in equity. This reserve is also used in common control transactions (where all of the combining entities in a business combination are ultimately controlled by the same entity) where the excess of the cost of the transactions over the acquirer's proportionate share of the net assets acquired is allocated to this reserve.

The fair value of equity settled share options, Share Appreciation Rights (SARs) and Restricted Shares (RSPs) issued to employees is accounted for in the share—based compensation reserve over the vesting period. The reserve is adjusted at each year—end when the entity revises its estimates of the number of share options, SARs and RSPs that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to this reserve in equity for equity-settled plans. Where an option lapses or expires, the portion included in this reserve is transferred to retained earnings. In the prior year, the options issued under the Novus Holdings Share Trust plan expired and R45,3 million of the share—based compensation reserve was transferred to retained earnings.

The hedging reserve relates to the changes in the fair value of derivative financial instruments and the relevant underlying hedged items. It hedges forecast transactions or the foreign currency part of firm commitments. The changes in fair value are recorded in the hedging reserve until the forecast transaction or firm commitment results in the recognition of a non-financial asset or liability, when such deferred gains or losses are included in the initial measurement of the non-financial asset or liability. Movements in the hedging reserve after tax includes R3,0 million (2022: -R0,6 million) relating to the initial reclassification adjustments to inventory through equity, R1,1 million (2022: R2,4 million) which was subsequently recognised to cost of sales through equity and R3,9 million (2022: -R5,4 million) relating to FEC movements through other comprehensive income.

The actuarial reserve relates to actuarial gains or losses on the post—employment medical liability as well as the provisions for pensioner gratuities.

The fair value reserve relates to gains or losses on the revaluation of financial assets at fair value through other comprehensive income.

13. POST-EMPLOYMENT MEDICAL LIABILITY

The employees of the Group participate in a post-retirement medical benefit scheme. The obligation of the Group to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent on the employees remaining in service until retirement age and completing a minimum service period.

The Group provides for post-retirement medical aid benefits on the accrual basis determined each year by way of a valuation. The key assumptions and the valuation methods are described below. The directors believe that adequate provision has been made for future liabilities.

Key assumptions and valuation method

The actuarial valuation method used to value the liabilities is the Projected Unit Credit Method prescribed by IAS 19 "Employee Benefits". Future benefit values are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used for the current and previous valuations are outlined below:

	2023	2022
Discount rate	**11,7%**	11,1%
Health cost inflation	**6,2%**	8,1%
Expected retirement age	**65**	65
Membership discontinued at retirement	**0%**	0%

It is assumed that current in-service members would retire on their current medical scheme option and that there would be no change in options on retirement.

Actuarial assumptions are generally more suited to estimating the future experience of larger groups of individuals. The overall experience of larger groups is less variable and is more likely to tend to the expected value.

Movement in post-employment medical liability:

	2023 R'000	2022 R'000
Opening balance	**2 940**	2 260
Acquisition of subsidiary	**24 448**	–
Current service cost	**20**	25
Interest cost	**319**	301
Employer benefit payments	**(119)**	(111)
Remeasurements	**(2 312)**	465
Closing balance	**25 296**	2 940
Total post-employment medical liability	**25 296**	2 940
Less: Current portion	**(1 798)**	–
Non-current :post employment medical liability	**23 498**	2 940

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

14. PROVISIONS

The long-service and retirement gratuity provisions were determined based on management's estimates and assumptions as below. The Group has an obligation to pay the benefits relating to the long service bonus for current employees, however the obligation to settle benefits relating to the retirement gratuity provision is limited to a group of employees who still remain entitled to these benefits. The remeasurements relating to the long service bonus provision is recognised in profit or loss and the remeasurements relating to the retirement gratuity provision is recognised in other comprehensive income.

Key assumptions and valuation method

The actuarial valuation method used to value the provisions is the Projected Unit Credit Method as prescribed by IAS 19 "Employee Benefits".

The most significant assumptions used for the current and previous valuations are outlined below:

	2023	2022
Discount rate	**8,7%**	8,7%
Normal salary increase rate	**5,0%**	5,0%
Expected retirement age	**60 or 65**	60 or 65

The discount rate and the normal salary increase rate assumptions should be considered in relation to each other.

Long service bonus

As per the Group's remuneration policies a long service bonus is paid to qualifying employees at the following intervals:

- 10 years uninterrupted service – 50% of one month's total cost to company
- 15 years uninterrupted service – 75% of one month's total cost to company
- 25 years uninterrupted service – 100% of one month's total cost to company
- 40 years uninterrupted service – 100% of one month's total cost to company

The accrued liability is determined on the basis that each employee's long service benefit accrues uniformly over the period to which the benefit becomes payable.

	2023 R'000	2023 R'000
Opening balance	**8 693**	8 246
Current service cost	**727**	1 028
Interest cost	**669**	832
Employer benefit payments	**(1 806)**	(1 666)
Remeasurements	**(912)**	253
Closing balance	**7 371**	8 693

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

14. PROVISIONS (continued)

Retirement gratuity

The retirement gratuity is paid to qualifying employees in the event of retirement (normal, early and ill-health) at the age of 55 years or older and with at least 15 years of continued service at retirement.

The accrued liability was calculated by taking a pro-rata proportion of the total calculated value. This proportion is based on the past service of members relative to their prospective total service.

	2023 R'000	2022 R'000
Opening balance	2 055	3 389
Current service cost	32	35
Interest cost	179	277
Employer benefit payments	(383)	(1 298)
Remeasurements	95	(348)
Closing balance	1 978	2 055

Total provisions

	2023 R'000	2022 R'000
Long service bonus provision	7 371	8 693
Retirement gratuity provision	1 978	2 055
Total provisions	9 349	10 748
Non-current provisions	9 349	10 748
	9 349	10 748

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

15. BORROWINGS AND LEASE LIABILITIES

	2023 R'000	2022 R'000
Total lease liabilities	**33 822**	32 115
Less: Current portion	**(8 029)**	(4 748)
Interest-bearing: Lease Liabilities	**25 793**	27 367
Total borrowings	**481 109**	–
Less: Current portion	**(317 508)**	–
Interest-bearing: Borrowings	**163 601**	–
Total liabilities	**514 931**	32 115
Less: Current portion	**(325 537)**	(4 748)
Net long-term liabilities	**189 394**	27 367

Details of Lease Liabilities	**Total Liability**	**Currency of balance**	**Incremental borrowings rate**	**Final repayment dates**
Buildings	32 623	South African Rand (ZAR)	10,15%	2021-2027
Manufacturing equipment	1 199	South African Rand (ZAR)	6,18%-10,15%	2024-2025
	33 822			

	Notes	2023 R'000	2022 R'000
Payable within one year		**10 902**	7 525
Payable within two to five years		**29 568**	33 438
		40 470	40 963
Future finance costs on finance leases		**(6 648)**	(8 848)
Present value of lease liabilities		**33 822**	32 115
Present value			
Payable within one year		**8 029**	4 748
Payable within two to five years		**25 793**	27 367
Present value of lease liabilities		**33 822**	32 115
The table below show a reconciliation of lease liabilities			
Opening Balance		**32 115**	104 700
New leases		**1 219**	–
Leases terminated		**–**	(61 876)
Acquisition of subsidiary	38	**5 721**	–
Interest	23	**3 233**	6 359
Payments		**(8 466)**	(17 068)
Closing Balance		**33 822**	32 115

15. BORROWINGS AND LEASE LIABILITIES (continued)

Leases terminated

Leases terminated in the prior year includes the following:

Print

Novus Print entered into a lease agreement for machinery and equipment which had an original termination date of July 2030 and was terminated in the current year on the basis of unfavourable terms. This led to the lease liability of R14,1 million and right of use asset of R11,5 million being derecognised with a gain on derecognition of R2,6 million. In addition to this a lease for the rental of property was terminated on 28 February 2022. On initial recognition of this lease, a renewal period was assumed until 28 February 2024. This therefore led to a derecognition of the lease liability of R9,1 million, right of use asset of R6,4 million and a gain on derecognition of R2,7 million. Refer to note 20.

Other

A lease agreement for machinery and equipment leased by the Tissue division. This agreement had an original termination date of December 2036 and was terminated in May 2021 on the basis of unfavourable terms. The lease liability was derecognised resulting in a gain on derecognition of leases amounting to R38,7 million. Refer to note 20. The right of use asset was impaired in full by March 2021, therefore the gain was recognised in full.

	2023 R'000	2022 R'000
Borrowings		
Currency of balance: South African Rand (ZAR)		
Investec Bank Limited	484 472	–
Weighted average year-end interest rate: 10.10% linked to 3-month JIBAR payable in quarterly repayments from 31 March 2023 to 29 November 2027.		
Structuring cost amortised over the loan period	(3 363)	–
	481 109	–

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

15. BORROWINGS AND LEASE LIABILITIES (continued)

	2023 R'000	2022 R'000
Payable within one year	336 605	–
Payable within two to five years	202 649	–
	539 254	–
Future finance costs on borrowings	(58 145)	–
Present value of borrowings	481 109	–
Repayment terms of borrowings		
Payable within one year	317 508	–
Payable within two to five years	163 601	–
	481 109	–
The table below show a reconciliation of borrowings		
Opening Balance	–	–
New borrowings	1 000 000	–
Structuring costs paid and to be amortised over the loan period	(3 750)	
Payments	(544 257)	–
Interest	29 115	–
Closing Balance	481 109	–
Interest rate profile of long-term liabilities (long and short-term portion, including lease liabilities)		
Loans at fixed rates (1-12 months)	3 695	4 748
Loans at fixed rates (more than 12 months)	30 127	27 367
Loans linked to variable rates	481 109	–
	514 931	32 115

15.1 *Net debt reconciliation*

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2023 R'000	2022 R'000
Net cash/(debt)		
Cash and cash equivalents	392 233	567 917
Liquid investments (i)	3 049	3 064
Borrowings - repayable within one year (including overdraft) (ii)	(325 546)	(4 755)
Borrowings - repayable after one year (ii)	(189 394)	(27 367)
Net cash/(debt)	(119 658)	538 859
Cash and liquid investments	395 282	570 981
Gross debt - fixed interest rates	(33 822)	(32 115)
Gross debt - variable interest rates	(481 118)	(7)
Net cash/(debt)	(119 658)	538 859

(i) Liquid investments comprise financial assets at fair value through other comprehensive income.

