tiso blackstar group.

Tiso Blackstar Group SE
Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2019

Incorporated in England and Wales

Company number SE 000110

Registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10

Share code: TBG

ISIN: GB00BF37LF46

("Tiso Blackstar" or the "Company" or together with its subsidiaries the "Group")

Executive Summary

The interim period under review has been characterised by very difficult trading conditions for the Tiso Blackstar Group's underlying investments. In November 2019, Tiso Blackstar closed the sale of its South African media, broadcast and content businesses ("TBG SA Group") for R800 million. The proceeds were used to lower debt, which has substantially lowered the Group's risk in this unprecedented time of uncertainty.

The Group also sold its radio assets in South Africa ("SA Radio") for R50 million. This transaction is expected to close in June 2020, once ICASA approval has been obtained. Unfortunately, the sale of our media, broadcast and content businesses in Ghana, Nigeria and Kenya ("Africa Radio") expired due to the failure to conclude the last outstanding condition by 28 February 2020. Tiso Blackstar has begun new discussions over the sale of these Africa Associates.

The Hirt and Carter Group had a difficult six-month trading period due to the slowdown in activity amongst most of its client base. The Hirt and Carter Group faces stagnant trading conditions given the ever-increasing pressure on consumer spending, which effects the Hirt and Carter Group in revenue loss and margin decline.

Tiso Blackstar holds a 20.01% interest in Kagiso Tiso Holdings Proprietary Limited ("KTH") and it intends to realise this investment over the short to medium term. The KTH net asset value improved slightly over the period under review.

On 6 March 2020, Tiso Blackstar announced the sale of Gallo Record Company and Gallo Music Publishers Group for R75 million. These proceeds have been received and will largely be applied against debt raised to acquire First Impressions Labels Proprietary Limited ("FIL").

Following the significant sales of Media, SA Radio, Gallo and IFD, Tiso Blackstar is in the process of reviewing its business model. This includes a significantly smaller and less expensive head office, with head office focusing on capital allocation and the strategic direction of its investments. Investee management, under the supervision of the investee company's board will be responsible for execution of the strategic plan and related operational efficiencies. Tiso Blackstar will implement new measures to monitor its performances going forward. This will include focusing on growing the value of its underlying investments and income from these investments.

Continuing operations

Hirt and Carter Group

The Hirt and Carter Group faced a challenging six months to 31 December 2019 as a result of the tough economic climate, and the final costs in relation to the consolidation of its facilities in the new premises in Cornubia in Durban. The growth in turnover is mainly attributable to the acquisition of FIL, which was not reflected in the prior period. The manufacturing divisions either maintained turnover to December or showed a slight decline year-on-year. The technology divisions grew topline revenue through delivering additional services to customers for the period. The Group's digital platforms grew turnover and profitability as customers refine how they communicate with their consumers.

The consolidation of the Durban operations will continue to drive efficiencies and optimize operations, which should mitigate some of the pressure on margins and the slower demand for products due to the economic slowdown.

The Group is driving opportunities for growth through new products and services, whilst remaining focused on managing its input costs and cost base in the current environment.

KTH

Over the past nine months, KTH underwent a substantial restructure, and a new management team and Chief Executive were appointed.

At 31 December 2019, the carrying value of the KTH shareholding accounted for in terms of IFRS amounted R1,05 billion. Given the significant disruption in the world markets subsequent to the December half year measurement date, the Board believe that it is unlikely that they would now realise this carrying value in full, in line with the substantially lower trading market values for similar investment holding companies, particularly as the Group remains intent on disposing of this investment in the near future. The Board believe a more probable realisable value for its shareholding in KTH would be approximately R850 million.

Booksite
Booksite's revenue and EBITDA were flat compared to the prior period. Book volumes handled through the warehouse were down but effective cost control and additional service revenue maintained revenue and profitability.

Discontinued operations

Media
Tiso Blackstar held the Media group (now renamed Arena Holdings Proprietary Limited ("Arena")) for four months of the period under review. Trading was challenging as low business confidence weighed on advertising spending. Cost savings initiatives protected loss of significant margin. We wish Lebashe Investment Group Proprietary Limited ("Lebashe") well as owners of these iconic brands. Throughout the sales process they have demonstrated themselves to have the character to manage the responsibility these brands carry.

Gallo and IFD
Gallo and IFD's earnings were largely flat over the six month period.

Robor
On 2 October 2019, Tiso Blackstar announced the voluntary liquidation of Robor Proprietary Limited ("Robor"), in which it holds a 47.6% interest. Tiso Blackstar has a R110 million guarantee in place to Robor's funder on an excusive basis, i.e. it can only be called upon once all the assets have been realised through the liquidation process.

At the time of the year end 30 June 2019 Announcement, an independent evaluation determined that there was more than sufficient asset value to cover the funder's liability on a liquidation basis. It was therefore deemed unlikely that our guarantee would be called on and accordingly this position was set out in our SENS announcement in October 2019.

The industrial and manufacturing sector has arguably been the hardest hit part of the economy, with investment deterred in this sector due to the dramatic decline in the general economy and in particular the steel and allied industries. The electricity load shedding has added further to the manufacturing sectors woes. This has culminated in Robor's assets achieving exceptionally low sales values, significantly lower than expected.

A new assessment of the liquidation outcome has been performed and found that it is likely that a portion of the guarantee will be called upon. As such, Tiso Blackstar has raised a provision for R59 million in the interim results. The final outcome of this process should be completed before the end of Tiso Blackstar's financial year.

Additional financial commentary

Total borrowings (excluding liabilities resulting from leased assets) decreased by 55% to R422 million. Despite the pay down of borrowings, finance costs still increased compared to the prior period, mainly as a result of the adoption of *IFRS 16 Leases*. Looking forward, based on the lower debt balances, finance costs are expected to decrease. The sale of Media during the period generated a net capital loss of R59 million.

The impact of IFRS 16 on EBITDA was an additional loss of R36 million.

Dividend

Tiso Blackstar has taken the prudent approach of not declaring an interim dividend in light of its current gearing levels which will be addressed as soon as some or most of the non-core investments are realised in the future.

Post balance sheet events

The past few months have been difficult trading conditions for the Group. Before the COVID-19 pandemic, the South African economy was already very weak. The Group is supportive and compliant with regards to Government's response to this pandemic. The announced 21-day lockdown will have a material impact on trading for the Group. Limited parts of the Hirt and Carter Group qualify as essential services and will be able to trade during the lock down period, but the majority of the Hirt and Carter Group, and Tiso Blackstar's other operations, do not qualify. The Group have closed these operations and are attempting to mitigate the impact of these closures, including engaging closely with the Group's customers, employees, suppliers, landlords and funders.

We are in the most uncertain and fluid of times. Events are rapidly changing but the Board and management are doing everything in their power to ensure that Tiso Blackstar comes out of this period in a position of strength.

Condensed consolidated statements of profit and loss and other comprehensive income

for the six months ended 31 December 2019

	Notes	**Unaudited Six months ended 31 December 2019 R'000**	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Continuing operations				
Revenue	2	**1,341,405**	1,166,059	2,320,646
Net (loss)/profit	3	**(7,970)**	49,192	(127,357)
Net finance costs		**(101,874)**	(71,166)	(146,108)
Finance income		**1,039**	3,535	4,464
Finance costs		**(102,913)**	(74,701)	(150,572)
Share of profit/(loss) of associates - equity accounted	8	**46,003**	1,778	(150,689)
(Impairment loss)/Reversal of impairment loss on associates - equity accounted	8	**(45,780)**	(81,052)	3,917
Loss before taxation		**(109,621)**	(101,248)	(420,237)
Taxation		**19,230**	(23,885)	(17,357)
Loss from continuing operations		**(90,391)**	(125,133)	(437,594)
(Loss)/Profit from discontinued operations, net of taxation	5	**(37,743)**	43,736	(110,188)
Loss for the period		**(128,134)**	(81,397)	(547,782)
Other comprehensive (loss)/income, net of taxation		**(183)**	14,850	(33,674)
Items that may subsequently be reclassified to profit and loss:				
Currency translation differences on the translation of foreign operations		**40**	(5,249)	(4,955)
Other comprehensive income/(loss) of equity accounted associates		**-**	10,528	(33,409)
Items subsequently reclassified to profit and loss:				
Reclassification of foreign currency translation reserve on disposal of subsidiary		**-**	11,644	11,644
Items that will not subsequently be reclassified to profit and loss:				
Actuarial loss on Post-retirement medical aid ("PRMA")		**-**	-	(1,784)
Other comprehensive loss of equity accounted associates		**(223)**	(2,073)	(5,170)
Total comprehensive loss for the period		**(128,317)**	(66,547)	(581,456)
(Loss)/Income for the period attributable to:				
Equity holders of the parent		**(125,035)**	(85,260)	(560,242)
Non-controlling interests		**(3,099)**	3,863	12,460
		(128,134)	(81,397)	(547,782)
Other comprehensive (loss)/income, net of taxation attributable to:				
Equity holders of the parent		**(91)**	14,850	(33,674)
Non-controlling interests		**(92)**	-	-
		(183)	14,850	(33,674)
Total comprehensive (loss)/income for the period attributable to:				
Equity holders of the parent		**(125,126)**	(70,410)	(593,916)
Non-controlling interests		**(3,191)**	3,863	12,460
		(128,317)	(66,547)	(581,456)
Basic loss per ordinary share (in cents) attributable to equity holders	4	**(47.57)**	(32.41)	(213.07)
Diluted loss per ordinary share (in cents) attributable to equity holders	4	**(46.91)**	(31.37)	(206.52)
Basic loss per ordinary share (in cents) attributable to equity holders from continuing operations	4	**(33.55)**	(52.03)	(174.02)
Diluted loss per ordinary share (in cents) attributable to equity holders from continuing operations	4	**(33.08)**	(50.37)	(168.67)
Weighted average number of shares in issue (net of treasury shares, in thousands)	4	**262,833**	263,049	262,942
Weighted average number of shares in issue (in thousands)	4	**266,560**	271,747	271,274

