

Reviewed provisional condensed consolidated financial statements for the year ended 30 June 2020 and dividend declaration

HIGHLIGHTS

- 6% increase in earnings per share to 2,59 cents from 2,48 cents in previous year
- Gross profit margin increased to 39,58% from 36,51% in prior year
- 14,80% reduction in operating expenses adjusted to exclude benefit of once-off settlement
- 24,66% increase in cash and cash equivalents on hand
- 7.60 cents per share dividend declared in the financial year
- 1,60 cents per share dividend declared and payable on 26 October 2020
- Shift to cloud-based services and diversification of routes to market yielding results
- Acquisition of 25% of ConexLink, successfully made in financial year
- Acquisitions of 100% of Contineo and PerfectWorx successfully implemented after the financial year
- Rebranding of principal operating subsidiary as Catalytic Connections completed in the financial year
- Covid-19 has not had a significant impact on the Group and is not expected to impact on the Group as a going concern in the foreseeable future

1. Commentary on operating results

The market is evolving rapidly with many new offerings and entrants creating noise and confusion for customers that are increasingly spoilt for choice. Although some of it is good, it is becoming more difficult (and complicated) for customers to make decisions.

Revenue decreased as a result of TeleMasters wanting to ensure spend management and an element of predictability for our customers by moving away from the traditional variable billing type service we offered in the past and shifting our focus to subscription-based services. This gives us and our customers the opportunity to budget for and plan communication expenses throughout the year, thus providing a quantifiable Return on Investment (ROI) benefit.

The gross profit percentage increased to 39,58% compared with 36,51% in the prior year. A settlement was reached with Huge Group Limited (Huge) in respect of a long-standing dispute. This had a once-off positive earnings and cash flow impact of R1,72 million. The Group managed to reduce operating expenditures by 14,80% which excludes the settlement amount with Huge. A loss on disposal of financial assets amounting to R2,01 million relates to a short-term investment in a unit trust for high yield bond funds which was invested in and disposed of in the financial year. The operating results benefited from a positive tax charge of R352k relating to assessed losses in one of the operating subsidiaries. This resulted in a profit for the period of R1,09 million compared to R1,04 million for the comparative period. The earnings per share increased from 2,48 cents per share to 2,59 cents, an increase of 4%.

Whilst the profits are impacted by substantial amounts in respect of non-cash flow expenses like depreciation and amortisation, the Group continued to generate strong operating cash flows. Prepayments

decreased to R1,66 million from R5,14 million for the prior year as the Group no longer pays term dealer commissions upfront for signed agreements. The increase in trade and other payables is attributable to a focus on working capital management as well as the dividend declared in June 2020. Cash and cash equivalents at the end of the period increased from a positive R12,99 million in the comparative period to a positive R16,19 million. Cash was used to repay lease liabilities of R767 thousand and to acquire additional assets to the amount of R3,78 million for expansion of new services to customers. These new assets are expected to generate additional revenue in subsequent periods and bode well for future operations of the Group. A loan of R2,7 million was provided to ConexLink (Pty) Limited to complete the launch of its data centre. Positive cash generation remains a key component of our business focus and is a result of our focus on building an annuity-based business model.

The current working capital ratio is 3,16 to 1 thus reflecting a positive working capital position. The non-current assets are R25,56 million compared with non-current liabilities of only R8,27 million.

The net asset value has decreased from 83,48 cents per share to 78,47 cents per share. This position was influenced by dividends of 7,60 cents per share which were declared and 6,00 cents per share which were paid during the period.

The acquisition of a 25% shareholding in ConexLink (Pty) Limited was successfully made on 1 June 2020.

The acquisitions of 100% of Contineo Virtual Communications (Pty) Limited and 100% of PerfectWorx Consulting (Pty) Limited were announced during the trading period but only became effective on 1 July 2020 after the end of the financial year.

2. Dividends declared and paid

The Board does not link the payment of dividends primarily to the current year's operating results but considers the dividends in relation to the Group's reserves of R32,91 million in 2020 (R35,01 million in 2019). The Board considers the working capital requirements of the Group for the next 12-month period, among other considerations, when determining a dividend. The Board considers that dividends are an important reason why shareholders invest in the Group and hence regards the principle of paying quarterly dividends as important.