(ii) Borrowings include finance leases, loans and liabilities and bank overdrafts.

15.1 *Net debt reconciliation (continued)*

	2023 R'000	2022 R'000
Total cash flows in respect of leases:		
Principle portion of the lease liabilities (included in cash flows from financing activities)	**(5 233)**	(10 709)
Interest portion of the lease liabilities (included in cash flows from financing activities)	**(3 233)**	(6 359)
Variable lease payments that are not included in the measurement of the lease liabilities (included in cash generated from operating activities)	**(7 581)**	(4 928)
	(16 047)	(21 996)

Assets pledged as security for borrowings

The term loan is secured by the following:

- Pledge and cession of the Group's interest in 75% of the issued share capital of Maskew Miller Learning Proprietary Limited ("MML").
- Cession of dividends paid by MML and cash sweep of these dividends at the election of the bank.
- Guarantees from Novus Holdings Limited and certain of its subsidiaries.
- Cession of Novus Print's bank accounts as disclosed in note 9.
- Cross collateralisation to the working capital facilities.

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- Gross debt: EBITDA ratio must be less than 3.5 times for the period of 12 months following 30 November 2022 and 3 times for the remaining period to repayment date of 29 November 2027.
- EBITDA interest expense ratio must be greater than or equal to 3 times.
- Debt service cover ratio must be greater than or equal to 1.3 times.
- A distribution covenant whereby Total Group Debt: EBITDA ratio must be less than 2 times immediately before and after any dividend distribution made by the Group.

The Group has complied with all the required financial covenants at 31 March 2023, except for the debt service cover ratio which was not fulfilled due to the Group's decision to strategically procure paper stock to protect against anticipated paper shortages and supply disruptions to mitigate some of the price risk associated with the ongoing increase in paper costs, leading to significant inventory investment beyond the normal levels at 31 March 2023. This has resulted in increased working capital cash outflows and reduced free cash flow significantly which is used to assess the covenant by comparing free cash flow to the total annual capital and interest repayments due on the term loan and working capital facility. At 31 March 2023, the balance on the term loan outstanding amounted to R484,5 million and the working capital facility amounted to Rnil.

Due to this breach of the debt service ratio covenant clause, the bank is contractually entitled to request repayment of R282,6 million of the outstanding loan amount which has been presented as a current liability in the statement of financial position at 31 March 2023. Subsequent to year-end and prior to approval of these financial statements, the bank has condoned the covenant breach thus not requiring repayment of the loan immediately or within the next twelve months and thus not affecting the liquidity position of the Group. Should repayment have been required in the short term, the Group has adequate cash and facilities available in order to make the payment required. The condonement of the breach did not impact the classification of the liability at 31 March 2023 due to this being a non-adjusting post balance sheet event.

16. SHARE BASED PAYMENTS

The Group operates a number of share incentive plans, share appreciation rights ("SARs") and restricted share plans ("RSPs") schemes.

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested share options/SARs are subject to forfeiture upon termination of employment. All cancelled options/SARs are options/SARs cancelled by mutual agreement between the employer and employee.

All RSPs are granted with an exercise price of nil. All unvested RSPs are subject to forfeiture upon termination of employment and cancelled RSPs are cancelled by mutual agreement between the employer and employee.

The share-based payment liabilities and reserves at 31 March are as follows:

	Note	**2023 R'000**	2022 R'000
Share-based compensation reserve			
Balance as at 31 March	12	**17 626**	14 457
Income statement			
Share-based compensation charge	12	**3 293**	5 480

The following significant share incentive plans were in operation during the financial year:

	Date of incorporation	Maximum awards permissible #	Vesting period	Period to expiry from date of offer	IFRS 2 classification
Share Trusts					
Novus Holdings Share Trust***	**11 March 2015**	**10%**	*	**6 years**	**Equity settled**
Share appreciation rights schemes					
Novus Holdings Limited Share Appreciation Rights Plan	**23 September 2016**	**10%**	*	**6 years**	**Equity settled**
Novus Holdings Limited Restricted Share Plan	**23 September 2016**	**10%**	**	**6 years**	**Equity settled**

Notes:

\# *The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that the applicable trust may hold and subsequently allocate to participants subject to the following, where applicable:*

* *One third vests after each of years three, four and five.*

** *One quarter vests in years one to four.*

*** *Options issued under the Novus Holdings Limited Share Trust Plan expired at 31 March 2021.*

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

16. SHARE BASED PAYMENTS (continued)

Movements in the share incentive plans are as follows:

	Novus Holdings Limited Share Appreciation Rights Plan		Novus Holdings Limited Restricted Share Plan	
	2023	2022	**2023**	2022
SARs/RSP's/Options				
Outstanding 01 April	**16 047 978**	22 281 755	**396 165**	1 677 642
Exercised	**(523 939)**	(4 324 656)	**–**	(1 281 477)
Forfeited	**(1 957 350)**	(1 909 121)	**–**	–
Outstanding 31 March	**13 566 689**	16 047 978	**396 165**	396 165
	R	R	**R**	R
Weighted average exercise price				
Outstanding 01 April	**3.89**	3.58	**–**	–
Exercised	**2.40**	2.40	**–**	2.55
Forfeited	**3.56**	3.60	**–**	–
Outstanding 31 March	**4.00**	3.89	**–**	–
Weighted average share price of options taken up during the year				
SARs	**523 939**	4 324 656	**–**	1 281 477
Weighted average SAR price (R)	**2,40**	2,40	**–**	2,55

Novus Holdings Limited Share Appreciation Rights Plan

	SARs outstanding				
	Exercise prices	Number outstanding at 31 March	Weighted average remaining contractual life (years)	Exercisable at 31 March	Weighted average exercise price (R)
2023	**2,40**	**2 818 998**	**2,73**	**1 973 564**	**2,40**
	4,00	**4 262 819**	**2,32**	**3 260 648**	**4,00**
	4,12	**4 960 301**	**1,29**	**4 596 017**	**4,12**
	6,54	**1 159 829**	**0,50**	**1 159 829**	**6,54**
	6,65	**364 742**	**0,68**	**364 742**	**6,65**
		13 566 689		**11 354 800**	**4,00**
2022	2,40	4 076 208	3,73	479 762	2,40
	4,00	4 979 519	3,32	3 250 520	4,00
	4,12	5 366 681	2,29	4 606 402	4,12
	6,54	1 260 828	1,50	1 197 787	6,54
	6,65	364 742	1,68	342 453	6,65
		16 047 978		9 876 924	3.89

There are currently 11 354 800 (2022: 9 876 924) SARs which are exercisable at year-end.

16. SHARE BASED PAYMENTS (continued)

Novus Holdings Limited Restricted Share Plan

	Restricted shares outstanding		
	Exercise prices	Number outstanding at 31 March	Weighted average remaining contractual life (years)
2023	–	**396 165**	**2,32**
		396 165	
2022	–	396 165	3,32
		396 165	

There are currently 359 025 (2022: 178 710) RSPs which are exercisable at year-end with an exercise price of nil.

There were no SARs or RSPs granted under the Novus Holdings Limited Share Appreciation Rights Plan or Restricted Share Plan during the financial year.

16. SHARE BASED PAYMENTS (continued)

The directors of Novus Holdings Limited have the following SARs:

2023

Director	SARs	Date of award	Number of instruments awarded	Offer price (R)	Outstanding at 31 March 2022	Exercised during the year	Forfeited during the year	Outstanding at 31 March 2023	Indicative value of unvested and/ or unexercised options (R'000)#
N Birch									
	Novus Holdings Limited Share Appreciation Rights Plan	05/12/2017	364 742	6,65	364 742	–	–	364 742	–
	Novus Holdings Limited Share Appreciation Rights Plan	13/07/2018	1 347 379	4,12	1 347 379	–	(29 940)	1 317 439	–
	Novus Holdings Limited Share Appreciation Rights Plan	26/07/2019	936 000	4,00	936 000	–	(109 200)	826 800	–
	Novus Holdings Limited Share Appreciation Rights Plan	20/12/2019	1 559 998	2,40	711 387	–	(279 498)	431 889	605
									605
K Alwar									
	Novus Holdings Limited Share Appreciation Rights Plan	29/09/2017	130 486	6,54	130 486	–	–	130 486	–
	Novus Holdings Limited Share Appreciation Rights Plan	13/07/2018	213 863	4,12	213 863	–	–	213 863	–
	Novus Holdings Limited Share Appreciation Rights Plan	26/07/2019	148 567	4,00	148 567	–	–	148 567	–
	Novus Holdings Limited Share Appreciation Rights Plan	20/12/2019	247 611	2,40	112 913	–	–	112 913	158
									158

The indicative value of outstanding SARs was calculated based on the number of instruments held by the individual at year-end share price (or SAR valuation) less the instrument's strike (or option) price. Only indicative gains were disclosed.