* Refer note 1.4

Condensed consolidated statement of financial position

as at 31 December 2019

Company number: SE 000110

	Notes	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
ASSETS				
Non-current assets		**3,519,787**	4,215,289	2,907,450
Property, plant and equipment		**163,622**	387,925	340,287
Right-of-use assets	6	**811,888**	-	-
Goodwill	7	**661,098**	1,046,236	661,098
Intangible assets		**738,699**	1,157,301	758,862
Investment in associates - equity accounted	8	**1,054,640**	1,522,232	1,054,640
Other investments, loans and receivables		**25,600**	48,788	25,600
Deferred taxation		**64,240**	52,807	66,963
Current assets		**1,097,550**	1,170,873	858,278
Inventories		**198,289**	274,196	175,236
Straight lining of lease assets		**-**	20,915	-
Trade and other receivables		**610,602**	838,097	535,448
Current taxation		**34,720**	23,461	12,264
Cash and cash equivalents	9	**253,939**	14,204	135,330
Non-current assets held for sale	5	**250,678**	-	1,491,794
TOTAL ASSETS		**4,868,015**	5,386,162	5,257,522
EQUITY AND LIABILITIES				
Capital and reserves attributable to the Group's equity holders		**2,192,642**	2,837,489	2,333,263
Share capital and premium		**2,554,036**	3,255,248	3,255,248
Other reserves		**(863)**	35,651	30,818
Foreign currency translation reserve		**(73,090)**	(49,176)	(73,222)
Accumulated losses		**(287,441)**	(404,234)	(879,581)
Non-controlling interests		**28,362**	31,700	38,509
TOTAL EQUITY		**2,221,004**	2,869,189	2,371,772
LIABILITIES				
Non-current liabilities		**967,944**	1,248,760	1,175,626
Borrowings		**369,913**	727,500	748,279
Other financial liabilities		**499**	580	6,787
Lease liability	6	**341,512**	-	-
Finance lease and instalment sale obligations		**-**	136,613	129,799
Straight lining of lease liabilities		**-**	50,331	22,069
Post-retirement benefits liabilities		**-**	10,252	-
Provisions		**5,497**	5,502	4,138
Deferred taxation		**250,523**	317,982	264,554
Current liabilities		**1,613,198**	1,268,213	1,223,060
Borrowings		**52,497**	201,160	187,101
Other financial liabilities		**158,580**	33,027	171,422
Lease liability	6	**517,782**	-	-
Finance lease and instalment sale obligations		**-**	53,180	42,099
Straight lining of lease liabilities		**-**	-	616
Post-retirement benefits liabilities		**-**	4,506	-
Provisions		**63,793**	17,721	28,164
Trade and other payables		**586,220**	877,316	512,561
Current taxation		**29,807**	35,454	8,295
Bank overdrafts and other short term borrowing facilities	9	**204,519**	45,849	272,802
Non-current liabilities associated with non-current assets held for sale	5	**65,869**	-	487,064
TOTAL LIABILITIES		**2,647,011**	2,516,973	2,885,750
TOTAL EQUITY AND LIABILITIES		**4,868,015**	5,386,162	5,257,522

* Refer note 1.4

The condensed consolidated interim financial statements were approved by the Tiso Blackstar Board and authorised for issue on 3 April 2020.

AD Bonamour
Chief Executive Officer

DKT Adomakoh
Non-executive Chairman

Condensed consolidated statement of changes in equity
for the six months ended 31 December 2019

	Notes	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Previously reported balance		**2,371,772**	3,111,973	3,111,973
Effect of amendment (1)		**-**	(174,217)	(174,217)
Previously reported reclassified and amended balance		**2,371,772**	2,937,756	2,937,756
Adjustments on adoption of IFRS 16 #		**(13,990)**	-	-
Reclassified and amended balance at the beginning of the period		**2,357,782**	2,937,756	2,937,756
Changes in reserves:				
Total comprehensive loss for the period		**(125,126)**	(70,410)	(593,916)
Purchase of treasury shares		**-**	(1,339)	(1,339)
FSP share-based payment expense		**4,606**	5,130	26,080
Tax charge on FSP share-based payment expense recognised directly in equity		**1,742**	2,262	593
Share buy-back of vested FSP shares		**(7,852)**	-	-
On deregistration of a business		**-**	51	51
Changes in non-controlling interests:				
Total comprehensive (loss)/income for the period		**(3,191)**	3,863	12,460
On disposal of subsidiary	11	**-**	(3,091)	(3,091)
On deregistration of a business		**(26)**	(51)	-
Equity loan from non-controlling interests		**(5,500)**	-	5,500
Dividends paid to non-controlling interests		**(1,431)**	(4,982)	(12,322)
Balance at the end of the period		**2,221,004**	2,869,189	2,371,772

* Refer note 1.4
# Refer notes 1.3.2 and 6
(1) Prior year amendment in terms of IFRS 5 and IAS 28 in respect of the Group's investment in Kagiso Tiso Holdings Proprietary Limited ("KTH") as a result of certain events which impacted the Group's ability to dispose of this investment. The interest in KTH was no longer accounted for as a non-current asset held for sale (held at fair value less costs to sell) but rather accounted for as an investment in associate being equity accounted and tested for impairment annually with reference to the KTH portfolio valuation. Per IAS 28, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale.

Condensed consolidated statement of cash flows

for the six months ended 31 December 2019

	Notes	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Cash flow from operating activities				
Cash generated by operations		**142,635**	126,292	280,505
Dividend income received from investments		**3,657**	-	4,632
Net finance costs paid		**(142,215)**	(88,516)	(166,140)
Net taxation received/(paid)		**5,683**	(23,937)	(45,330)
Net cash generated by operating activities		**9,760**	13,839	73,667
Cash flow from investing activities				
Acquisition of right-of-use assets	6	**(69,033)**	-	-
Acquisition of property, plant and equipment		**(17,773)**	(59,604)	(97,246)
Proceeds on disposal of property, plant and equipment		**374**	1,523	40,718
Additions to intangible assets		**(23,030)**	(13,124)	(32,966)
Proceeds on disposals of intangible assets		**-**	-	600
Acquisition of an associate		**-**	-	(7)
Proceeds on disposal of an associate	8	**7,010**	-	2,580
Additions to loans and receivables invested within Group entities		**-**	(3,841)	(104,458)
Repayments of loans and receivables invested within Group entities		**-**	-	20,000
Proceeds on disposal of investments		**-**	-	985
Acquisitions of subsidiaries	10	**-**	-	(75,195)
Disposal of subsidiaries	11	**760,000**	345,569	345,569
Net cash generated by investing activities		**657,548**	270,523	100,580
Cash flow from financing activities				
Borrowings raised		**770**	2,800	102,724
Borrowings repaid		**(468,480)**	(74,981)	(160,428)
Other financial liabilities raised		**1,128**	-	50,000
Other financial liabilities repaid		**(20,991)**	-	(20,000)
Lease liabilities raised		**68,960**	-	-
Lease liabilities repaid		**(46,034)**	-	-
Finance leases and instalment sale obligations raised		**-**	40,203	43,609
Finance leases and instalment sale obligations repaid		**-**	(26,602)	(69,343)
Purchase of treasury shares		**-**	(1,339)	(1,339)
Share buy-back of FSP shares		**(7,852)**	-	-
Equity loan from non-controlling interests		**(5,500)**	-	5,500
Dividends paid to non-controlling interests		**(2,417)**	(6,354)	(12,708)
Net cash utilised by financing activities		**(480,416)**	(66,273)	(61,985)
Net increase in cash and cash equivalents		**186,892**	218,089	112,262
Cash and cash equivalents at the beginning of the period		**(137,472)**	(249,734)	(249,734)
Cash and cash equivalents at the end of the period	9	**49,420**	(31,645)	(137,472)

* Refer note 1.4

1. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 December 2019 have been prepared in compliance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as endorsed for use by the European Union ("EU IFRS") and IFRS as issued by the IASB, SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and includes, at a minimum, information required by *IAS 34 Interim Financial Reporting* and the JSE Listings Requirements.

The financial information for the six months ended 31 December 2019 does not constitute statutory accounts as defined in sections 435(1) and 435(2) of the United Kingdom Companies Act 2006 ("UK Companies Act"). Statutory accounts for the year ended 30 June 2019 have been delivered to the Companies House in the United Kingdom following the Company's Annual General Meeting ("AGM") held on Wednesday, 11 December 2019.

The directors take full responsibility for the preparation of the condensed consolidated interim financial statements. The condensed consolidated interim financial statements have also not been reviewed or audited by the Group's auditors. The condensed consolidated interim financial statements were compiled under the supervision of Chantal Meirim (CA)SA, Group Financial Manager.

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial assets and financial liabilities held at fair value through profit and loss, and non-current assets held for sale, which have been measured at fair value.

The accounting policies and methods of computation used in the preparation of these results are in accordance with IFRS and are consistent in all material respects with those used in the audited Integrated Annual Report for the year ended 30 June 2019, except for the adoption of *IFRS 16 Leases*, refer to note 1.3 for further details.

Comparatives have been adjusted for reclassifications and amendments relating to discontinued operations and non-current assets held for sale (refer note 1.4).

1.1 Going concern

The Tiso Blackstar Board has reviewed the working capital requirements of the Group along with the Group's funding requirements from the date of approval of the condensed consolidated interim financial statements, and has concluded that the Group has sufficient resources to continue into the foreseeable future as a going concern.

In coming to this this conclusion, the Tiso Blackstar Board performed a detailed review of the Group's liquidity and solvency position at the reporting date taking into account possible future cash flows and scenarios.

The Group had a cash position, net of overdrafts, of R49.4 million and unutilised facilities of R77.3 million as at 31 December 2019, with its total current liabilities of R1,679.1 million (including non-current liabilities held for sale of R65.9 million) exceeding its total current assets of R1,348.2 million (including non-current assets held for sale of R250.7 million).

A combination of factors have led to the change in the Group's liquidity position from that previously reported in the Integrated Annual Report for the year ended 30 June 2019. These include the Transaction (refer note 5.1) and the Group's implementation of IFRS 16.

The net proceeds from the TBG SA Group disposal were predominantly used to settle the Group's debt. The disposal of Africa Radio for R200.0 million was expected to be finalised by 28 February 2020, however, on 5 March 2020, the Group announced that the sale lapsed due to a condition precedent not being met. The SA Radio sale for R50.0 million is still expected to be finalised by the end of June 2020.

The Group implemented the new IFRS 16 standard effective 1 July 2019, which resulted in a current lease liability of R517.8 million at 31 December 2019.

Upon the finalisation of the Gallo and IFD sale, R75.0 million was received during March 2020, and the majority of these funds were utilised in paying off payments related to the First Impressions Labels Proprietary Limited ("FIL") acquisition.

In determining the cash flows to April 2021, assessments were made regarding the following: the trading profits and cash flow to be generated by the existing continuing businesses (being predominantly the Hirt & Carter Group); the anticipated cash realisations from the ongoing execution of the strategy to dispose of non-core assets (including receipt of the outstanding loan and interest receivable from Consolidated Steel Industries Proprietary Limited ("CSI")); other anticipated capital related cash inflows; and the cash outflows to meet the Group's obligations with regards to the debt and financing facilities currently in place at the end of the reporting period.