The following dividends were declared during the period under review:

- Dividend number 44 of 1,50 cents per share was declared on 26 July 2019 and paid to all shareholders recorded in the share register of the Company at the close of business on 8 August 2019;
- Dividend number 45 of 1,50 cents per share was declared on 1 October 2019 and payable to all shareholders recorded in the share register of the Company at the close of business on 1 November 2019;
- Dividend number 46 of 1,50 cents per share was declared on 10 December 2019 and payable to all shareholders recorded in the share register of the Company at the close of business on 3 January 2020;
- Dividend number 47 of 1,50 cents per share was declared on 31 March 2020 and payable to all shareholders recorded in the share register of the Company at the close of business on 24 April 2020; and
- Dividend number 48 of 1,60 cents per share was declared on 29 June 2020 and payable to all shareholders recorded in the share register of the Company at the close of business on 17 July 2020.

3. Dividend declaration

Notice is hereby given that a gross interim cash dividend (Number 49) of 1.60 cents per share has been declared and is payable to all shareholders recorded in the share register of the Company at the close of business on Friday, 23 October 2020.

The dividend will be subject to the Dividends Tax that was introduced with effect from 1 April 2012. In accordance with the provisions of the Listings Requirements of the Johannesburg Stock Exchange, the following additional information is disclosed:

- The dividend has been declared out of retained earnings;
- The local Dividends Tax rate is 20%;
- The gross local dividend is 1,60 cents per share for shareholders exempt from Dividends Tax;
- The net local dividend is 1,28 cents per share for shareholders liable for Dividends Tax;

- The Company issued an additional 8 500 000 ordinary shares on 1 July 2020 and has 50 500 000 ordinary shares in issue; and
- The Company's income tax reference number is 9683/978/14/3.

The following dates are applicable to the dividend: the last day to trade in order to be eligible for the dividend will be Tuesday, 20 October 2020. Shares will trade ex-dividend from Wednesday, 21 October 2020. The record date will be Friday, 23 October 2020 and payment of the dividend will be made on Monday, 26 October 2020.

Share certificates may not be dematerialised / re-materialised between Wednesday, 21 October 2020 and Friday, 23 October 2020, both days inclusive.

4. Company focus

Telemasters Holdings is a technology focused investment company. Entities within the Group are complementary towards each other with a key focus on enhancing digital transformation, accelerating smart working environments and empowering the new Gig economy. Our vision is to create and accelerate shareholders value through responsible growth, acquisitions and investments.

The Group consists of the following entities:



Catalytic Connections (Pty) Limited is a diversified ICT managed solutions provider to medium and small businesses in South Africa focused on connectivity, communications, cloud and security solutions.

Contineo Virtual Communications (Pty) Limited provides unified communications solutions to a wide range of clients.

PerfectWorx Consulting (Pty) Limited provides professional services to a wide range of operators entering or active in the next generation network environment.

ConexLink (Pty) Limited owns and operates a secure disaster recovery data centre and provides related services to clients thereof.

5. Prospects

The year 2020 has certainly presented a number of unexpected challenges and opportunities for the Group. The worldwide pandemic has thrust the spotlight on digital transformation and readiness, with many companies having to accelerate their digital transformation journey. Leaving many companies in a withered state.

Within the Group we executed a number of strategic acquisitions which bolstered our offering to the market, strategically positioning us to serve our customers' needs in the "new" normal". Across the Group we are now uniquely positioned to provide customers a golden thread of critical enterprise services -- ranging from connectivity to unified communications and, all the way through to disaster recovery and business continuity. Furthermore the implementation of the Protection of Personal Information Act 2013 will prompt many enterprises to strengthen their data management and security systems.

We believe, that as part of the "new normal", many enterprises will review their digital footprint and seek new solution partners that can cater for all their requirements in a single stable.

Our Group is geared to fulfil this role in a way that few others in the market can compare with. We are excited at what the future holds for ourselves and our customers.

6. Corporate Governance

The Group subscribes to the highest standards of corporate governance best practices at all levels and is committed to conducting business with discipline, integrity and social responsibility.

7. Changes to the Board of Directors

Dr David Bate was appointed to the Board in the capacity of Independent Non-Executive Director on 17 January 2020. Dr Bate has over 25 years of experience making an impact as an investment banker, entrepreneur and educator and is the founder of an investment banking firm that specializes in Africa, the Middle East and Asia across M&A, privatizations, PPP's, debt finance and private equity.