The following shares prices (or SAR valuations) were applicable at year-end:
Novus Holdings Limited – R3,80

16. SHARE BASED PAYMENTS (continued)

The directors of Novus Holdings Limited have the following SARs:

2022

Director	SARs	Date of award	Number of instruments awarded	Offer price (R)	Outstanding at 31 March 2021	Exercised during the year	Cancelled/ forfeited during the year	Outstanding at 31 March 2022	Indicative value of unvested and/ or unexercised options (R'000)#
N Birch									
	Novus Holdings Limited Share Appreciation Rights Plan	05/12/2017	364 742	6,65	364 742	–	–	364 742	–
	Novus Holdings Limited Share Appreciation Rights Plan	13/07/2018	1 347 379	4,12	1 347 379	–	–	1 347 379	–
	Novus Holdings Limited Share Appreciation Rights Plan	26/07/2019	936 000	4,00	936 000	–	–	936 000	–
	Novus Holdings Limited Share Appreciation Rights Plan	20/12/2019	1 559 998	2,40	1 559 998	(848 611)	–	711 387	–
									–
H Todd									
	Novus Holdings Limited Share Appreciation Rights Plan	26/07/2019	409 500	4,00	409 500	–	(409 500)	–	–
	Novus Holdings Limited Share Appreciation Rights Plan	20/12/2019	682 500	2,40	682 500	(371 269)	(311 231)	–	–
									–
K Alwar									
	Novus Holdings Limited Share Appreciation Rights Plan	29/09/2017	130 486	6.54	130 486	–		130 486	–
	Novus Holdings Limited Share Appreciation Rights Plan	13/07/2018	213 863	4,12	213 863	–		213 863	–
	Novus Holdings Limited Share Appreciation Rights Plan	26/07/2019	148 567	4,00	148 567	–	–	148 567	–
	Novus Holdings Limited Share Appreciation Rights Plan	20/12/2019	247 611	2,40	247 611	(134 698)	–	112 913	–
									–

The indicative value of outstanding SARs was calculated based on the number of instruments held by the individual at year—end share price (or SAR valuation) less the instrument's strike (or option) price. Only indicative gains were disclosed.

The following shares prices (or SAR valuations) were applicable at year-end:
Novus Holdings Limited – R2,04

17. TRADE AND OTHER PAYABLES

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Trade payables	**329 191**	330 475	**–**	–
Personnel accruals	**13 714**	10 139	**–**	–
Accrued leave pay	**18 454**	15 643	**–**	–
Accrued bonus	**15 246**	17 865	**–**	–
Accrued expenses	**119 768**	27 623	**–**	–
Value added tax	**4 384**	1 508	**–**	–
Other current liabilities	**3 445**	971	**408**	413
	504 202	404 224	**408**	413

The fair values of trade and other payables approximate their carrying values. The significant increase in accrued expenses since the prior year is due to the inclusion of the newly acquired subsidiary, Maskew Miller Learning Proprietary Limited.

18. DEFERRED INCOME

Deferred income consists of Government grants received.

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Opening balance	**6 005**	7 319	**–**	–
Included in profit or loss	**(1 314)**	(1 314)	**–**	–
Closing balance	**4 691**	6 005	**–**	–
Non-current liability portion	**3 377**	4 691	**–**	–
Current portion	**1 314**	1 314	**–**	–
	4 691	6 005	**–**	–

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Grant date:				
28 February 2013	**3 444**	3 936	**–**	–
01 October 2015	**1 023**	1 837	**–**	–
20 October 2015	**224**	232	**–**	–
	4 691	6 005	**–**	–

These grants were received from the Department of Trade and Industry ("DTI") in terms of the Manufacturing Competitiveness Enhancement Programme ("MCEP") and relate to capital expenditure for expansion or production equipment.

19. REVENUE

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Revenue from contracts with customers				
Print revenue	**2 261 738**	2 259 013	**–**	–
Packaging revenue	**636 263**	613 087	**–**	–
Educational revenue	**156 353**	–	**–**	–
Waste revenue	**22 526**	15 705	**–**	–
Distribution revenue	**86 087**	82 821	**–**	–
Other revenue*	**23 471**	36 220	**–**	–
Revenue other than from contracts with customers				
Other revenue*	**9 187**	7 387	**313 836**	–
	3 195 625	3 014 233	**313 836**	–

* *Other revenue has been split for disclosure purposes between revenue from contracts with customers and revenue other than from contracts with customers, in line with the accounting policies note 1.19, during the current year and in the prior year column.*

20. OTHER GAINS/(LOSSES)

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Profit/(loss) on disposal of property, plant and equipment		**(1 285)**	2 906	**–**	–
Profit/(loss) on disposal of non-current assets held for sale		**–**	6 073	**–**	–
Gain on bargain purchase	38	**100 053**	–	**–**	–
Impairment of investment in subsidiary	5	**–**	–	**(16 323)**	–
Gain on derecognition of lease		**–**	44 019	**–**	–
Impairment of property, plant and equipment	2	**(20 479)**	(69 115)	**–**	–
Insurance proceeds		**–**	9 579	**–**	–
Impairment of goodwill	3	**–**	(16 708)	**–**	–
Impairment of intangible assets	4	**–**	(9 014)	**–**	–
Impairment of loan receivable from associate		**(1 665)**	–	**–**	–
Impairment of associates		**–**	(3 968)	**–**	–
		76 624	(36 228)	**(16 323)**	–

21. INCOME AND EXPENSES BY NATURE

	Notes	**Group 2023 R'000**	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Operating profit includes the following items:					
Depreciation classification					
Cost of sales		**50 940**	59 571	**–**	–
Operating expenses		**22 262**	25 831	**–**	–
	2, 40	**73 202**	85 402	**–**	–
Amortisation classification					
Cost of sales		**8 476**	2 082	**–**	–
Operating expenses		**43 124**	449	**–**	–
		51 600	2 531	**–**	–
Property related expenses		**7 581**	4 928	**–**	–
		7 581	4 928	**–**	–
Auditor's remuneration					
Fees		**4 469**	3 699	**–**	–
Prior year under provision		**131**	76	**–**	–
All other fees		**2 198**	56	**–**	–
		6 798	3 831	**–**	–
Foreign exchange profits					
On capitalisation of forward exchange contracts in hedging transactions		**1 523**	3 910	**–**	–
		1 523	3 910	**–**	–
Advertising expense		**5 059**	4 171	**–**	–
Cost of inventories sold		**1 765 553**	1 490 197	**–**	–
Water and electricity		**131 137**	121 303	**–**	–
Repairs and maintenance		**125 030**	127 626	**–**	–
Employee costs					
Salaries, wages and bonuses		**454 371**	446 491	**–**	–
Retirement benefit costs (defined contribution plan)		**39 342**	37 466	**–**	–
Medical aid fund contributions		**14 828**	16 536	**–**	–
Post-retirement benefits		**(1 973)**	–	**–**	–
Share-based compensation charge	16	**3 293**	5 480	**–**	–
Long-service and retirement gratuities		**695**	2 425	**–**	–
Training costs		**6 897**	6 505	**–**	–
		517 453	514 903	**–**	–
Other expenses		**503 751**	462 308	**–**	(8)
		3 188 687	2 821 110	**–**	(8)

22. FINANCE INCOME

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Bank	**20 778**	11 536	**–**	8
Other	**506**	227	**–**	–
Interest received	**21 284**	11 763	**–**	8

23. FINANCE COSTS

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Net loss from foreign exchange translation and fair-value adjustments on derivative financial instruments*		**12 831**	17 894	**–**	–
Bank		**3 743**	5	**1**	–
Loans	15	**29 115**	–	**–**	–
Leases	15	**3 233**	6 359	**–**	–
Other		**323**	1 104	**–**	–
Interest expense		**36 414**	7 468	**1**	–
		49 245	25 362	**1**	–

* *The current year includes R71,6 million (2022: R3,4 million) on translation of trade payables and R58,7 million (2022:R14,5 million) on translation of forward exchange contracts.*

Cashflow reconciliation of finance cost					
Interest portion of lease liabilities paid per statement of cash flows	15	**3 233**	6 359	**–**	–
Finance cost on borrowings & other		**33 181**	1 109	**–**	–
Structuring costs paid	15	**3 750**	–	**–**	–
Interest paid per statement of cash flows		**36 931**	1 109	**–**	–
		40 164	7 468	**–**	–

24. TAXATION

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Major components of the income tax expense				
Current	**5 250**	50 757	–	–
Local income tax – current period	**3 058**	50 750	–	–
Local income tax – prior years	**2 192**	7	–	–
Deferred	**(10 103)**	(7 585)	–	–
Local income tax – current period	**(11 605)**	(7 514)	–	–
Local income tax – prior years	**1 502**	(71)	–	–
	(4 853)	43 172	–	–
Reconciliation of the income tax expense				
Reconciliation between the accounting profit/(loss) and the income tax expense				
Accounting profit	**54 740**	135 979	**297 512**	–
Tax at the applicable tax rate of 27% (2022: 28%)	**14 780**	38 074	**80 328**	–
Tax effects of adjustments on taxable income				
Non-deductible expenses*	**5 201**	7 902	**4 407**	–
Non-taxable income**	**(27 773)**	(2 372)	**(84 736)**	–
Prior year adjustments	**3 694**	(64)	–	–
Changes in tax rate	–	2 572	–	–
Taxation losses utilised	–	(4 989)	–	–
Other	**(987)**	–	–	–
Tax attributable to associate income	**232**	2 049	–	–
	(4 853)	43 172	–	–
Effective tax rate	**-8,9%**	31,7%	**0,0%**	0,0%

* *Non-deductible expenses relates mainly to equity settled share-based compensation charges on the employee share incentive plans and non—deductible consulting and legal fees.*

** *Non-taxable income mainly includes the gain on bargain purchase due to the acquisition transaction for the Group and non-taxable dividends recognised by the Company.*

25. EARNINGS PER SHARE

Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the net profit attributable to ordinary shareholders. For the purpose of calculating earnings per share, treasury shares are deducted from the number of ordinary shares in issue. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect. Currently, the share options granted and vested under equity settled schemes to participating employees and directors (see note 16) are considered anti-dilutive.

Headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 01/2023 issued by the South African Institute of Chartered Accountants (SAICA).