1. Basis of preparation (continued)

1.1 Going concern (continued)

A detailed sensitivity analyses and "scenario modelling" were performed at various points in time. These calculations included: assessing the impact of a change in forecasts of cash flows from trading operations; the likelihood of the capital cash inflows and the impact of a change in timing or amount of each of these inflows; the likelihood of existing guarantees being called upon (including the R59.0 million Robor guarantee provided for); and the availability of existing banking facilities. The banking covenants were also considered for all scenarios to assess the impact thereof and the possibility of any breaches arising in the next twelve months.

The recent COVID-19 pandemic across the world will undoubtedly have unprecedented effects on the South African and global economy. The medium and long term effects of the virus, and current national lockdown in South Africa, on the Group is uncertain at this time. The Group formed a COVID-19 Task Team and has put measures in place across the business to ensure the health and safety of the various stakeholders, and ongoing continuity of the business throughout these uncertain times. The Tiso Blackstar Board continues to analyse developments both locally and internationally to amend and improve the business protocols as needed.

Taking the above into consideration and in light of the current situation, the Tiso Blackstar Board are satisfied that the Group will have adequate resources to continue into the foreseeable future as a going concern.

1.2 Foreign currencies

The functional currency of the Company is South African Rands, being the currency of the primary economic environment in which the Company and its subsidiaries operate.

1.3 New standards and interpretations

1.3.1 IFRS standards that became effective during the period

IFRS 16 Leases became effective for the Group on 1 July 2019. The fundamental principle of the IFRS 16 standard is that the lessee and lessor should recognise all the rights and obligations relating to lease arrangements on the statement of financial position. There is no longer a distinction to be made between operating and finance leases for lessees, and payments made under operating leases (including consideration of any incentives received from the lessor) are no longer charged to the consolidated statement of profit and loss on a straight line basis over the period of the lease.

The Group has applied the modified retrospective approach on transition, resulting in the right-of-use asset being equal to the lease liability, with the exception of the lease smoothing liability adjustment. The Group has elected not to restate the comparatives but rather recognise the cumulative effect of applying the new standard in equity at the date of initial application, in accordance with IFRS 16 par C5(b). Refer to note 1.3.2 for more information on this impact on the financial results.

The Group's revised policy regarding leases is summarised below:

The Group leases various buildings, equipment and vehicles. Rental contracts are typically entered into for fixed periods, but may sometimes have extension options. Lease terms are negotiated on an individual basis by the underlying business components and contain a range of terms and conditions. The Group's lease periods are generally:

- Buildings: Up to 15 years
- Equipment: Up to 3 years
- Plant and machinery: Up to 5 years
- Vehicles: Up to 5 years

Although none of the lease agreements impose any covenants, leased assets may not be used as security for borrowing purposes.

Definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

1. Basis of preparation (continued)

1.3 New standards and interpretations (continued)

1.3.1 IFRS standards that became effective during the period (continued)

Recognition and measurement principles

From 1 July 2019, on implementation of IFRS 16, the Group recognised a right-of-use asset and a corresponding lease liability at the lease commencement date, being the date at which the leased asset is available for use by the Group.

The right-of-use asset is measured at cost initially, which will equal the amount of the lease liability and any applicable initial costs and dismantling liabilities. The Group excluded any initial direct costs from the measurement of the right-of-use assets at the date of initial application, as allowed under the practical expedients of IFRS 16. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements in the lease liability. Depreciation of the right-of-use asset is determined using the straight-line method, over the lease term or the useful life of the underlying leased asset, whichever is shorter. In addition, the right-of-use asset is tested for impairment when there are indicators of impairment and periodically reduced by impairment losses, if required.

The lease term is determined to be the non-cancellable period of a lease, together with periods covered by any options for the lessee to either extend or terminate a lease, where the lessee is reasonably certain to exercise these options.

The lease liability is measured initially at the present value of the lease payments not paid at commencement date, discounted using the implicit rate in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is subsequently increased by interest costs and decreased for lease payments made. It is only remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

In accordance with the practical expedients of IFRS 16, lease payments associated with short term leases and leases of low value assets are expensed. The expense is presented within operating expenses in the consolidated statement of profit and loss. Short term leases are leases with a lease term of twelve months or less. Low value assets are assets that, when new, have a value of R100 000 or less.

Significant judgements and areas of estimation

For most leases in the Group, the interest rate implicit in the lease cannot be readily determined, and the lessee's incremental borrowing rate is used as the discount rate. A single discount rate was applied to a portfolio of leases with reasonably similar characteristics within the Group, as allowed under the practical expedients of IFRS 16.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in the management of contracts. The Group has applied judgement to determine the lease term for some of the lease contracts, in which it is a lessee, that include renewal options. The Group applied hindsight in determining the lease terms for contracts that contain extension and termination options, as allowed by the practical expediency of IFRS 16.

1. Basis of preparation (continued)

1.3 New standards and interpretations (continued)

1.3.2 Impact of implementation of IFRS 16

The table below shows a summary of the effects of implementing IFRS 16 on the financial statements:

Changes in the consolidated statement of financial position	1 July 2019 Audited R'000	Impact of IFRS 16 adjustment R'000	1 July 2019 Adjusted R'000
Non-current assets			
Right-of-use assets	-	624,295	624,295
Deferred taxation	66,963	(10,801)	56,162
	66,963	613,494	680,457
Current asset			
Trade and other receivables	535,448	(1,359)	534,089
Equity			
Accumulated losses	(879,581)	(13,990)	(893,571)
Non-current liabilities			
Lease liability	-	(775,974)	(775,974)
Straight lining of lease liabilities	(22,069)	22,069	-
Finance lease and instalment sale obligations	(129,799)	129,799	-
Deferred taxation	(264,554)	13,929	(250,625)
	(416,422)	(610,177)	(1,026,599)
Current liabilities			
Lease liability	-	(688,274)	(688,274)
Straight lining of lease liabilities	(616)	616	-
Finance lease and instalment sale obligations	(42,099)	42,099	-
	(42,715)	(645,559)	(688,274)

Changes in the consolidated statement of changes in equity	1 July 2019 Audited R'000	Impact of IFRS 16 adjustment R'000	1 July 2019 Adjusted R'000
Accumulated losses	(879,581)	(13,990)	(893,571)

Changes in the consolidated statement of profit and loss and other comprehensive income	31 Dec 2019 R'000	Impact of IFRS 16 adjustment R'000	31 Dec 2019 Adjusted R'000
Operating expenses	**395,593**	**(36,279)**	**359,314**
Depreciation	**45,866**	**27,796**	**73,662**
Straight lining of leases	**13,142**	**(13,142)**	**-**
Finance costs	**68,419**	**34,494**	**102,913**
Taxation	**(16,101)**	**(3,129)**	**(19,230)**
	506,919	**9,740**	**516,659**

Earnings were negatively impacted by 17.51 cents per share for the period to 31 December 2019 as a result of the adoption of IFRS 16.

1. Basis of preparation (continued)

1.4 Reclassification and amendments of comparative period

The following reclassifications and amendments were made to the comparative period disclosures:

- Reclassification in terms of *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* as a result of the Group entering into an agreement to dispose of TBG SA Group, SA Radio and Africa Radio (refer note 5.1);

- Reclassification in terms of IFRS 5 as a result of the Group entering into an agreement to dispose of the music business Gallo and IFD (refer note 5.2);

- Amendments in terms of IFRS 5 and *IAS 28 Investments in Associates and Joint Ventures* in respect of the Group's investment in Robor Proprietary Limited ("Robor") as a result of certain events which impacted the Group's ability to dispose of this investment (refer note 5.3); and

- Reclassification of the Bothma Branding Solutions Proprietary Limited ("BBS") contingent consideration from trade payables to other financial liabilities. The amount payable on acquisition of BBS of R21.6 million was disclosed in trade and other payables in the prior period, which arose as a result of the adjustment to the fair value of the contingent consideration payable on acquisition of BBS. On review of the classification of this liability, it was assessed that although this amount is short term in nature and meets the definition of a payable, it would be more appropriate to disclose it as other financial liabilities as it's not considered to be part of day-to-day trading.

1.5 Restructure of the statements of profit and loss and other comprehensive income

The statements of profit and loss and other comprehensive income was restructured in the prior financial year. This was done in an attempt to declutter the financial statements after taking into consideration the impact of the significant changes in the Group, including the Transaction (refer note 5.1), and the nature of the remaining businesses post the disposal.

2. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services, over time and at a point in time, from the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment.

Disaggregation of revenue by major category:

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Design	**53,678**	51,707	96,033
Printing	**1,181,591**	1,046,412	2,086,508
Storage/warehousing	**12,914**	-	8,179
Software solutions	**15,559**	6,127	12,804
Digital marketing solutions	**9,056**	6,053	11,812
Imaging & photography	**4,083**	1,018	4,627
Digital asset management	**25,534**	12,977	26,396
Distribution income from the sale of published material	**37,024**	37,196	67,258
Other	**1,966**	2,490	4,950
Sold and discontinued during the year^	**-**	2,079	2,079
	1,341,405	1,166,059	2,320,646

* Refer note 1.4
^ In the prior year, revenue earned by STS was included for the period the company was still a subsidiary of the Group. STS earned its revenue through offering technology solutions

2. Revenue (continued)

Disaggregation of revenue by timing of revenue recognition:

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Revenue recognised at a point in time	**1,278,342**	1,140,902	2,261,455
Revenue recognised over time	**63,063**	25,157	59,191
	1,341,405	1,166,059	2,320,646

* Refer note 1.4

The Group does not enter into arrangements with deferred payment terms that exceed twelve months, therefore there is no significant financing component accounted for.

The Group applies the practical expedient approach which allows revenue to be recognised in line with the value of the Group's performance completed to date.