8. Going concern

The Directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and, accordingly, the consolidated annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Group remains in a sound financial position and has access to sufficient cash on hand and/or borrowing facilities to meet its foreseeable financial requirements. The Directors are not aware of any new material changes that may adversely impact the Group. The Directors are also not aware of any material non-compliance with any statutory or regulatory requirements or of any pending changes to legislation which may materially affect the Group.

9. Covid-19

The Board supports the actions taken by the South African Government with regards to the COVID-19 pandemic. Our objective during this time was to support our customers whilst safeguarding our employees. ICT and infrastructure support services were classified as essential business services. Our customer support and sales staff worked remotely and our Solution Deployment Catalysts were able to attend to any equipment issues.

As a result, Covid-19 has not had a significant impact on the Group and is not expected to impact on the Group as a going concern in the foreseeable future.

10. Approval of the financial statements

The reviewed provisional condensed consolidated financial statements were approved by the Board of Directors on 30 September 2020 and are signed on its behalf by:

J Voigt
Chief Executive Officer

JM Vosloo
Chief Financial Officer

Provisional condensed consolidated statement of comprehensive income

for the twelve months ended 30 June 2020

	30 Jun 20 Reviewed R	30 Jun 19 Audited R
Revenue	79 666 284	100 037 105
Cost of Sales	(48 137 728)	(63 513 618)
Gross profit	31 528 556	36 523 487
Other operating income	103 291	276 464
Other operating gains	60 153	0
Other operating expenses	(29 498 404)	(36 648 026)
Operating profit	2 193 596	151 925
Investment income	1 242 479	791 750
Loss on disposal of financial assets	(2 014 819)	0
Finance costs	(395 915)	(715 844)
Profit before taxation	1 025 341	227 831
Taxation	64 214	815 152
Profit for the year	1 089 555	1 042 983
Other comprehensive income for the year	0	0
Total comprehensive income for the year	1 089 555	1 042 983
Earnings and dividends per share		
Basic earnings per share (cents)	2,59	2,48
Diluted earnings per share (cents)	2,59	2,48
Dividends declared per share (cents)	7,60	4,00

Provisional condensed consolidated statement of financial position

as at 30 June 2020

	30 June 20 Reviewed R	30 June 19 Audited R
Assets		
Non-current assets	25 560 172	17 550 748
Property, plant and equipment	7 526 910	10 169 568
Right-of-use assets	9 775 832	0
Goodwill	3 286 779	3 286 779
Intangible assets	1 919 173	2 719 997
Investment in associate	25	0
Loan to associate	2 700 374	0
Deferred tax	351 079	206 899
Prepayments	0	1 167 505
Current assets	22 916 752	23 370 374
Inventories	285 053	366 321
Trade and other receivables	4 743 064	6 019 602
Prepayments	1 660 746	3 971 623
Current tax receivable	36 885	25 368
Cash and cash equivalents	16 191 004	12 987 460
Total assets	48 476 924	40 921 122
Equity and liabilities		
Total equity	32 958 921	35 061 366
Share capital	48 059	48 059
Retained income	32 910 862	35 013 307
Non-current liabilities	8 256 118	815 797
Lease liabilities	8 256 118	766 556
Deferred income	0	49 241
Current liabilities	7 261 885	5 043 959
Trade and other payables	5 402 341	4 499 747
Lease liabilities	1 765 188	391 569
Deferred income	89 036	152 643
Current tax payable	5 320	0
Total equity and liabilities	48 476 924	40 921 122
Number of shares in issue	42 000 000	42 000 000
Net asset value per share (cents)	78,47	83,48
Net tangible asset value per share (cents)	66,08	69,18

Provisional condensed consolidated statement of changes in equity

for the year ended 30 June 2020

	Share capital	Share premium	Total share capital	Retained income	Total equity
	R	R	R	R	R
Balance at 1 July 2018	4 200	43 859	48 059	35 650 324	35 698 383
Other comprehensive income for the year	-	-	-	-	-
Profit for the year	-	-	-	1 042 983	1 042 983
Total comprehensive income for the year	-	-	-	1 042 983	1 042 983
Transaction with owners:					
Dividends	-	-	-	(1 680 000)	(1 680 000)
Total transactions with owners	-	-	-	(1 680 000)	(1 680 000)
Balance at 1 July 2019	4 200	43 859	48 059	35 013 307	35 061 366
Other comprehensive income for the year	-	-	-	-	-
Profit for the year	-	-	-	1 089 555	1 089 555
Total comprehensive income for the year	-	-	-	1 089 555	1 089 555
Transaction with owners:					
Dividends	-	-	-	(3 192 000)	(3 192 000)
Total transactions with owners	-	-	-	(3 192 000)	(3 192 000)
Balance at 30 June 2020	4 200	43 859	48 059	32 910 862	32 958 921