25. EARNINGS PER SHARE (continued)

2023

	Gross R'000	Taxation R'000	Net R'000
Earnings			
Net profit attributable to shareholders			60 585
Adjustments	(78 289)	(5 876)	(84 165)
Profit on sale of property, plant and equipment	1 285	(347)	938
Gain on bargain purchase (note 38)	(100 053)	—	(100 053)
Impairment in value of property, plant and equipment (note 2)	20 479	(5 529)	14 950
Headline earnings			(23 580)

2022

	Gross R'000	Taxation R'000	Net R'000
Earnings			
Net loss attributable to shareholders			92 807
Adjustments	89 826	(20 473)	69 353
Profit on sale of property, plant and equipment and non—current assets held for sale	(8 979)	2 514	(6 465)
Impairment of goodwill	16 708	—	16 708
Impairment of intangible assets	9 014	(2 524)	6 490
Impairment of investments in associates	3 968	(1 111)	2 857
Impairment in value of property, plant and equipment (note 2)	69 115	(19 352)	49 763
Headline earnings			162 160

	2023	2022
Number of ordinary shares in issue at year end	346 656 348	346 656 348
Weighted average number of shares		
Shares for earnings per share adjusted for weighting	320 600 549	305 099 595
Earnings/(loss) per ordinary share (cents)		
Basic	18,90	30,42
Diluted	18,90	30,42
Headline loss per share (cents)		
Basic	(7,35)	53,15
Diluted	(7,35)	53,15

26. SEGMENTAL ANALYSIS

IFRS 8: Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker ("CODM") to allocate resources to the segments and to assess their performance. The CODM has been identified as the executive committee that makes strategic decisions. Operating profit is the income statement measure used most often by the CODM to assess performance and allocate resources.

The executive committee has identified four operating segments based on business by service or product and aggregated it into the reportable segments based on the nature of the operating segment and it meeting the aggregation criteria in terms of IFRS 8 paragraph 12 as they deliver similar products and services to their customers through the similar distribution methods applied, has a similar production process and utilising similar suppliers to service these same customers.

The Print segment comprises a national network of printing plants equipped with the most technologically advanced equipment, ensuring highly efficient and fully automated production processes in the printing of books, magazines, retail inserts and newspapers in servicing the customers in the fast-moving consumer goods ("FMCG") sector. The Print segment engages with local and external suppliers in providing raw materials (paper) and related services in the production process of these products while using their efficient supply chain in the distribution of the products per order.

The Education segment has been added to the segment reporting in the current year as it consists of the newly acquired Maskew Miller Learning, who develops educational content for various institutions from government to private colleges.

The Packaging segment produces flexible packaging products and prints flexible labels to their specific customers in the beverage, petrochemical and broader FMCG markets. The production process and facilities in producing these products are aligned to create an efficient packaging process to distribute the products per order.

The Other segment comprises non-print or packaging related transactions to the FMCG sector. Included in this segment is earnings from the Group's associate in the Tissue manufacturing industry. This business produces jumbo tissue wadding, which is used by clients to produce a complete range of household and consumer products such as toilet paper, facial tissue, kitchen towels and serviettes. The production process converts paper from the printing operations into jumbo tissue wadding in a model of production efficiency.

Revenue of approximately R740,7 million (2022: R689,7 million) is derived from a single external customer. These revenues are attributable to the Print and Packaging segments. The total revenue from external foreign customers is R89,8 million (2022: R82,2 million).

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

26. SEGMENTAL ANALYSIS (continued)

2023

	Print R'000	Education R'000	Packaging R'000	Other R'000	Eliminations R'000	Total R'000
External revenue	2 377 812	156 353	659 361	2 099	–	3 195 625
Inter-segmental revenue	4 637		–	–	(4 637)	–
Total revenue	2 382 449	156 353	659 361	2 099	(4 637)	3 195 625
Cost of sale of goods	(1 958 231)	(56 538)	(525 684)	(2)	4 637	(2 535 818)
Selling, general and administrative expenses	(396 301)	(80 130)	(51 040)	(596)	–	(528 067)
Other gains/(losses)	(19 403)	100 053	(4 026)	–	–	76 624
EBITDA	8 514	119 738	78 611	1 501	–	208 364
Depreciation	(50 914)	(1 455)	(20 795)	(38)	–	(73 202)
Amortisation	(689)	(50 676)	(235)	–	–	(51 600)
Operating profit	(43 089)	67 607	57 581	1 463	–	83 562
Finance income	8 340	9 456	3 343	145	–	21 284
Finance costs	(44 895)	(199)	(4 116)	(35)	–	(49 245)
Earnings/(losses) from associates	–	–	–	(861)	–	(861)
Profit/(loss) before taxation	(79 644)	76 864	56 808	712	–	54 740
Additional disclosure						
Property, plant and equipment additions	28 275	2 543	19 305	–	–	50 123
Capital commitments	2 949	–	–	–	–	2 949
Impairment of assets	(18 576)	–	(3 569)	–	–	(22 145)
Amortisation on acquired intangibles	–	(42 841)	–	–	–	(42 841)
Gain on bargain purchase	–	100 053	–	–	–	100 053
Net impairment losses on financial assets	(9 767)	(1 710)	143	–	–	(11 335)
Taxation	19 275	7 089	(5 791)	(15 720)	–	4 853
Investment in associates	–	–	–	11 197	–	11 197
Total assets	2 083 980	1 252 126	567 743	164 748	(671 525)	3 397 072
Total liabilities	679 620	439 785	155 939	576 550	(671 525)	1 180 369

The table below shows the relationship between the revenue streams disclosed in note 19 and the revenue disclosed per segment above:

Segment:	Print revenue R'000	Tissue revenue R'000	Packaging revenue R'000	Educational revenue R'000	Waste revenue R'000	Distribution revenue R'000	Other revenue R'000	Total R'000
Print	2 261 738	–	–	–	22 526	67 298	26 250	2 377 812
Packaging	–	–	636 263	–	–	18 789	4 309	659 361
Education	–	–	–	156 353	–	–	–	156 353
Other	–	–	–	–	–	–	2 099	2 099
	2 261 738	–	636 263	156 353	22 526	86 087	32 658	3 195 625

Expenses per the segment note:	
Cost of sale of goods	(2 535 818)
Selling, general and administrative expenses	(528 067)
Depreciation	(73 202)
Amortisation	(51 600)
	(3 188 687)
Expenses per the income statement:	
Cost of sales	(2 595 234)
Operating expenses	(593 453)
	(3 188 687)

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

26. SEGMENTAL ANALYSIS (continued)

2022

	Print R'000	Education R'000	Packaging R'000	Other R'000	Eliminations R'000	Total R'000
External revenue	2 371 270	–	635 400	7 563	–	3 014 233
Inter-segmental revenue	6 238	–	–	–	(6 238)	–
Total revenue	2 377 508	–	635 400	7 563	(6 238)	3 014 233
Cost of sale of goods	(1 703 799)	–	(519 406)	(1 592)	6 238	(2 218 559)
Selling, general and administrative expenses	(456 682)	–	(53 166)	(4 770)	–	(514 618)
Other gains/(losses)	2 431	–	(73 249)	38 558	–	(32 260)
EBITDA	219 458	–	(10 421)	39 759	–	248 796
Depreciation	(59 093)	–	(24 641)	(1 668)	–	(85 402)
Amortisation	(2 157)	–	(374)	–	–	(2 531)
Operating profit	158 208	–	(35 436)	38 091	–	160 863
Finance income	11 181	–	576	6	–	11 763
Finance costs	(20 273)	–	(4 282)	(807)	–	(25 362)
Earnings from associate	(3 786)	–	–	(7 499)	–	(11 285)
Profit/(loss) before taxation	145 330	–	(39 142)	29 791	–	135 979
Additional disclosure:						
Property, plant and equipment additions	20 037	–	5 083	–	–	25 120
Capital commitments	177	–	–	–	–	177
Impairment of assets	(12 982)	–	(85 687)	(136)	–	(98 805)
Net impairment losses on financial assets	(6 526)	–	4 595	153	–	(1 778)
Taxation	(31 388)	–	5 764	(17 548)	–	(43 172)
Investment in associates	–	–	–	12 058	–	12 058
Total assets	2 481 372	–	660 603	294 966	(832 196)	2 604 745
Total liabilities	508 383	–	360 326	470 154	(832 196)	506 667

The table below shows the relationship between the revenue streams disclosed in note 19 and the revenue disclosed per segment above:

Segment:	Print revenue R'000	Tissue revenue R'000	Packaging revenue R'000	Educational revenue R'000	Waste revenue R'000	Distribution revenue R'000	Other revenue R'000	Total R'000
Print	2 259 013	–	–	–	15 705	65 034	31 518	2 371 270
Packaging	–	–	613 087	–	–	17 787	4 526	635 400
Other	–	–	–	–	–	–	7 563	7 563
	2 259 013	–	613 087	–	15 705	82 821	43 607	3 014 233

Expenses per the segment note:	
Cost of sale of goods	(2 218 559)
Selling, general and administrative expenses	(514 618)
Depreciation	(85 402)
Amortisation	(2 531)
	(2 821 110)
Expenses per the income statement:	
Cost of sales	(2 280 212)
Operating expenses	(540 898)
	(2 821 110)