3. Loss for the period

Loss for the period from continuing operations is arrived at after taking into account the following:

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Depreciation, amortisation and straight lining of leases			
Depreciation	**(73,662)**	(34,652)	(72,208)
Amortisation	**(12,752)**	(11,599)	(50,085)
Straight lining of leases	**-**	(3,401)	(12,234)
Impairments (raised)/reversed			
Recovery of previously written off trade receivables	**40**	-	634
Impairments arising on trade receivables	**(216)**	(2,734)	(182)
Impairments on property, plant and equipment	**-**	-	(197)
Other (losses)/gains:			
Non-recurring costs incurred on relocation of the Hirt & Carter Group	**(33,067)**	(15,149)	(46,882)
Fair value gain/(loss) on contingent consideration owing on acquisition of subsidiary	**16,122**	(14,772)	(46,483)
Provision raised for Robor guarantee (refer note 14)	**(59,000)**	-	-
Profit/(Loss) on disposal of property, plant and equipment	**129**	722	(479)
Unrealised losses arising on equity investments (listed and unlisted)	**-**	-	(954)
Realised gains arising on equity investments (listed and unlisted)	**-**	-	827
Losses arising on consolidated subsidiaries and equity accounted associates	**(665)**	(16,400)	(83,553)
Impairment of loans to associates and other loans and receivables	**(665)**	-	(68,303)
Losses relating to disposal of subsidiaries	**-**	(16,400)	(16,400)
Gain on disposal of associates	**-**	-	1,150

* Refer note 1.4

4. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share

	Unaudited Six months ended 31 December 2019	Reclassified and amended* Reviewed Six months ended 31 December 2018	Reclassified and amended* Audited Year ended 30 June 2019
Basic loss per ordinary share (in cents)			
From continuing operations	**(33.55)**	(52.03)	(174.02)
From discontinued operations	**(14.02)**	19.62	(39.05)
Total basic loss per ordinary share (in cents)	**(47.57)**	(32.41)	(213.07)
Diluted loss per ordinary share (in cents)			
From continuing operations	**(33.08)**	(50.37)	(168.67)
From discontinued operations	**(13.83)**	19.00	(37.85)
Total diluted loss per ordinary share (in cents)	**(46.91)**	(31.37)	(206.52)
Net asset value per ordinary share (in cents)			
Net asset value (in Rand thousands)	**2,192,642**	2,837,489	2,333,263
Number of shares in issue (net of treasury shares, in thousands)	**262,833**	262,833	262,833
Net asset value per ordinary share (in cents)	**834.23**	1,079.58	887.74
Tangible net asset value per ordinary share (in cents)			
Tangible net asset value (in Rand thousands)	**792,845**	633,952	913,303
Number of shares in issue (net of treasury shares, in thousands)	**262,833**	262,833	262,833
Tangible net asset value per ordinary share (in cents)	**301.65**	241.20	347.48
Dividends per ordinary share (in cents)			
Dividends paid (in Rand thousands)	**-**	-	-
Number of shares in issue (in thousands)	**275,753**	275,753	275,753
Dividends per ordinary share (in cents)	**-**	-	-

* Refer note 1.4

4.1 Basic loss and weighted average number of shares

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Loss for the period attributable to equity holders of the parent from continuing operations	**(88,175)**	(136,873)	(457,562)
(Loss)/Profit for the period attributable to equity holders of the parent from discontinued operations	**(36,860)**	51,613	(102,680)
Loss for the period attributable to equity holders of the parent	**(125,035)**	(85,260)	(560,242)
Weighted average number of shares in issue (net of treasury shares, in thousands) ^^	**262,833**	263,049	262,942

^^ Shares issued during the current and prior financial periods (either as a fresh issue or out of treasury shares held) under the long term Management Incentive Scheme are contingently returnable shares and are excluded from the loss per share calculation until such date as they are not subject to recall

* Refer note 1.4

4. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share (continued)

4.2 Diluted loss and weighted average number of shares

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Loss for the period attributable to equity holders of the parent from continuing operations	**(88,175)**	(136,873)	(457,562)
(Loss)/Profit for the period attributable to equity holders of the parent from discontinued operations	**(36,860)**	51,613	(102,680)
Loss for the period attributable to equity holders of the parent	**(125,035)**	(85,260)	(560,242)
Reconciliation of weighted average number of shares in issue			
Weighted average number of shares in issue (net of treasury shares, in thousands)	**262,833**	263,049	262,942
Number of shares expected to vest (in thousands)	**3,727**	8,698	8,332
Weighted average number of shares in issue (in thousands)	**266,560**	271,747	271,274

* Refer note 1.4

4.3 Basic and diluted headline (loss)/earnings per ordinary share

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Loss for the period attributable to equity holders of the parent	**(125,035)**	(85,260)	(560,242)
Profit on disposal of property, plant and equipment	**(112)**	(824)	(2,296)
Impairment of property, plant and equipment	**-**	-	197
Loss on disposal of intangible assets	**11**	-	30
Impairment of intangible assets	**-**	-	9,493
Loss on disposal of subsidiaries	**58,952**	16,400	16,400
Impairment of KTH	**45,780**	81,052	-
Loss on remeasurement of fair value less costs to sell Africa Associates	**-**	-	154,760
Loss on remeasurement of fair value less costs to sell Media	**-**	-	59,269
Loss on remeasurement of fair value less costs to sell CSI	**-**	10,704	10,704
Release of foreign currency translation reserve on disposal of subsidiary	**-**	11,644	11,644
Gain on disposal of associates	**(7,010)**	-	(1,150)
Reversal of impairment loss on associates	**-**	-	(4,063)
Total non-controlling interests and tax effects of adjustments	**28**	231	902
Non headline earnings items included in equity accounted earnings of associates, net of tax effects and non-controlling interests	**11,029**	22,568	102,933
- Losses on disposal groups classified as discounted operations	**-**	-	516
- Loss/(Profit) on disposal of property, plant and equipment	**-**	195	(1,177)
- Loss on disposal of equity accounted investments	**-**	5,320	5,292
- Adjustments in respect of equity accounted investments	**106**	(2,641)	8,390
- Impairment of investments, loans, assets and goodwill	**10,923**	19,694	89,912
Headline (loss)/earnings for the period	**(16,357)**	56,515	(201,419)
Basic headline (loss)/earnings per ordinary share (in cents) attributable to equity holders of the parent	**(6.22)**	21.48	(76.60)
Diluted headline (loss)/earnings per ordinary share (in cents) attributable to equity holders of the parent	**(6.14)**	20.80	(74.25)
Headline (loss)/earnings for the period			
From continuing operations	**(31,452)**	(17,372)	(344,379)
From discontinued operations	**15,095**	73,887	142,960
Total headline (loss)/earnings for the period	**(16,357)**	56,515	(201,419)
Basic headline (loss)/earnings per ordinary share (in cents)			
From continuing operations	**(11.97)**	(6.60)	(130.97)
From discontinued operations	**5.75**	28.08	54.37
Total basic headline (loss)/earnings per ordinary share (in cents)	**(6.22)**	21.48	(76.60)
Diluted headline (loss)/earnings per ordinary share (in cents)			
From continuing operations	**(11.80)**	(6.39)	(126.95)
From discontinued operations	**5.66**	27.19	52.70
Total diluted headline (loss)/earnings per ordinary share (in cents)	**(6.14)**	20.80	(74.25)

* Refer note 1.4

5. Discontinued operations and non-current assets held for sale

5.1 Reclassification in terms of IFRS 5 – Media, Broadcast and Content and the Africa Associates disposal groups

On 27 June 2019, Tiso Blackstar announced that it signed an agreement for the disposal of TBG SA Group to Lebashe Investment Group Proprietary Limited (“Lebashe”) for a purchase consideration of R800.0 million adjusted for debt, cash and normalised working capital and for any movement in tangible net asset value. On 29 July 2019, the Company further announced that it had formalised the agreements to dispose of Africa Radio and SA Radio to Lebashe for additional considerations of R200.0 million and R50.0 million respectively. The sale of TBG SA Group, Africa Radio and SA Radio are collectively referred to as the "Transaction". The total purchase consideration in respect of the Transaction was R1,050.0 million.

A circular to shareholders (“Circular”) detailing the Transaction, as well as some other matters was distributed to shareholders on 20 September 2019 and the resolutions were approved at the Extraordinary General Meeting of the Company’s shareholders on 23 October 2019.

5.1.1 The TBG SA Group sale

The Group disposed of its entire interest in Arena Holdings Proprietary Limited (“Arena”, previously Tiso Blackstar Group Proprietary Limited (“TBG”)), housing the TBG SA Group, on 5 November 2019 to Lebashe. The Group received proceeds of R800.0 million, R760.0 million on disposal of TBG SA Group and R40.0 million in February 2020, which were predominately used to settle the Group’s debt, and the loss on disposal of R59.0 million is included in other (losses)/gains (refer note 5.7).

5.1.2 The Africa Radio sale

On 5 March 2020, Tiso Blackstar announced that due to the non-fulfilment of a condition precedent thereto, the Africa Radio sale has lapsed and will not proceed. The relevant condition precedent related to the conclusion of a deed of adherence, as detailed more fully in the abovementioned Circular. Despite great effort, it proved impossible to obtain the required signature of a minority shareholder of Multimedia Group Limited.

The Company and Lebashe are considering the conclusion of a new transaction relating to the abovementioned media, broadcast and content assets in Ghana, Nigeria and Kenya and have entered into fresh negotiations in this regard.

5.1.3 The SA Radio sale

It is anticipated that the SA Radio sale will be completed in June 2020, following approval by the Independent Communications Authority of South Africa ("ICASA").

5.2 Reclassification in terms of IFRS 5 – Gallo and IFD disposal groups

On 6 March 2020, Tiso Blackstar announced that, through its wholly-owned subsidiary Blackstar Holdings Group Proprietary Limited (“BHG”), it had signed an agreement with Arena, Gallo Music Investments Proprietary Limited ("Gallo") and Indigenous Film Distribution Proprietary Limited ("IFD"), in terms of which BHG would sell all shares held by it in Gallo and IFD, as well as all loan and other claims of whatever nature owing by them to BHG, to Arena for a total purchase consideration of R75.0 million.

Gallo is a full service music publishing and record company, whose business involves the acquisition and/or exploitation of all rights of ownership, including copyrights, in music compositions (both the musical works and lyrics), as well as representing artists, recording, manufacturing, distributing digitally and physically and selling pre-recorded music and video in South Africa and internationally under the names of "Gallo Record Company" and "Gallo Music Publishers".

The business of IFD involves the acquisition, marketing and distribution of motion pictures and other film media produced in South Africa and the African continent and distributed globally.

5.3 Amendment in terms of IFRS 5 and IAS 28 - Robor

The investment in Robor met the requirements of IFRS 5, and was separately classified and presented as a non-current asset held for sale and a discontinued operation at 30 June 2018. It was anticipated that the disposal of Robor would be achieved through a sale of shares envisaged to be completed in accordance with a disposal plan. However, due to a change in circumstances during the 2019 financial year, the plan to dispose of Robor in the near future had to be abandoned and in September 2019 Robor was placed into voluntary liquidation.

5. Discontinued operations and non-current assets held for sale (continued)

5.3 Amendment in terms of IFRS 5 and IAS 28 – Robor (continued)

As a result, the interest in Robor is no longer accounted for as a non-current asset held for sale (held at fair value less costs to sell) but rather accounted for as an investment in associate being equity accounted and tested for impairment annually.

Per IAS 28, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale. The annual financial statements for the periods since classification as held for sale have been amended accordingly.