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

27. CASH GENERATED FROM/(USED IN) OPERATIONS

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Profit before tax		**54 740**	135 979	**297 512**	–
Adjusted for:		**88 117**	153 898	**(297 512)**	(8)
Depreciation of property, plant and equipment	2	**71 465**	83 887	**–**	–
Depreciation of investment property	40	**1 737**	1 515	**–**	–
Amortisation of intangible assets	4	**51 600**	2 531	**–**	–
Net impairment of property, plant and equipment	2	**20 479**	69 115	**–**	–
Impairment of intangible assets	4	**–**	9 014	**–**	–
Impairment of goodwill	3	**–**	16 708	**–**	–
Impairment of investments in associate	39	**–**	3 968	**–**	–
Impairment of loans	5	**1 665**	–	**–**	–
Impairment of investments in subsidiaries	5	**–**	–	**16 323**	–
Gain on derecognition of leases	15	**–**	(44 019)	**–**	–
Profit/(loss) on disposal of property, plant and equipment and non-current assets held for sale	20	**1 285**	(8 979)	**–**	–
Gain on bargain purchase	20	**(100 053)**	–	**–**	–
Bad debts written off	8	**–**	–	**–**	–
Finance income	22	**(21 284)**	(11 763)	**–**	(8)
Finance costs	23	**36 414**	7 468	**1**	–
Movement in provisions for inventory write-down	7	**(2 114)**	(1 225)	**–**	–
Payments for postretirement medical liability	13	**(119)**	(111)	**–**	–
Long-service and retirement gratuity expense	21	**695**	2 425	**–**	–
Provisions and post-retirement medical liability expense	13	**(1 973)**	326	**–**	–
(Reversal)/increase of bad debt provision/loss allowance	8	**11 335**	(7 653)	**–**	–
Share-based payment expense	21	**3 293**	5 480	**–**	–
Earnings from equity accounted associates	39	**861**	7 317	**–**	–
Dividends received: Non-Cash	19	**–**	–	**(313 836)**	–
Foreign exchange movements		**12 831**	17 894		–
Changes in working capital		**19 995**	(11 208)	**–**	(172)
Inventories		**(304 614)**	(127 311)	**–**	–
Trade and other receivables		**454 342**	59 946	**–**	–
Trade and other payables		**(129 733)**	56 157	**–**	(172)
		162 852	278 669	**–**	(180)

28. TAX PAID

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Payable at the beginning of the year	**(9 102)**	(9 518)	**–**	–
Acquisition of subsidiary	**(70 747)**	–	**–**	–
Current tax for the year recognised in profit or loss	**(5 250)**	(50 757)	**–**	–
Net (receivable)/payable at the end of the year	**(17 413)**	9 102	**–**	–
	(102 512)	(51 173)	**–**	–

29.1 DIVIDENDS

No final dividend was declared (2022: Rnil).

29.2 DIVIDENDS PAID

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Dividends paid/payable by Novus Holdings Limited	–	(203 476)	–	(243 223)
	–	(203 476)	–	(243 223)

Dividends included as paid by the Group excludes any dividends payable in respect of treasury shares. Total dividends distributed by the Company in the prior year amounted to R312 million, which was settled in cash or with the use of treasury shares held within the Group.

30. RELATED PARTIES

The Group entered into transactions and has balances with related parties including its subsidiaries, directors and associates. Transactions that are eliminated on consolidation as well as profits or losses eliminated through application of the equity method are not included.

The balances and transactions with related parties are summarised below:

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Related party balances				
Loans payable				
Subsidiary				
Novus Print Proprietary Limited	–	–	**457 162**	757 157

The loan from Novus Print Proprietary Limited is non-interest bearing and is payable on demand. Consideration of future dividends from Novus Print Proprietary Limited received via Paarl Media Holdings Proprietary Limited would be used for partial repayment of the related party loan payable. During the current year a dividend of R300 million was distributed from Novus Print Proprietary Limited to the Company, refer to note 19 where this dividend was recognised as revenue.

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Loans receivable				
Associate				
Mthembu Paper Mill Proprietary Limited	**17 499**	16 701	–	–
Mikateko Media Proprietary Limited	–	1 820	–	–
	17 499	18 521	–	–

The loan to Mthembu Paper Mill Proprietary Limited is non-interest bearing and is payable on demand as at the end of the reporting period. The nature of the loan is deemed to be a shareholder's loan to fund initial working capital requirements of the associate. As part of the impairment evaluation of the receivable, if the loan had to be demanded at the reporting date liquid assets amounting to R78,3 million (2022: R63,9 million) would be available including a secured debtors book amounting to R57,1 million (2022: R32.2 million) (as disclosed in note 39). A default rate of 2,5% was considered to determine an expected credit loss allowance on the loan receivable and is deemed immaterial.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

30. RELATED PARTIES (continued)

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Trade receivables				
Associate				
Mikateko Media Proprietary Limited	–	2 400	–	–
	–	2 400	–	–
Sales to related parties				
Associate				
Mikateko Media Proprietary Limited	1 933	1 789	–	–
	1 933	1 789	–	–
Rental income from related parties				
Associate				
Mthembu Paper Mill Proprietary Limited	7 387	7 387	–	–
	7 387	7 387	–	–

Directors emoluments

2023

	Executive R'000	Non-executive R'000	Total R'000
Salaries	6 664	–	6 664
Incentive bonuses	5 176	–	5 176
Pension contributions	856	–	856
Fees for services as director	–	1 993	1 993
Total	12 696	1 993	14 689

The detail of directors' participation in share / SARs schemes is included in note 16.

The individual directors received the following remuneration and emoluments:

	Fees for services as director R'000	Salary R'000	Bonus and performance related payments R'000	Pension contributions R'000	Total R'000
Executive directors					
Mr NW Birch*	–	4 369	4 543	631	9 543
Ms K Alwar	–	2 295	633	225	3 153
Non-executive directors					
Mr A Mayman	338	–	–	–	338
Ms N Mkhondo*	213	–	–	–	213
Dr P Mnganga*	624	–	–	–	624
Ms L Mtanga	296	–	–	–	296
Mr A van der Veen**	259	–	–	–	259
Mr A Zetler	263	–	–	–	263
	1 993	6 664	5 176	856	14 689

* *Resigned from the Board effective 31 March 2023.*

** *Appointed as Executive Chairman on 01 April 2023.*

30. RELATED PARTIES (continued)

Directors emoluments

2022

	Executive R'000	Non-executive R'000	Total R'000
Salaries	8 577	–	8 577
Incentive bonuses	5 230	–	5 230
Pension contributions	751	–	751
Fees for services as director	–	1 978	1 978
Total	14 558	1 978	16 536

The detail of directors' participation in share / SARs schemes is included in note 16.
The individual directors received the following remuneration and emoluments:

	Fees for services as director R'000	Salary R'000	Bonus and performance related payments R'000	Pension contributions R'000	Total R'000
Executive directors					
Mr NW Birch	–	3 983	4 500	344	8 827
Mr HA Todd*	–	2 554	250	217	3 021
Ms K Alwar**	–	2 040	480	190	2 710
Non-executive directors					
Mr D Mack^	126	–	–	–	126
Mr A Mayman	312	–	–	–	312
Ms N Mkhondo	220	–	–	–	220
Dr P Mnganga	600	–	–	–	600
Ms L Mtanga	285	–	–	–	285
Mr A van der Veen***	207	–	–	–	207
Mr A Zetler****	131	–	–	–	131
Mr SDM Zungu^	97	–	–	–	97
	1 978	8 577	5 230	751	16 536

Notes

* *Resigned from the Board effective 01 September 2021.*

** *Appointed as Chief Financial Officer on 01 September 2021.*

*** *Appointed to the Board effective 17 May 2021.*

**** *Appointed to the Board effective 27 August 2021.*

^ *Resigned from the Board effective 27 August 2021.*

Key management compensation

The total of executive directors' and key management emoluments amounted to R47,6 million (2022: R41,1 million); comprising short-term employee benefits of R47,2 million (2022: R40,4 million) and share-based payments of R0,4 million (2022: R0,7 million).

No other remuneration is paid to executive directors. Remuneration is earned for services rendered in conducting the business of the Group.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

31. COMMITMENTS

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Authorised capital expenditure				
Already contracted for but not provided for				
- Property, plant and equipment	**2 950**	177	**–**	–
Leases – as lessee (expense)				
Minimum lease payments due				
- within one year	**–**	1 496	**–**	–
- in second to fifth year inclusive	**–**	–	**–**	–

Capital commitments in the current year relates to machinery items within the Print segment.

32. FINANCIAL RISK MANAGEMENT

All of the Group's financial assets are classified as "loans and receivables" and are carried at amortised cost, apart from derivatives, which are held for hedging purposes. Similarly, all of the Group's financial liabilities are classified as "other financial liabilities" and are carried at amortised cost apart from derivatives, which are held for hedging purposes.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders.

The Group manages its capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group does not have a formal targeted debt to equity ratio.

The Company is illiquid but solvent. Management considers this reasonable as the loan payable to Novus Print Proprietary Limited is not expected to be called upon. The Company relies upon distributions, including dividends, from its subsidiaries to generate the funds necessary to meet the obligations of the Company.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (Group treasury) under policies approved by the directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the Memorandum of Incorporation of the Group, no limitation is placed on its borrowing capacity. The facilities are held across Standard Bank, Nedbank, Investec Bank Limited and Mercantile.

32. FINANCIAL RISK MANAGEMENT (continued)

The Group had the following unutilised borrowing facilities at 31 March:

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
On call	**562 903**	179 791	–	–
Unutilised borrowing facilities per segment:				
Print	**557 570**	168 367	–	–
Packaging	**5 333**	10 974	–	–
Other	**–**	450	–	–
Expiring within one year:				
	362 903	179 791	–	–
Standard Bank	**42 697**	116 873	–	–
Investec	**300 000**	–		
Nedbank	**15 277**	51 944	–	–
Mercantile	**4 929**	10 974	–	–

The facilities expiring within one year are subject to renewal at various dates during the next year.