The interest in Robor has therefore been accounted for as an investment in associate in accordance with IAS 28 effective from the initial date on which Robor was classified as held for sale, being 30 June 2018. Comparative figures for the six months ended 31 December 2018 have been amended for this change in classification.

5.4 CSI disposal group

The investment in CSI met the requirements of IFRS 5 in the prior financial periods, and was separately classified and presented as a non-current asset held for sale and a discontinued operation at 30 June 2018 and up to the date of disposal. The entire investment in CSI (including shares and claims) was disposed of effective 30 November 2018. An amount of R50.0 million was transferred to CSI as a short term, interest bearing equity loan repayable on transfer of ownership of CSI. R20.0 million was received in cash, R15.0 million was received in February 2020 and the remaining R10.0 million is expected to be received by June 2020. The loan was impaired by R5.0 million as at 30 June 2019 and the balance accrues interest repayable monthly until full settlement.

5. Discontinued operations and non-current assets held for sale (continued)

5.5 Reclassification and amendment of the condensed consolidated statements of profit and loss and other comprehensive income

The effect of the aforementioned reclassifications for the Media, Broadcast and Content, Africa Associates, Gallo and IFD disposal groups, and the amendment for Robor, had the following impact on the condensed consolidated statements of profit and loss and other comprehensive income:

		Adjustments			
31 December 2018	Previously reported (1) R'000	Reclassified and amended discontinued operations - Media, Broadcast and Content disposal groups, and the Africa Associates R'000	Reclassified and amended discontinued operations - Gallo and IFD disposal groups R'000	Amendment for Robor - previously a discontinued operation R'000	Reclassified and amended R'000
Continuing operations					
Revenue	2,046,638	(862,679)	(19,500)	1,600	1,166,059
Net profit/(loss)	96,571	(51,229)	2,250	1,600	49,192
Net finance costs	(71,421)	253	2	-	(71,166)
Finance income	4,456	(921)	-	-	3,535
Finance costs	(75,877)	1,174	2	-	(74,701)
Share of profit/(loss) of associates - equity accounted	26,979	(6,094)	-	(19,107)	1,778
Impairment loss of investment in associates - equity accounted	(81,052)	-	-	-	(81,052)
(Loss)/profit before taxation	(28,923)	(57,070)	2,252	(17,507)	(101,248)
Taxation	(29,196)	5,760	-	(449)	(23,885)
(Loss)/profit from continuing operations	(58,119)	(51,310)	2,252	(17,956)	(125,133)
(Loss)/profit from discontinued operations, net of taxation	(23,278)	51,310	(2,252)	17,956	43,736
Loss for the period	(81,397)	-	-	-	(81,397)
Other comprehensive income, net of taxation	14,850	-	-	-	14,850
Items that may subsequently be reclassified to profit and loss:					
Currency translation differences on the translation of foreign operations	(5,249)	-	-	-	(5,249)
Other comprehensive income of equity accounted associates	10,528	-	-	-	10,528
Items subsequently reclassified to profit and loss:					
Reclassification of foreign currency translation reserve on disposal of subsidiary	11,644	-	-	-	11,644
Items that will not subsequently be reclassified to profit and loss:					
Other comprehensive loss of equity accounted associates	(2,073)	-	-	-	(2,073)
Total comprehensive loss for the period	(66,547)	-	-	-	(66,547)
Basic loss per ordinary share (in cents) attributable to equity holders	(32.41)	-	-	-	(32.41)
Diluted loss per ordinary share (in cents) attributable to equity holders	(31.37)	-	-	-	(31.37)
Basic headline earnings per ordinary share (in cents) attributable to equity holders	21.48	-	-	-	21.48
Diluted headline earnings per ordinary share (in cents) attributable to equity holders	20.80	-	-	-	20.80

(1) Amounts previously reported as per the Reviewed Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2018

5. Discontinued operations and non-current assets held for sale (continued)

5.5 Reclassification and amendment of the condensed consolidated statements of profit and loss and other comprehensive income (continued)

30 June 2019	Previously reported (2) R'000	Adjustments Reclassified and amended discontinued operations - Gallo and IFD disposal groups R'000	Reclassified and amended R'000
Continuing operations			
Revenue	2,362,296	(41,650)	2,320,646
Net (loss)/profit	(133,054)	5,697	(127,357)
Net finance costs	(146,113)	5	(146,108)
Finance income	4,464	-	4,464
Finance costs	(150,577)	5	(150,572)
Share of loss of associates - equity accounted	(150,689)	-	(150,689)
Reversal of impairment loss of investment in associates - equity accounted	3,917	-	3,917
(Loss)/Profit before taxation	(425,939)	5,702	(420,237)
Taxation	(17,754)	397	(17,357)
(Loss)/Profit from continuing operations	(443,693)	6,099	(437,594)
Loss from discontinued operations, net of taxation	(104,089)	(6,099)	(110,188)
Loss for the year	(547,782)	-	(547,782)
Other comprehensive loss, net of taxation	(33,674)	-	(33,674)
Items that may subsequently be reclassified to profit and loss:			
Currency translation differences on the translation of foreign operations	(4,955)	-	(4,955)
Other comprehensive loss of equity accounted associates	(33,409)	-	(33,409)
Items subsequently reclassified to profit and loss:			
Reclassification of foreign currency translation reserve on disposal of subsidiary	11,644	-	11,644
Items that will not subsequently be reclassified to profit and loss:			
Actuarial loss on Post-retirement medical aid ("PRMA")	(1,784)	-	(1,784)
Other comprehensive loss of equity accounted associates	(5,170)	-	(5,170)
Total comprehensive loss for the year	(581,456)	-	(581,456)
Basic loss per ordinary share (in cents) attributable to equity holders	(213.07)	-	(213.07)
Diluted loss per ordinary share (in cents) attributable to equity holders	(206.52)	-	(206.52)
Basic headline loss per ordinary share (in cents) attributable to equity holders	(76.60)	-	(76.60)
Diluted headline loss per ordinary share (in cents) attributable to equity holders	(74.25)	-	(74.25)

(2) Amounts previously reported as per the Integrated Annual Report for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale (continued)

5.6 Amendment of the provisional condensed consolidated statement of financial position

The effect of the associate investment in Robor, previously classified as a non-current asset held for sale no longer meeting the requirements to be classified as such, and the reclassification of the BBS contingent consideration, had the following impact on the prior period's condensed consolidated statement of financial position:

31 December 2018	Previously reported (1) R'000	Amendment for Robor - previously a non-current asset held for sale R'000	Adjustments Reclassification of the BBS contingent consideration R'000	Reclassified and amended R'000
ASSETS				
Non-current assets				
Investment in associates - equity accounted	1,403,744	118,488	-	1,522,232
Non-current assets held for sale	118,488	(118,488)	-	-
	1,522,232	-	-	1,522,232
CURRENT LIABILITIES				
Other financial liabilities - short term	11,388	-	21,639	33,027
Trade and other payables	898,955	-	(21,639)	877,316
	910,343	-	-	910,343

(1) Amounts previously reported as per the Reviewed Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2018

The above amendments and reclassifications had no impact on the condensed consolidated statement of financial position for the year ended 30 June 2019.

5. Discontinued operations and non-current assets held for sale (continued)

5.7 Discontinued operations

5.7.1 Results from the discontinued operations

The results from the discontinued operations which are included in the condensed consolidated statement of profit and loss are as follows:

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Discontinued operations			
Revenue	**536,011**	2,151,989	2,959,054
Net (loss)/profit	**(30,161)**	65,028	(130,170)
Net finance costs	**(8,526)**	(20,332)	(21,450)
Finance income	**66**	960	1,087
Finance costs	**(8,592)**	(21,292)	(22,537)
Share of profit of associates - equity accounted	**-**	6,094	13,887
Reversal of impairment on associates - equity accounted	**-**	-	146
(Loss)/Profit before taxation	**(38,687)**	50,790	(137,587)
Taxation	**944**	(7,054)	27,399
(Loss)/Profit for the period from discontinued operations	**(37,743)**	43,736	(110,188)
(Loss)/Profit for the period from discontinued operations attributable to:			
Equity holders of the parent	**(36,860)**	51,613	(102,680)
Non-controlling interests	**(883)**	(7,877)	(7,508)
	(37,743)	43,736	(110,188)

*Refer note 1.4

5.7.2 (Loss)/Profit for the period from discontinued operations

(Loss)/Profit for the period from discontinued operations is arrived at after taking into account the following:

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Depreciation, amortisation and straight lining of leases			
Depreciation	**(154)**	(17,493)	(27,205)
Amortisation	**(453)**	(19,745)	(35,705)
Straight lining of leases	**-**	(3,577)	(6,467)
Impairments (raised)/reversed			
Expected credit losses	**(2,590)**	(2,510)	(7,039)
Recovery of previously written off trade receivables	**77**	75	288
Impairments arising on trade receivables	**-**	-	(17,895)
Impairment of CSI loan receivable	**-**	-	(5,000)
Impairment of other receivables	**-**	-	(7,000)
Impairments of intangible assets	**-**	-	(9,493)
Other (losses)/gains:			
Loss on remeasurement to fair value less costs to sell for Africa Associates disposal group	**-**	-	(154,760)
Loss on remeasurement to fair value less costs to sell for Media disposal group	**-**	-	(59,269)
Loss on remeasurement to fair value less costs to sell for CSI disposal group	**-**	(10,704)	(10,704)
Loss on disposal of Media	**(58,952)**	-	-
Release foreign currency translation reserve on disposal of CSI	**-**	(11,644)	(11,644)
Gain on disposal of associate	**7,010**	-	-
Non-recurring costs	**(4,002)**	-	(9,933)
(Loss)/Profit on disposal of property, plant and equipment	**(17)**	102	2,775
Loss on disposal of intangible assets	**(11)**	-	(30)

* Refer note 1.4

5. Discontinued operations and non-current assets held for sale (continued)

5.8 Non-current assets and liabilities held for sale

The non-current assets and liabilities held for sale consists of the Media, Broadcast and Content and Africa Associates disposal groups, and the Gallo and IFD disposal groups, which were classified and presented as non-current assets held for sale at 30 June 2019 and 31 December 2019, respectively, valued at the lower of carrying value and fair value less costs to sell.