	Group 2023 R'000	Group 2022 R'000	**Company 2023 R'000**	Company 2022 R'000
Expiring beyond one year:				
	200 000	–	–	–
Investec	**200 000**	–	–	–

32. FINANCIAL RISK MANAGEMENT (continued)

The following analysis details the Group and Company's non-derivative financial liabilities and derivative financial assets/(liabilities) which will be settled on a gross basis, using working capital and unused credit facilities, into relevant maturity groupings based on the remaining period from the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months R'000	1 to 5 years R'000	Over 5 years R'000
Non-derivative financial liabilities					
At 31 March 2023					
Interest-bearing: Capitalised finance lease	33 822	40 470	10 902	29 568	–
Interest-bearing: Loans and other liabilities	481 109	539 254	336 605	202 649	
Trade payables*	329 191	329 191	329 191	–	–
Accrued expenses and other current liabilities	119 768	119 768	119 768	–	–
Bank overdrafts	9	9	9	–	–
	963 899	1 028 692	796 475	232 217	–

Group	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months R'000	1 to 5 years R'000	Over 5 years R'000
At 31 March 2022					
Interest-bearing: Capitalised finance lease	32 115	40 963	7 525	33 438	–
Trade payables*	330 475	330 475	330 475	–	–
Accrued expenses and other current liabilities	27 623	27 623	27 623	–	–
Bank overdrafts	7	7	7	–	–
	390 220	399 068	365 630	33 438	–

** Trade payables are usually settled within a period of 0 to 3 months.*

Company	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months R'000	1 to 5 years R'000	Over 5 years R'000
At 31 March 2023					
Related party balances	457 162	457 162	457 162	–	–
	457 162	457 162	457 162	–	–
At 31 March 2022					
Related party balances	757 157	757 157	757 157	–	–
	757 157	757 157	757 157	–	–

32. FINANCIAL RISK MANAGEMENT (continued)

Group	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months R'000	1 to 5 years R'000	Over 5 years R'000
Derivative financial assets / (liabilities)					
At 31 March 2023					
Forward exchange contracts					
- Outflow	**3 684**	**(139 752)**	**(139 752)**	**–**	**–**
- Inflow	**–**	**143 436**	**143 436**	**–**	**–**
	3 684	**3 684**	**3 684**	**–**	**–**
At 31 March 2022					
Forward exchange contracts					
- Outflow	(19 324)	(397 554)	(397 554)	–	–
- Inflow	–	378 230	378 230	–	–
	(19 324)	(19 324)	(19 324)	–	–

Interest rate risk

In the prior year, the Group had limited to no exposure to interest rate risk with external borrowings pertaining only to asset based financing within one division in the Group which was fully repaid at 31 March 2022. However, during the current year the Group entered into a funding agreement due to the acquisition of its subsidiary, Maskew Miller Learning Proprietary Limited and obtained funding amounting to R500 million with a weighted average year-end interest rate: 10,10% linked to 3 month JIBAR. The Group also has a policy in place to reduce this risk should the need arise for future external borrowings. The Group would manage this process by ensuring a mix between fixed and floating borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the Group would consider the use of derivative instruments, such as interest rate swap agreements, purely for hedging purposes. There has however been no swap agreements entered into during the financial year.

At 31 March 2023, if the Group's interest rates on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R0,9 million(2022: Rnil) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Credit risk

The Group is exposed to credit risk relating to the following assets:

Financial assets at FVOCI and financial assets at amortised cost

There is no concentration of credit risk within these financial assets and management monitors the credit risk regularly. No expected credit loss allowance has been raised on the financial assets at amortised cost due to payments being made as per contract with no historical write-offs relating to these assets.

Trade and other receivables

Trade receivables consist primarily of invoiced amounts from normal trading activities. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits on an ongoing basis. Consideration of credit risk across sectors and groups of customers are disclosed in note 8. Other receivables are assessed on a continuous basis to determine their risk of default. Management considers this risk to be low from the history of the counterparty settling it's outstanding amounts by the due date and through monitoring of the sector that the counterparty operates in. Refer to note 1.8 and note 8 where the measurement and recognition of expected loss allowance on trade and other receivables is explained.

32. FINANCIAL RISK MANAGEMENT (continued)

Cash deposits and derivative assets

The Group is exposed to certain concentrations of credit risk relating to its cash. It places its cash mainly with major banking groups and high-quality institutions that have high credit ratings. Cash is held to fund short-term working capital requirements. The Group's treasury policy is designated to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. As at 31 March 2023 the Group held the majority of its cash, deposits and derivative assets with local banks with a "Ba2" (2022: "Ba2") credit rating (Moody's International's Long-term Deposit rating). The counter parties that are used by the Group are evaluated on a continuous basis.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and the US Dollar. As the Group acquires a significant portion of the materials used in the printing process internationally, depreciation of the local currency against the Euro or US Dollar adversely affects the Group's earnings and its ability to meet cash obligations. The Group makes use of forward exchange contracts ("FEC") to hedge its exposure to foreign currency risk. Forward exchange contract transactions relate to the settlement of trade payables for the acquisition for inventory items. The Group generally covers forward 38% to 100% of firm commitments in foreign currency for up to one year. At year end the Group was at less than the 38% due to the current ZAR weakness. Forward exchange contracts are taken out between order date and 6 months prior to the order being placed and inventory on average is delivered within 3 months. Once the inventory is shipped, trade payables is settled within 3 months.

Management has set up a policy to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts, transacted with financial institutions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has classified its forward exchange contracts relating to forecast transactions and firm commitments as cash flow hedges and states them at fair value.

The Group separates the forward element and the spot price element of a forward exchange contract. The forward element is accounted for in finance income/costs (refer to notes 22 and 23). The spot price element is designated as the hedging instrument in a cash flow hedge, with the cumulative gain or loss recognised in the initial carrying amount of inventory and therefore recognised in cost of goods sold when the inventory is sold. Refer to note 21 for amounts recognised in cost of goods sold.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. A cumulative after-tax profit of R1,4 million (2022: R6.6 million) has been deferred in a hedging reserve at 31 March 2023. This amount is expected to realise over the next year. Changes in the fair value of forward exchange contracts that economically hedge monetary liabilities in foreign currencies and for which no hedge accounting is applied, are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised in profit and loss within the cost of sales, finance income and finance costs lines. The fair value of all forward exchange contracts at 31 March 2023 was an asset of R3,7 million (2022: R19,3 million liability).

The notional principal amounts of the outstanding forward exchange contracts for import purchases and export sales transactions at 31 March 2023 were R139,5 million (2022: R397,6 million).

There were no forecast purchases linked to FECs that were no longer considered highly probable. The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months.

At 31 March 2023, if the currency had weakened/strengthened by 10% against the US dollar and Euro with all other variables held constant, comprehensive income for the year would have been R3,1 million (2022: R23,4 million) higher/lower due to Euro exposure and R3,3 million (2022: R0,2 million) higher/lower due to US dollar exposure, mainly as a result of foreign exchange gains or losses on translation of US dollar and Euro denominated foreign exchange contracts.

32. FINANCIAL RISK MANAGEMENT (continued)

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	Group 2023 R'000	Group 2022 R'000
Trade payables, denominated in Euro	**1 227**	1 580
Trade payables, Rand value	**23 681**	25 628
Trade payables, denominated in US dollars	**1 031**	1 073
Trade payables, Rand value	**18 269**	15 666

Total FECs outstanding at year end (commitments to buy foreign exchange maturing within one year)

	Group 2023 R'000	Group 2022 R'000
Total FECs outstanding at year-end (maturing within one year)		
Denominated in Euro	**3 650**	20 127
Rand Value	**69 683**	348 676
Denominated in US Dollars	**4 065**	3 191
Rand Value	**70 069**	48 878
Hedge ratio	**1:1**	1:1

FEC's outstanding at-year end have maturity dates between April 2023 and December 2023.

	Group 2023 R'000	Group 2022 R'000
Derivative financial assets - Current portion		
Foreign exchange contracts	**4 401**	487
	4 401	487
Derivative financial liabilities - Current portion		
Foreign exchange contracts	**717**	19 811
	717	19 811

	R	R
Average forward exchange rates for FECS outstanding at year-end (maturing within one year)		
Euro	**19,09**	17,32
US Dollar	**17,24**	15,32

	R	R
Exchange rates used for conversion of foreign items were:		
Euro	**19,30**	16,22
US Dollar	**17,72**	14,60

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Group expects its foreign exchange contracts to hedge foreign exchange exposure.

33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

The fair values, which approximate the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2023

	Group			
	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest income R'000	Impairment R'000
Assets				
Financial assets at fair value through other comprehensive income	3 049	–	–	–
Other financial assets at amortised cost	570	–	176	–
Receivables and loans	529 955	–	330	7 185
Trade receivables	490 439	–	330	11 335
Other receivables	22 017	–	–	(4 150)
Related party receivables	17 499	–	–	–
Derivative financial instruments	4 401	60 302	–	–
Foreign exchange contracts	4 401	60 302	–	–
Cash and cash deposits	392 233	–	20 778	–
Total	930 208	60 302	21 284	7 185

	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest expense R'000	Impairment R'000
Liabilities				
Long-term liabilities	189 394	–	32 348	–
Interest-bearing: capitalised finance leases	25 793	–	3 233	–
Interest-bearing: loans and other	163 601	–	29 115	–
Short-term payables and loans	774 496	(71 609)	323	–
Interest-bearing: capitalised finance leases	8 029	–	–	–
Interest-bearing: loans and other	317 508	–	–	–
Trade payables	329 191	(71 609)	323	–
Accrued expenses and other current liabilities	119 768	–	–	–
Derivatives	717	–	–	–
Foreign exchange contracts	717	–	–	–
Bank overdrafts and call loans	9	–	3 743	–
Total	964 616	(71 609)	36 414	–

33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2022

	Group			
	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest income R'000	Impairment R'000
Assets				
Financial assets at fair value through other comprehensive income	3 064	–	–	–
Other financial assets at amortised cost	1 118	–	274	–
Receivables and loans	403 866	–	(47)	1 778
Trade receivables	367 380	–	(47)	5 928
Other receivables	15 565	–	–	(4 150)
Related party receivables	20 921	–	–	–
Derivative financial instruments	487	(18 401)	–	–
Foreign exchange contracts	487	(18 401)	–	–
Cash and cash deposits	567 917	–	11 536	–
Total	976 452	(18 401)	11 763	1 778