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Non-current assets held for sale #			
Property, plant and equipment	**608**	-	70,727
Right-of-use assets	**8,139**	-	-
Goodwill	**-**	-	405,306
Intangible assets	**12,717**	-	382,535
Investment in associates - equity accounted	**200,000**	-	202,206
Deferred taxation	**6,147**	-	49,068
Other current assets	**23,067**	-	381,952
	250,678	-	1,491,794
Non-current liabilities associated with non-current assets held for sale			
Borrowings	**-**	-	7,313
Lease liability	**7,383**	-	-
Finance lease and instalment sale obligations	**-**	-	898
Post-retirement benefits liabilities and provisions	**50**	-	70,633
Deferred taxation	**-**	-	92,501
Other current liabilities	**58,436**	-	315,719
	65,869	-	487,064

* Refer note 1.4

Reflected net of impairment raised on remeasurement to fair value less costs to sell

6. Lease assets and liabilities

6.1 Right-of-use assets

Information about leases for which the Group is a lessee is presented below:

	Buildings R'000	**Computer equipment R'000**	**Office equipment R'000**	**Plant and machinery R'000**	**Vehicles R'000**	**Total R'000**
Net carrying value at 1 July 2019	**-**	**-**	**-**	**-**	**-**	**-**
Transition adjustment (refer note 1.3.2)	**624,295**	**-**	**-**	**-**	**-**	**624,295**
Transfer from property, plant and equipment	**-**	**8,461**	**2,106**	**158,874**	**2,112**	**171,553**
Additions	**11,640**	**2,630**	**-**	**54,763**	**-**	**69,033**
Depreciation	**(27,796)**	**(1,463)**	**(394)**	**(22,998)**	**(342)**	**(52,993)**
Net carrying value at 31 December 2019	**608,139**	**9,628**	**1,712**	**190,639**	**1,770**	**811,888**

6. Lease assets and liabilities (continued)

6.2 Amounts recognised in profit or loss

	Unaudited Six months ended 31 December 2019 R'000
Depreciation expense on right-of-use assets	**(52,993)**
Interest on lease liabilities	**(48,014)**
	(101,007)

6.3 Lease liabilities

	Unaudited Six months ended 31 December 2019 R'000
Non-current lease liabilities	**(341,512)**
Current lease liabilities	**(517,782)**
	(859,294)

7. Goodwill

The aggregate carrying amounts of goodwill per segment are as follows:

	Unaudited 31 December 2019 R'000	Reviewed 31 December 2018 R'000	Audited 30 June 2019 R'000
Hirt & Carter Group	**661,098**	616,121	661,098
Media	**-**	385,961	-
Broadcast and Content	**-**	44,154	-
	661,098	1,046,236	661,098

The Group assesses goodwill annually for impairment, or more frequently if there are indicators of impairment. Based on the assessment performed at 30 June 2019, there were no impairments recognised on goodwill noted above. There were no indicators of impairment at 31 December 2019.

All of the goodwill held at 31 December 2019 is attributable to the Hirt & Carter Group segment.

8. Investment in associates

Investment in associates comprises the following:

	Unaudited 31 December 2019 R'000	Reclassified and amended* Reviewed 31 December 2018 R'000	Reclassified and amended* Audited 30 June 2019 R'000
Investment in associates - equity accounted	**1,054,640**	1,522,232	1,054,640
Non-current assets held for sale	**200,000**	-	202,206
	1,254,640	1,522,232	1,256,846

* Refer note 1.4

8. Investment in associates (continued)

Reconciliation of the carrying amount of the investment in associates is as follows:

	Robor [(1)] R'000	KTH [(2)] R'000	Africa Associates [(3)] R'000	Other [(4)] R'000	Total R'000
Balance as at 30 June 2018	137,595	1,089,320	354,872	5,444	1,587,231
Previously reported balance	137,595	1,263,537	354,872	5,444	1,761,448
Effects of amendments [(5)]	-	(174,217)	-	-	(174,217)
Share of (loss)/profit of associates from continuing operations	(19,107)	20,259	-	626	1,778
Share of profit of associates from discontinued operations	-	-	5,511	583	6,094
Impairment loss of investment from continuing operations	-	(81,052)	-	-	(81,052)
Movement in reserves	-	(2,073)	-	-	(2,073)
Currency translation differences on the translation of foreign associates	-	-	10,528	(274)	10,254
Balance as at 31 December 2018	118,488	1,026,454	370,911	6,379	1,522,232
Additions	-	-	-	7	7
Proceeds on disposal	-	-	-	(2,580)	(2,580)
Gain on disposal	-	-	-	1,150	1,150
Share of (loss)/profit of associates from continuing operations	(114,471)	(38,297)	-	301	(152,467)
Share of profit/(loss) of associates from discontinued operations	-	-	8,380	(587)	7,793
(Impairment loss)/Reversal of impairment loss of investment from continuing operations	(4,017)	88,987	-	(1)	84,969
Reversal of impairment loss of investment from discontinued operations	-	-	-	146	146
Dividends received	-	-	-	(2,231)	(2,231)
Movement in reserves	-	(22,504)	-	-	(22,504)
Movement in equity loans	-	-	-	(652)	(652)
Currency translation differences on the translation of foreign associates	-	-	(24,531)	274	(24,257)
Loss on remeasurement to fair value less costs to sell	-	-	(154,760)	-	(154,760)
Balance as at 30 June 2019	**-**	**1,054,640**	**200,000**	**2,206**	**1,256,846**
On disposal of Media and Broadcast and Content disposal groups	**-**	**-**	**-**	**(2,206)**	**(2,206)**
Proceeds on disposal	-	-	-	**(7,010)**	**(7,010)**
Gain on disposal	-	-	-	**7,010**	**7,010**
Share of profit of associates from continuing operations	**-**	**46,003**	**-**	**-**	**46,003**
Impairment loss of investment from continuing operations	**-**	**(45,780)**	**-**	**-**	**(45,780)**
Movement in reserves	**-**	**(223)**	**-**	**-**	**(223)**
Balance as at 31 December 2019	**-**	**1,054,640**	**200,000**	**-**	**1,254,640**

(1) On disposal of a 3.4% interest in Robor, Robor became an associate of the Group. Per note 5.3, the interest in Robor is no longer accounted for as a non-current asset held for sale (held at fair value less costs to sell) but is rather accounted for as an investment in associate being equity accounted and tested for impairment annually. Per IAS 28, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale.

(2) The investment in KTH was impaired to the lower of its carrying value and recoverable amount which was determined with reference to the KTH portfolio valuation.

(3) Includes the Group's African interests outside South Africa: a 32.3% interest in Multimedia Group Limited ("Multimedia Ghana"), a 49.0% interest in Radio Africa Limited ("Radio Africa Kenya"), and an effective 36.5% interest in Cooper Communications Limited ("Coopers Nigeria") which includes Lagos Talk. All of these businesses were equity accounted for as associates, however, they were classified and presented as non-current assets held for sale and discontinued operations (refer note 5.1) at 30 June 2019, and are carried at the lower of carrying value and fair value less costs to sell.

(4) Other includes Allied Media Distributors, Allied Publishing, Banner News Agency and Next Entertainment.

(5) Prior year amendment in terms of IFRS 5 and IAS 28 in respect of the Group's investment in KTH as a result of certain events which impacted the Group's ability to dispose of this investment. The interest in KTH was no longer accounted for as a non-current asset held for sale (held at fair value less costs to sell) but rather accounted for as an investment in associate being equity accounted and tested for impairment annually with reference to the KTH portfolio valuation. Per IAS 28, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale.

9. Net cash and cash equivalents

Net cash and cash equivalents for the reporting periods can be analysed as follows:

	Unaudited 31 December 2019 R'000	Reviewed 31 December 2018 R'000	Audited 30 June 2019 R'000
Cash and cash equivalents	**253,939**	14,204	135,330
Bank overdrafts and other short term borrowing facilities	**(204,519)**	(45,849)	(272,802)
Net cash and cash equivalents	**49,420**	(31,645)	(137,472)
Cash and bank overdrafts included in the disposal groups	**-**	-	-
Net cash and cash equivalents per the condensed consolidated statement of cash flows	**49,420**	(31,645)	(137,472)

10. Business combinations

10.1 Acquisitions during the current period

There were no acquisitions of subsidiaries nor businesses during the six months ended 31 December 2019.

10.2 Acquisitions during the prior period

On 13 March 2019, the Hirt & Carter Group acquired the entire issued share capital of FIL for a purchase consideration of R190.0 million, which was payable in two separate tranches as follows:

- an initial payment of R95.0 million, which was paid on 13 March 2019; and
- a second payment equal to the base amount (i.e. not greater than R95.0 million) plus interest, payable on 13 March 2020.

FIL is a Durban based business which prints flexo and digital labels, shrink sleeves, wrap around labels and coupons for blue-chip customers. The acquisition of FIL, and subsequent merger with Uniprint Labels, creates a world-class labels business with a unique and innovative offering.

The acquisition adds scale to the existing business, further diversifying the technology offering and capabilities for clients, and enhancing the earnings base for the Group. In addition, the merged business operates out of the new integrated facility in Cornubia, Durban, and leverages off the efficiencies and cost savings this facility has created. FIL has a strong leadership team and has assumed management of the combined business, which operates under the First Impression Labels brand. There is very little customer overlap in the merged entity.

The new leadership team has a proven track record in building strong customer relationships, has built a diverse client base, and has already complemented the existing Labels business. The labels market is fragmented and requires consolidation to benefit from scale and ultimately synergies from lower input costs.

10.3 Assets acquired and liabilities recognised at the date of acquisition

	Audited 30 June 2019 R'000
Identifiable assets and liabilities at fair value at acquisition date (1)	111,031
Less: Non-controlling interests	-
Add: Goodwill	78,969
Purchase consideration	190,000
Less: Purchase consideration included in other financial liabilities	(95,000)
Purchase consideration paid in cash	95,000
Cash flows	
Purchase consideration paid in cash	(95,000)
Add: Cash and cash equivalents acquired	19,805
Net cash flows on acquisition of subsidiary	(75,195)
Cash flows	
Cash generated by operating activities	106,530
Cash utilised by investing activities	(193,932)
Cash generated by financing activities	76,310
	(11,092)

(1) Identifiable assets and liabilities are shown at book value, except for property, plant and equipment, and intangible assets, whose fair values were determined in the purchase price allocation ("PPA") done for FIL

11. Disposal of subsidiaries

11.1 Disposals during the current period

Effective 5 November 2019, the Group's entire shareholding and claims in its wholly-owned subsidiary Arena, which houses the TBG SA Group, was sold to Lebashe. The Group received proceeds of R800.0 million, R760.0 million on disposal of TBG SA Group and R40.0 million in February 2020, and realised a loss on disposal of R59.0 million.