	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest expense R'000	Impairment R'000
Liabilities				
Long-term liabilities	27 367	–	6 755	–
Interest-bearing: capitalised finance leases	27 367	–	6 359	–
Interest-bearing: loans and other	–	–	396	–
Short-term payables and loans	362 846	3 403	708	–
Interest-bearing: capitalised finance leases	4 748	–	–	–
Interest-bearing: loans and other	–	–	–	–
Trade payables	330 475	3 403	708	–
Accrued expenses and other current liabilities	27 623	–	–	–
Derivatives	19 811	–	–	–
Foreign exchange contracts	19 811	–	–	–
Bank overdrafts and call loans	7	–	5	–
Total	410 031	3 403	7 468	–

33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

The fair value levels of hierarchy are as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market (for example, derivatives such as interest rate swaps, foreign exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 March 2023

	Group			
	Level 1 R'000	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Assets				
Financial assets at fair value through other comprehensive income	**1**	**3 048**	**–**	**3 049**
Derivative financial instruments*	**–**	**4 401**	**–**	**4 401**
Related party loan receivables**	**–**	**–**	**17 499**	**17 499**
	1	**7 449**	**17 499**	**24 949**
Liabilities				
Derivative financial instruments*	**–**	**717**	**–**	**717**
	–	**717**	**–**	**717**

At 31 March 2022

	Group			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Tota R'000 l
Assets				
Financial assets at fair value through other comprehensive income	1	3 063	–	3 064
Derivative financial instruments*	–	487	–	487
Related party loan receivables**	–	–	18 521	18 521
	1	3 550	18 521	22 072
Liabilities				
Derivative financial instruments*	–	19 811	–	19 811
	–	19 811	–	19 811

There have been no transfers between levels in the current and prior year.

* *Financial assets/liabilities carried at fair value.*

** *Financial asset/liabilities measured at amortised cost and included in the above table for fair value disclosure.*

33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques and key inputs used to measure significant level 2 fair values

Foreign exchange contracts – in measuring the fair value of foreign exchange contracts the Group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the Group's foreign exchange contracts. Key inputs used in measuring the fair value of foreign exchange contracts include current spot exchange rates, market forward exchange rates, and the term of the Group's foreign exchange contracts.

Financial assets at fair value through other comprehensive income – the use of quoted market prices for similar instruments.

Valuation techniques and key inputs used to measure significant level 3 fair values

Related party loan receivables – the loan is carried at amortised cost which approximates fair value. Fair value was determined based on the use of unobservable inputs including counterparty credit risk.

Price risk

The Group is not exposed to significant price risk in relation to its financial assets at fair value through profit or loss. Refer to note 32 for foreign exchange risk management in relation to foreign exchange contracts.

34. FINANCIAL INSTRUMENTS BY CATEGORY

Financial instruments disclosed in the statement of financial position include interest-bearing borrowings, financial assets, cash and cash equivalents, trade and other receivables and trade and other payables.

The following is a summary of financial instrument categories applicable to the Group:

Financial assets

	Notes	Financial assets at amortised cost R'000	Fair value through profit or loss R'000	Financial assets at FVOCI R'000	Total R'000
2023					
Financial assets at fair value through other comprehensive income		**–**	**–**	**3 049**	**3 049**
Other financial assets at amortised cost		**570**	**–**	**–**	**570**
Trade and other receivables	8	**512 456**	**–**	**–**	**512 456**
Related party receivables		**17 499**	**–**	**–**	**17 499**
Derivative financial instruments		**–**	**4 401**	**–**	**4 401**
Cash and cash equivalents		**392 233**	**–**	**–**	**392 233**
		922 758	**4 401**	**3 049**	**930 208**
2022					
Financial assets at fair value through other comprehensive income		–	–	3 064	3 064
Other financial assets at amortised cost		1 118	–	–	1 118
Trade and other receivables	8	382 945	–	–	382 945
Related party receivables		20 921	–	–	20 921
Derivative financial instruments		–	487	–	487
Cash and cash equivalents		567 917	–	–	567 917
		972 901	487	3 064	976 452

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

	Financial liabilities at amortised cost R'000	Fair value through profit or loss R'000	Financial assets at FVOCI R'000	Total R'000
2023				
Borrowings and lease liabilities	**514 931**	**–**	**–**	**514 931**
Trade and other payables	**448 959**	**–**	**–**	**448 959**
Derivative financial instruments	**–**	**717**	**–**	**717**
Bank overdrafts	**9**	**–**	**–**	**9**
	963 899	**717**	**–**	**964 616**
2022				
Borrowings and lease liabilities	32 115	–	–	32 115
Trade and other payables	358 098	–	–	358 098
Derivative financial instruments	–	19 811	–	19 811
Bank overdrafts	7	–	–	7
	390 220	19 811	–	410 031

35. GOING CONCERN

As at 31 March 2023, the Company has current assets amounting to R0,1 million (2022: R0,1 million) and current liabilities amounting to R457,1 million (2022: R741,9 million) resulting in an illiquid position. The loan payable to Novus Print Proprietary Limited however is not expected to be called upon, but it is the intention that future dividend distributions from Novus Print Proprietary Limited received via Paarl Media Holdings Proprietary Limited would be used as repayment of the related party loan payable. A partial distribution has also occurred during the current financial year, therefore the reduction of the loan payable from R741,9 million to R457,1 million. Due to this, it has been concluded that the Company will continue as a going concern.

Although the Group has experienced increased expenses due to excessive paper price increases during the year in the Print segment, this seemed to have stabilised towards the end of the financial year with the outlook being more positive in the industry. Impairments during the current year amounted to R22,1 million (2022: R98,8 million) decreased significantly since the prior year. The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. As at 31 March 2023, the Group is in a strong liquidity position with a positive closing cash balance of R392,2 million (2022: R567,9 million) and unutilised short and medium-term borrowing facilities of R562,9 million (2022: R140,5 million). The directors are not aware of any new material changes that may adversely impact the Group and are satisfied that no material uncertainty exists that might cast significant doubt on the entity's ability to continue as a going concern. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

36. DIRECTORS' INTERESTS IN SHARE CAPITAL AND TRANSACTIONS

Other than as disclosed in notes 16 and 30 and by way of the mandatory offer which was concluded in January 2022, no director of the Company nor any director of any of its subsidiaries has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of Novus Holdings Limited and which was effected by Novus Holdings Limited during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains in any respect outstanding or unperformed.

The below directors have direct and indirect interests in Novus Holdings Limited ordinary shares on 31 March 2023 as at date of issue of these annual financial statements. Detail of directors' participation in share / SARs schemes is included in note 16.

Directors interests in shares
As at 31 March 2023

	Direct	**Indirect***	**Total**
Executive			
- NW Birch	**181 838**	**2 940 870***	**181 838**
- K Alwar	**8 210**	**605 829***	**8 210**
Non-executive			
- A van der Veen	**–**	**168 440 535**	**168 440 535**
- A Zetler	**148**	**168 440 535**	**168 440 683**
Total	**190 196**	**168 440 535**	**168 630 731**

* *Unexercised options held by executive directors in terms of the Company's share appreciation rights scheme, on the basis that one option does not equal one Novus Holdings Limited Share, which do not carry economic or voting rights.*

Directors interests in shares
As at 31 March 2022

	Direct	Indirect*	Total
Executive			
- NW Birch	181 838	3 359 508*	181 838
- K Alwar	8 210	605 829*	8 210
Non-executive			
- A van der Veen	–	168 440 535	168 440 535
- A Zetler	148	168 440 535	168 440 683
Total	190 196	168 440 535	168 630 731

* *Unexercised options held by executive directors in terms of the Company's share appreciation rights scheme, on the basis that one option does not equal one Novus Share, which do not carry economic or voting rights.*

There have been no changes in the directors' shareholdings from the year end to the date of this report.

37. TRANSACTIONS WITH NON-CONTROLLING INTEREST

Effective 14 March 2023, there was a change in shareholding from 3,23% to 5,99% with the minority shareholders of Maskew Miller Learning Proprietary Limited via a repurchase of 326 accelerated empowerment shares and the subsequent issue of 326 ordinary shares for a consideration amount of R3,3 million. No changes in the issued share capital occurred.

38. BUSINESS COMBINATION

On 30 November 2022, Novus Holdings Limited, through its wholly-owned subsidiary, Novus Print Proprietary Limited acquired 75% (10 742 ordinary shares) of the issued share capital of Pearson South Africa Proprietary Limited (now Maskew Miller Learning Proprietary Limited) for a purchase consideration of R842,3 million. The 10 742 ordinary shares translates to 75% voting rights and 94% economic rights. The acquisition has significantly increased the Group's market share in the educational content development industry and creates synergies with the Group's existing print segment.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Notes	Group 2023 R'000
Property, plant and equipment	2	10 295
Intangible assets	4	479 017
Other intangible assets	4	497
Inventory		63 563
Intangible assets - product development	4	56 976
Cash and cash equivalents		206 242
Trade and other receivables		587 434
Borrowings and lease liabilities		(5 721)
Post employment medical liability		(24 448)
Trade and other payables		(188 987)
Current income tax payable		(70 747)
Deferred taxation		(106 725)
Net identifiable assets acquired		1 007 396
Less: non - controlling interests		(65 016)
Net assets acquired		942 380
Less Gain recognised on acquisition		(100 053)
Cash consideration paid		842 327
Purchase consideration - cash outflow		
Cash consideration paid		842 327
Less Cash balances acquired		(206 242)
Net cash outflow per statement of cash flows		636 085

Intangible assets

Intangible assets of R479 million relates to brand and customer relationships valued at acquisition. The value of intangible assets allocated to brands amounts to R93,4 million and customer relationships amounts to R385,6 million. The brands are accounted for as indefinite useful life assets whilst the intangibles allocated to customer relationships are amortised over a three-year period from 1 December 2022. A deferred tax liability of R129,3 million has been recognised.