Net assets of the disposed subsidiaries
The net assets of the disposed subsidiaries at the date of disposal were as follows:

	Unaudited 31 December 2019 R'000
Property, plant and equipment	**72,030**
Right-of-use assets	**176,139**
Intangible assets	**399,794**
Goodwill	**405,306**
Investment in associates, joint ventures, other investments, loans and receivables	**2,206**
Inventories	**94,544**
Trade and other receivables	**327,086**
Current tax receivable	**(1,050)**
Net deferred taxation	**(47,144)**
Borrowings	**(7,858)**
Provisions	**(54,200)**
Lease liability	**(205,968)**
Trade and other payables	**(301,933)**
Identifiable assets and liabilities disposed of	**858,952**
Less: Non-controlling interests	**-**
Less: Proceeds received	**(800,000)**
Loss on disposal	**58,952**
Proceeds received	
Consideration received in cash and cash equivalents	**507,456**
Consideration received as simultaneous settlement of Group bank overdrafts	**252,544**
Deferred sales proceeds included in trade and other receivables	**40,000**
Total proceeds received	**800,000**
Cash flows	
Consideration received in cash and cash equivalents	**507,456**
Consideration received as simultaneous settlement of Group bank overdrafts	**252,544**
Cash and cash equivalents disposed of	**-**
Net cash flows on disposal of subsidiaries	**760,000**

11.2 Disposals during the prior period

The Group disposed of the following investments during the prior period:

- effective 30 November 2018, the Group's entire shareholding and claims in its wholly-owned subsidiary CSI, for a purchase consideration of R50.0 million. An amount of R50.0 million was transferred to CSI as a short term, interest bearing equity loan repayable on transfer of ownership of CSI. R20.0 million was received in cash, R15.0 million was received in February 2020 and the remaining R10.0 million is expected to be received by June 2020. The loan was impaired by R5.0 million as at 30 June 2019 and the balance accrues interest repayable monthly until full settlement; and
- effective 1 August 2018, the Group's 50.0% plus one share option interest in STS for R21.5 million.

11. Disposal of subsidiaries (continued)

11.2 Disposals during the prior period (continued)

Net assets of the disposed subsidiaries
The net assets of the disposed subsidiaries at the date of disposal were as follows:

	Reviewed 31 December 2018 R'000	Audited 30 June 2019 R'000
Net assets disposed of	56,999	56,999
Attributable goodwill	33,992	33,992
Identifiable assets and liabilities disposed of	90,991	90,991
Less: Loss on disposal	(16,400)	(16,400)
Less: Non-controlling interests	(3,091)	(3,091)
Consideration received	71,500	71,500
Consideration received		
Cash consideration received	41,500	41,500
Consideration receivable included in loans and receivables	30,000	30,000
Total consideration received	71,500	71,500
Cash flows		
Consideration received in cash and cash equivalents	41,500	41,500
Plus: Cash and cash equivalents disposed of	304,069	304,069
Net cash flows on disposal of subsidiaries	345,569	345,569

12. Segmental information

The Group has identified its operating segments based on their nature. At 31 December 2019 certain operating segments included both continuing and discontinued operations, details of which are also provided below:

Media: distribution of knowledge and content via print, online assets and other platforms. Continuing operations include Booksite and STS in the prior year up to date of sale, and discontinued operations include the remainder of the segment which has been disposed of.

Hirt & Carter Group: activities on retail advertising production systems and related database management and development, and retail print via Hirt & Carter, First Impression Labels and Uniprint. Hirt & Carter Group is a continuing operation.

Broadcast and Content: television and radio platforms, radio assets, Empire Entertainment (the leading all-rights distributor of local and international films business). The music business Gallo and IFD were classified and presented as non-current assets held for sale and discontinued operations at 31 December 2019 (refer note 5.2), the remainder of the segment has been disposed of.

Africa (excluding South Africa): interests in the associates Radio Africa Kenya, Multimedia Ghana and Coopers Nigeria (all of which were equity accounted and the share of profits from these interests were therefore not shown in the tables below). This entire segment is to be disposed of and is therefore a discontinued operation.

Other: other consolidated Group companies, including head office, holding companies, the investment advisor, investments that are not deemed to be material to the Group (including the property subsidiary) as well as consolidation adjustments and eliminations which cannot be allocated to a specific segment.

CSI (100% interest, discontinued operation sold effective 30 November 2018): includes Stalcor a processor, distributor and stockist of carbon steel, stainless steel and aluminium in the form of high quality sheet, plate and coil as well as structural and other long product profiles, and GRS a steel roofing and cladding company;

Robor (47.6% interest): a manufacturer and supplier of welded steel tube and pipe, and cold formed steel profiles;

12. Segmental information (continued)

KTH (20.01% interest): an investment holding company established in July 2011. Its investments include market leaders in key sectors such as media, resources, infrastructure, power and financial services, and comprise a mix of listed and private investments. Its major investments are Kagiso Media, MMI and Servest.

Both Robor and KTH are equity accounted as associates and included in continuing operations.

The Chief Operating Decision Maker utilises Trading Performance, as defined, in the assessment of a segment's performance and allocation of resources. Tiso Blackstar's Trading Performance is calculated from (loss)/profit before interest and tax after adding back depreciation, amortisation, straight lining of leases in the prior periods, share-based payment expenses and other (losses)/gains. The impact of IFRS 16 has been included in determining the Group's Trading Performance for the current period. Leases are no longer recognised on a straight line basis, the right-of-use asset is rather depreciated and tested for impairment, and additional finance costs are raised for the lease liability. It therefore excludes items outside of the ordinary day-to-day activities.

Group consolidation adjustments and line items which can directly be attributed to a specific trading segment, have been re-allocated from Other to the specific segment, in order to assist the Chief Operating Decision Maker in assessing the individual segment's performance. Comparative figures have been updated for this adjustment.

12.1 Revenue for the period^

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Revenue from continuing operations	**1,341,405**	1,166,059	2,320,646
- Hirt & Carter Group	**1,302,415**	1,124,294	2,246,359
- Media	**37,024**	39,275	69,337
- Other	**1,966**	2,490	4,950
Revenue from discontinued operations	**536,011**	2,151,989	2,959,054
- Media	**396,220**	699,824	1,313,453
- Broadcast and Content	**137,589**	182,353	373,520
- CSI	**-**	1,269,443	1,272,012
- Other	**2,202**	369	69
Total revenue for the period	**1,877,416**	3,318,048	5,279,700

^ Revenue is disclosed net of inter-segmental revenue

* Refer note 1.4

12.2 Trading Performance reconciliation to loss before taxation - continuing operations ^^

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Trading Performance (Core EBITDA) from continuing operations			
- Hirt & Carter Group	**200,891**	173,504	285,967
- Media	**(32,009)**	10,602	3,616
- Broadcast and Content	**-**	(15)	(1,914)
- Other	**(15,866)**	(34,366)	(87,757)
Trading Performance	**153,016**	149,725	199,912
Depreciation and amortisation	**(86,414)**	(46,251)	(122,292)
Share-based payment expense	**2,854**	(1,280)	(14,945)
Straight lining of leases	**-**	(3,401)	(12,234)
Other (losses)/gains	**(77,426)**	(49,601)	(177,798)
Net (loss)/profit	**(7,970)**	49,192	(127,357)
Finance income	**1,039**	3,535	4,464
Finance costs	**(102,913)**	(74,701)	(150,572)
Share of profit/(loss) of associates - equity accounted	**46,003**	1,778	(150,689)
(Impairment loss)/Reversal of impairment loss on associates - equity accounted	**(45,780)**	(81,052)	3,917
Loss before taxation	**(109,621)**	(101,248)	(420,237)

^^ The Chief Operating Decision Maker utilises Trading Performance, as defined, in the assessment of a segment's performance.

* Refer note 1.4

12. Segmental information (continued)

12.3 Trading Performance reconciliation to loss before taxation - discontinued operations ^^

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Trading Performance from discontinued operations			
- Media	**20,538**	64,728	93,627
- Broadcast and Content	**18,081**	19,254	54,538
- CSI	**5,802**	45,941	46,815
- Other	**(3,970)**	-	20,877
Trading Performance	**40,451**	129,923	215,857
Depreciation and amortisation	**(607)**	(37,238)	(62,910)
Share-based payment expense	**(7,460)**	(3,850)	(11,136)
Straight lining of leases	**-**	(3,577)	(6,467)
Other (losses)/gains	**(62,545)**	(20,230)	(265,514)
Net (loss)/profit	**(30,161)**	65,028	(130,170)
Finance income	**66**	960	1,087
Finance costs	**(8,592)**	(21,292)	(22,537)
Share of profit of associates - equity accounted	**-**	6,094	13,887
Reversal of impairment loss on associates - equity accounted	**-**	-	146
(Loss)/Profit before taxation	**(38,687)**	50,790	(137,587)

^^ The Chief Operating Decision Maker utilises Trading Performance, as defined, in the assessment of a segment's performance.
* Refer note 1.4

12.4 Trading Performance from operations

	Unaudited Six months ended 31 December 2019 R'000	Reclassified and amended* Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Audited Year ended 30 June 2019 R'000
Trading Performance from continuing operations	**153,016**	149,725	199,912
Trading Performance from discontinued operations	**40,451**	129,923	215,857
Total	**193,467**	279,648	415,769

* Refer note 1.4

12.5 Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services, over time and at a point in time, from the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment.

12. Segmental information (continued)

12.5 Revenue (continued)

Disaggregation of revenue from continuing operations by major category:

31 December 2019	Hirt & Carter Group R'000	Media R'000	Broadcast and Content R'000	Other R'000	Total R'000
Design	53,678	-	-	-	53,678
Printing	1,181,591	-	-	-	1,181,591
Storage/warehousing	12,914	-	-	-	12,914
Software solutions	15,559	-	-	-	15,559
Digital marketing solutions	9,056	-	-	-	9,056
Imaging & photography	4,083	-	-	-	4,083
Digital asset management	25,534	-	-	-	25,534
Distribution income from the sale of published material	-	37,024	-	-	37,024
Other	-	-	-	1,966	1,966
Total	1,302,415	37,024	-	1,966	1,341,405

Disaggregation of revenue from discontinued operations by major category:

31 December 2019	Hirt & Carter Group R'000	Media R'000	Broadcast and Content R'000	Other R'000	Total R'000
ACSA site revenue	-	-	1,831	-	1,831
Advertising	-	273,230	30,118	-	303,348
Circulation	-	101,609	-	-	101,609
Distribution income from content sales	-	13,713	55,514	-	69,227
Eventing	-	7,668	-	-	7,668
Production	-	-	33,473	-	33,473
Royalty income	-	-	6,357	-	6,357
Sale of goods	-	-	118	-	118
Film distribution	-	-	2,222	-	2,222
Music sales	-	-	7,956	-	7,956
Other	-	-	-	2,202	2,202
Total	-	396,220	137,589	2,202	536,011

12. Segmental information (continued)

12.5 Revenue (continued)

Disaggregation of revenue from continuing operations by major category:

31 December 2018 *	Hirt & Carter Group R'000	Media R'000	Broadcast and Content R'000	CSI R'000	Other R'000	Total R'000
Design	51,707	-	-	-	-	51,707
Printing	1,046,412	-	-	-	-	1,046,412
Software solutions	6,127	-	-	-	-	6,127
Digital marketing solutions	6,053	-	-	-	-	6,053
Imaging & photography	1,018	-	-	-	-	1,018
Digital asset management	12,977	-	-	-	-	12,977
Distribution income from the sale of published material	-	37,196	-	-	-	37,196
Other	-	-	-	-	2,490	2,490
Sold and discontinued during the period	-	2,079	-	-	-	2,079
Total	1,124,294	39,275	-	-	2,490	1,166,059

* Refer note 1.4

Disaggregation of revenue from discontinued operations by major category:

31 December 2018 *	Hirt & Carter Group R'000	Media R'000	Broadcast and Content R'000	CSI R'000	Other R'000	Total R'000
ACSA site revenue	-	-	4,364	-	-	4,364
Advertising	-	500,877	37,560	-	-	538,437
Circulation	-	173,250	-	-	-	173,250
Distribution income from content sales	-	13,252	76,193	-	-	89,445
Eventing	-	12,445	-	-	-	12,445
Production	-	-	1,402	-	-	1,402
Royalty income	-	-	8,048	-	-	8,048
Sale of goods	-	-	42,595	-	-	42,595
Film distribution	-	-	11,873	-	-	11,873
Music sales	-	-	318	-	-	318
Other			-	-	369	369
Steel tubes, pipes, bulk coil, pipe systems, value adding, cold formed open sections, structural sections and plates	-	-	-	1,269,443	-	1,269,443
Total	-	699,824	182,353	1,269,443	369	2,151,989

* Refer note 1.4

12. Segmental information (continued)

12.5 Revenue (continued)

30 June 2019 *	Hirt & Carter Group R'000	Media R'000	Broadcast and Content R'000	CSI R'000	Other R'000	Total R'000
Design	96,033	-	-	-	-	96,033
Printing	2,086,508	-	-	-	-	2,086,508
Storage/warehousing	8,179	-	-	-	-	8,179
Software solutions	12,804	-	-	-	-	12,804
Digital marketing solutions	11,812	-	-	-	-	11,812
Imaging & photography	4,627	-	-	-	-	4,627
Digital asset management	26,396	-	-	-	-	26,396
Distribution income from the sale of published material	-	67,258	-	-	-	67,258
Other	-	-	-	-	4,950	4,950
Sold and discontinued during the year	-	2,079	-	-	-	2,079
Total	2,246,359	69,337	-	-	4,950	2,320,646

* Refer note 1.4

Disaggregation of revenue from discontinued operations by major category:

30 June 2019 *	Hirt & Carter Group R'000	Media R'000	Broadcast and Content R'000	CSI R'000	Other R'000	Total R'000
ACSA site revenue	-	-	7,903	-	-	7,903
Advertising	-	925,023	80,058	-	-	1,005,081
Circulation	-	326,882	-	-	-	326,882
Distribution income from content sales	-	25,749	152,610	-	-	178,359
Eventing	-	35,799	-	-	-	35,799
Production	-	-	87,766	-	-	87,766
Royalty income	-	-	25,159	-	-	25,159
Sale of goods	-	-	477	-	69	546
Film distribution	-	-	4,190	-	-	4,190
Music sales	-	-	15,357	-	-	15,357
Steel tubes, pipes, bulk coil, pipe systems, value adding, cold formed open sections, structural sections and plates	-	-	-	1,272,012	-	1,272,012
Total	-	1,313,453	373,520	1,272,012	69	2,959,054

* Refer note 1.4

13. Financial instruments and financial risk management

13.1 Financial risk factors

The Group has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; and market risk (which comprise currency risk, interest rate risk and market price risk).

The condensed consolidated interim financial statements for the six months ended 31 December 2019 does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2019. There have been no material changes in the Group's credit, liquidity and market risk, or key inputs in measuring fair value since 30 June 2019.

13.2 Fair value estimation

The fair values of financial instruments that are accounted for at amortised cost have been determined for both the current and prior periods and approximate the carrying amounts at the respective period ends due to either the short term nature of the instrument or because it attracts a market related rate of interest.

IFRS 13 Fair Value Measurement requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering the factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Recurring fair value measurement of assets and liabilities

As at 31 December 2019	**Level 1 R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Assets				
Non-current assets and liabilities held for sale	**-**	**184,809**	**-**	**184,809**
Liabilities				
Contingent consideration payable	**-**	**(51,999)**	**-**	**(51,999)**

As at 31 December 2018	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Non-current assets and liabilities held for sale	-	-	-	-
Liabilities				
Contingent consideration payable	-	(21,639)	-	(21,639)

As at 30 June 2019	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Non-current assets and liabilities held for sale	-	1,004,730	-	1,004,730
Liabilities				
Contingent consideration payable	-	(68,121)	-	(68,121)

Transfers between levels

There were no transfers between levels during the current and prior years.

13. Financial instruments and financial risk management (continued)

13.3 Valuation techniques

Level 1 and 3
The Group does not have any Level 1 nor Level 3 financial assets.

Level 2
The Media, Broadcast and Content and Africa Associates disposal groups, were classified and presented as non-current assets held for sale at 30 June 2019, and Gallo and IFD disposal groups are classified and presented as non-current assets held for sale at 31 December 2019. The disposal groups are valued at the lower of carrying value and fair value less costs to sell (refer note 5). Their fair values were determined with reference to the agreed upon selling prices less costs to sell.

The contingent consideration payable included in other financial liabilities relates to the acquisition of BBS, and the liability raised as at 30 June 2019 was calculated with reference to the original sales agreement. The purchase price adjustment was calculated as the difference between the profit before tax for the year ended 30 June 2019 and the year ended 30 June 2018, multiplied by the number of sale shares acquired, at BBS' non-controlling interest percentage holding of 49%. During the current period, an agreement was entered into to reduce this amount to R55.0 million. However, post 31 December 2019, the Hirt & Carter Group disposed of its 51.0% interest in BBS for R16.4 million (refer note 15).

14. Contingencies, guarantees and commitments

14.1 Contingencies and guarantees

Robor was placed in liquidation in September 2019 and the guarantee of R110.0 million was amended, so that the guarantee would only be called in the event that Robor's funders were unable to recover the debt through the realisation of the other security. Based on an independent restructuring and liquidation consultant's analysis of Robor's assets and debt as well as the Group's own assessment as at 30 June 2019, the probability of the guarantee being called upon was considered to be remote and thus no value was recorded in the Integrated Annual Report for the year ended 30 June 2019 in this respect. Due to the unprecedented negative economic environment, which has lowered business and consumer confidence, together with the recent COVID-19 pandemic, it has been determined that there are now insufficient realisable proceeds to settle Robor's obligation to its funder. This has been largely due to the major business and asset sales achieving lower realisations than the initial valuations and bids. Furthermore, the liquidation has taken longer than anticipated and its costs have been higher than forecast. It is now anticipated that the Tiso Blackstar guarantee will be called upon in the future and the current estimated amount is R59.0 million. The Group has raised a provision for the guarantee being called upon in the December 2019 results.

There have been no other significant changes to contingencies and guarantees from what was disclosed in the Integrated Annual Report for the year ended 30 June 2019.

14.2 Commitments

There have been no significant changes to the Group's commitments from what was disclosed in the Integrated Annual Report for the year ended 30 June 2019.

15. Events after the reporting period

Due to the non-fulfilment of a condition precedent thereto, the Africa Radio sale has lapsed and will not proceed. The relevant condition precedent related to the conclusion of a deed of adherence, as detailed more fully in the Circular to shareholders. Tiso Blackstar has begun new discussions for the sale of its Africa Associates.

The Group received the remaining R40.0 million proceeds on sale of TBG SA Group in February 2020, for the movement in tangible net asset value.

The Group disposed of it entire shareholding in Gallo and IFD for R75.0 million, and received the proceeds in cash, in March 2020.

15. Events after the reporting period (continued)

The capital reduction, as detailed in the Circular, was approved by the shareholders at the Company's Annual General Meeting in December 2019, and by the courts under the UK Companies Act on 3 March 2020. There is no change in the number of the Company's issued ordinary shares as a result of the Share Capital Reduction. Furthermore, the Share Capital Reduction, in itself, will not involve any distribution or repayment of capital or share premium by the Company and will not reduce its underlying net assets.

In March 2020, the Hirt & Carter Group signed a share sale agreement whereby Hirt and Carter Group Proprietary Limited ("Hirt and Carter") effectively sold its 51.0% shareholding in BBS to other existing shareholders, for a purchase consideration of R16.4 million. The shareholding prior to the share sale agreement signed in August 2017, in which Hirt and Carter acquired its shareholding, has been reinstated. Payment has been received in full.

At 31 December 2019, the carrying value of the KTH shareholding accounted for in terms of IFRS amounted R1,054.6 billion. Given the significant disruption in the world markets subsequent to the December half year measurement date, the Tiso Blackstar Board believe that it is unlikely that they would now realise this carrying value in full in line with the substantially lower trading market values for similar investment holding companies, particularly as the Group remains intent on disposing of this investment in the near future. The Tiso Blackstar Board believe a more probable realisable value for its shareholding in KTH would be approximately R850.0 million.

The Group received R15.0 million in February 2020 from CSI on the outstanding equity loan owed by CSI of R25.0 million, with the remaining balance expected by the end of the financial year.

The recent COVID-19 pandemic across the world will undoubtedly have unprecedented effects on the South African and global economy. The medium and long term effects of the virus, and current national lockdown in South Africa, on the Group is uncertain at this time. The impact of COVID-19 has not been considered in the going concern assessment, as it is too early to determine the impact it would have on the business going forward. The Tiso Blackstar Board continues to analyse developments both locally and internationally to amend and improve the business protocols as needed.

16. Related parties

There have been no significant changes to related parties from what was disclosed in the Integrated Annual Report for the year ended 30 June 2019.

17. Change in directors

Sheenagh Grota was appointed as the Group Financial Director of the Company on 29 November 2019, and resigned on 29 February 2020.

18. Change in registered address

The Company changed its registered address to North West House, 119 Marylebone Road, London, NW1 5PU, United Kingdom.

London, United Kingdom
3 April 2020

For further enquiries, please contact:

Tiso Blackstar Group SE	Leanna Isaac	+44 (0) 20 7887 6017
JSE Sponsor: PSG Capital	David Tosi	+27 (0) 21 887 9602
Auditors (South Africa)		Deloitte & Touche
Auditors (United Kingdom)		Deloitte LLP