Non-controlling interest recognised

The Group recognised non-controlling interests in Maskew Miller Learning Proprietary Limited ("MML") at the non-controlling interest's proportionate share (3,23%) of the acquired entity's net identifiable assets. In addition to this, the equity settled share-based payment recorded in the books of MML was also recognised as non-controlling interest in the statement of financial position, with a fair value of R32,4 million. Background to this equity settled share-based payment is as follows:

In 2016 Sphere RB Investments Proprietary Limited ("Sphere"), subscribed for 22.5% of MML's equity shares via 326 ordinary shares for cash of R49,927,928 and 2,897 AE Shares in cash for R29 and the balance of the purchase price for the AE Shares was funded via a Notional Acquisition Funding Amount ("NAFA") of R443,684,685 (together comprising 22.5% of MML's total equity shares). The subscription of the AE Shares is in effect a share option scheme via a non-recourse loan. As the subscription of the ordinary and AE Shares and the provision of the notional funding took place at the same time, the transactions have the same counterparties, they relate to the same risk and there is no economic need or substantive business purpose for structuring the transactions separately, the two transactions were viewed as one and the substance of the transaction is that of an option issued.

38. BUSINESS COMBINATION (continued)

MML accounted for a cash settled share-based payment liability as a result of the acquisition by Sphere of the 22,5% of MML's equity shares initially. By way of the Deed of Adherence entered into on 12 August 2022 and as part of the Proposed Acquisition, Sphere agreed to waive its rights pertaining to this option from the signature date of such document, being 09 August 2022. This resulted in a modification of the cash settled share-based payment to an equity settled share-based payment within the records of MML. The equity settled share-based payment was recognised as non-controlling interest in the statement of financial position. An independent valuation was performed using the Monte Carlo simulation model as at 30 November 2022 to arrive at a fair value of R32,4 million. Within the simulation the expiration date of the option is the final repayment date of the NAFA on 26 September 2026 with the risk-free rate of return ranging from 8,02% - 8,57% used to measure the drift, which is associated with each annual time step, from the South African government bond yield curve on 30 November 2022. A standard deviation rate of 33,52% was used and the dividends forecast as per the NAFA schedule were used to adjust the price path of the 10,000 iterations at each time step.

	Group 2023 R'000
Reconciliation of non-controlling interest:	
Non-controlling interest share of the net identifiable assets and liabilities at acquisition (3,23%)	32 539
Sphere's 22,5% interest in Maskew Miller Learning Proprietary Limited	32 477
	65 016

Bargain purchase recognised

A gain on acquisition of R100,1 million was recognised, due to the consideration paid being less than the fair value of the assets acquired. The gain on bargain purchase is disclosed within 'Other gains/(losses)' within the Education segment in note 26.

Acquired receivables

The fair value of acquired trade receivables is R587,4 million.

Revenue and profit contribution

The acquired business on a stand-alone basis contributed revenues of R156 million and net profit after tax of R14,8 million to the Group for the period 01 December 2022 to 31 March 2023.

If the acquisition had occurred on 01 April 2022, Group consolidated pro-forma revenue and profit after tax for the year ended 31 March 2023 would have been R3 979,5 million and R392,4 million respectively.

Acquisition-related costs

Acquisition-related costs of R14,3 million included in administrative expenses in the income statement and in operating cash flows in the statement of cash flows.

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

39. INVESTMENT IN ASSOCIATES

The following information relates to the Group's financial interest in associates.

Mikateko Media Proprietary Limited has a March year-end whilst Mthembu Paper Mill Proprietary Limited and Free 4 All Proprietary Limited have a 28 February year-end. All associates are incorporated in South Africa. Associates are accounted for using the equity method.

Name of company	Nature of business	Effective interest 2023	Effective interest 2022	Group Carrying Amount 2023 R'000	Group Carrying Amount 2022 R'000
		%	%		
Mikateko Media Proprietary Limited	Publishing	**49,00**	49,00	**–**	–
Mthembu Paper Mill Proprietary Limited	Tissue manufacturing	**49,00**	49,00	**11 197**	12 058
Free 4 All Proprietary Limited	Publishing	**49,00**	49,00	**–**	–
				11 197	12 058

	Mikateko Media Proprietary Limited		Mthembu Paper Mill Proprietary Limited		Free 4 All Proprietary Limited	
	Group 2023 R'000	Group 2022 R'000	Group 2023 R'000	Group 2022 R'000	Group 2023 R'000	Group 2022 R'000
Opening balance	**–**	1 318	**12 058**	19 557	**–**	2 468
Purchase of investment in associate	**–**	–	**–**	–	**–**	–
Investment retained in former subsidiary	**–**	–	**–**	–	**–**	–
Impairment of investment	**–**	(1 318)	**–**	–	**–**	(2 650)
Equity accounted earnings/(loss)	**–**	–	**(861)**	(7 499)	**–**	182
Dividends received	**–**	–	**–**	–	**–**	–
Closing balance	**–**	–	**11 197**	12 058	**–**	–

The investment in Free 4 All Proprietary Limited was purchased for R2,7 million effective 15 December 2020. Mthembu Paper Mill Proprietary Limited was accounted for as an investment in associate on 01 October 2020 when the Group lost control of Mthembu Paper Mill Proprietary Limited after it disposed of 51% of its shares in the Company. The investment in Mthembu Paper Mill was recognised at R19,2 million on 01 October 2020.

Investments in associates have been considered for impairment in accordance with the policy. Both Mikateko Media Proprietary Limited and Free 4 All Proprietary Limited were impaired to nil in in the prior year. No impairment was considered necessary for the investment in Mthembu Paper Mill Proprietary Limited in the prior year or current year as it was deemed immaterial.

Associates summarised financial information

The summarised financial information for associates considered immaterial were aggregated and set out below:

	Group 2023 R'000	Group 2022 R'000
Total assets	**3 112**	3 701
Total liabilities	**10 161**	7 432
Revenue	**10 789**	10 425
Loss for the period	**(3 858)**	(3 222)

Notes to the annual financial statements (continued)

for the year ended 31 March 2023

39. INVESTMENT IN ASSOCIATES (continued)

The summarised financial information for Mthembu Paper Mill Proprietary Limited at 31 March is set out below:

	Group 2023 R'000	Group 2022 R'000
Summarised statement of financial position		
Non-current assets	**119 740**	109 050
Current assets	**78 310**	63 967
Non-current liabilities	**53 894**	52 297
Current liabilities	**110 007**	84 798
Net assets	**34 149**	35 922
Summarised statement of comprehensive income		
Revenue	**377 911**	266 944
(Loss)/Profit for the period	**(1 773)**	(15 304)
Reconciliation to carrying amount:		
Opening net assets	**35 922**	51 226
Loss for the period	**(1 773)**	(15 304)
Closing net assets	**34 149**	35 922
Group's direct interest in associate (at year-end)	**49%**	49%
Carrying value of investment (at year-end)	**11 197**	12 058

40. INVESTMENT PROPERTY

	Notes	Group 2023 R'000	Group 2022 R'000
Opening balance		**62 764**	64 415
Transfer (to)/from owner-occupied property		**1 290**	(136)
Depreciation	21	**(1 737)**	(1 515)
Closing balance		**62 317**	62 764
Cost		**66 326**	65 036
Accumulated depreciation and impairment		**(4 009)**	(2 272)

Investment property relates to the Correll Tissue building now occupied by Mthembu Paper Mill Proprietary Limited.

The fair value of the property is considered to be R68,5 million based on current prices in an active market for similar properties.

Rental income of R7,4 million (2022: R7,4 million) was recognised related to the property. All property related costs are on charged to the lessee.

41. EVENTS AFTER REPORTING DATE

Subsequent to year-end the conditions precedent relating to the sale of Novus Print Linbro Park property for R125 million, were fulfilled resulting in the sale becoming unconditional. Accordingly the transfer of the property has commenced.

Other than already disclosed in note 15 and the above, the Board is not aware of any matters or circumstances arising since the end of the financial year and the date of this report.

Analysis of shareholders

Size of holdings	Number of shareholders	Number of shares owned
1 - 1,000	5 270	960 725
1,001 - 50,000	1 353	14 633 299
50,001 - 100,000	105	7 998 478
100,001 - 10,000,000	97	75 025 447
10,000,001 and above	8	248 038 399
	6 833	346 656 348

The following shareholders hold 5% or more of the issued share capital of the company.

Name	% held	Number of shares owned
Peresec Prime Brokers Proprietary Limited	25,26%	87 568 518
A^2 Investment Partners Proprietary Limited	23,46%	81 336 072
Value Capital Partners	10,75%	37 250 596
Caxton & CTP Publishers & Printers Limited	9,24%	32 029 062
Novus Holdings Share Trust	6,48%	22 462 562

Public shareholder spread

To the best of the knowledge of the Board, the spread of public shareholders in terms of paragraph 4.25 of the Listings Requirements at 31 March 2023 was 33.05%, represented by 6 827 shareholders holding 114 564 530 shares in the Company. The non-public shareholders of the Company comprising 6 shareholders representing 232 091 818 ordinary shares are analysed as follows:

Non-public shareholders	Number of shares	% of issued share capital
A^2 Investment Partners Proprietary Limited	81 336 072	23,46%
Latiano 554 Proprietary Limited	3 473 325	1,00%
Novus Print Proprietary Limited	745	0,00%
Novus Holdings Share Trust	22 462 562	6,48%
Peresec Prime Brokers Proprietary Limited	87 568 518	25,26%
Value Capital Partners	37 250 596	10,75%
	232 091 818	66,95%