Provisional condensed consolidated statement of cash flows

for the twelve months ended 30 June 2020

	30 June 20 Reviewed R	30 June 19 Audited R
Cash flows from operating activities		
Cash generated from operations	13 869 577	10 643 979
Finance costs	(395 915)	(715 844)
Tax paid	(86 163)	(654 847)
Net cash from operating activities	13 387 499	9 273 288
Cash flow from investing activities		
Purchase of property, plant and equipment	(3 780 790)	(1 591 416)
Proceeds from disposal of property, plant and equipment	355 130	0
Loan advanced to associate	(2 700 374)	0
Purchase of intangible assets	0	(1 652 681)
Interest income	1 242 479	791 750
Purchase of other financial assets	(30 805 850)	0
Proceeds on disposal of other financial assets	28 791 031	0
Net cash in investing activities	(6 898 374)	(2 452 347)
Cash flow from financing activities		
Dividends paid	(2 517 865)	(1 680 000)
Payment of lease liabilities	(767 716)	(2 917 380)
Net cash in financing activities	(3 285 581)	(4 597 380)
Total cash movement for the year	3 203 544	2 223 561
Cash at the beginning of year	12 987 460	10 763 899
Total cash at the end of year	16 191 004	12 987 460

Notes to the provisional condensed consolidated financial statements

for the year ended 30 June 2020

1. Statement of compliance and the basis of preparation

The reviewed provisional condensed consolidated financial results for the year ended 30 June 2020 are prepared in accordance with the requirements of the JSE Limited's Listings Requirements ("Listings Requirements") for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial results are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial results, except for the new standards that have been adopted during the financial year, the impact of which is mentioned below.

The provisional consolidated annual financial results were reviewed by Nexia SAB&T, who expressed an unmodified review conclusion. The auditor's review conclusion is available for inspection at the Company's registered office.

The auditor's review conclusion does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review conclusion together with the accompanying financial information from the issuer's registered office.

The Directors take full responsibility for the preparation of the provisional report. These results were prepared under the supervision of Michael Vosloo, CA (SA).

2. Changes in accounting policies

The reviewed provisional consolidated financial results do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2020. The accounting policies adopted in the preparation of the provisional condensed consolidated financial statements are consistent with those followed in the Group's annual consolidated financial statements for the year ended 30 June 2019 except for the adoption of new standards effective as of 1 January 2019.

IFRS16 – Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the Company's consolidated annual financial statements is described below.

The Group has applied the practical expedient available in IFRS 16, which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. No cumulative adjustments were required to be recognised in retained income as at 01 July 2019.

3. New standards and interpretations not yet adopted

There are no new standards that have been issued by the International Accounting Standards Board (IASB) that will have a material impact on the Group's financial statements in the future.

4. Share capital

No changes to share capital occurred during the financial year.

5. Property, plant and equipment

Property, plant and equipment acquired during the year were comprised mostly of investment in vehicles, IT equipment and routers and handsets to assist the expansion of the digital direct product.

Reconciliation of property, plant and equipment	Opening balance	Transfer to right of use asset	Additions	Disposals	Depreciation	Closing balance
Furniture and fittings	128 013	0	474 240	(128 013)	(3 514)	470 726
Motor vehicles	436 048	(147 177)	181 099	(166 964)	(55 111)	247 895
Office equipment	59 810	0	0	0	(59 810)	0
IT equipment	296 664	0	161 727	0	(233 435)	224 956
Routers and handsets	9 249 033	(966 241)	2 963 724	0	(4 663 183)	6 583 333
	10 169 568	(1 113 418)	3 780 790	(294 977)	(5 015 053)	7 526 910

6. Right-of-use asset (company as lessee)

Reconciliation of right-of-use asset	Opening balance	Transfer from property, plant and equipment	Additions	Disposals	Depreciation	Closing balance
Motor vehicles	0	147 177	0	0	(27 596)	119 581
Routers and handsets	0	966 241	786 670	0	(351 272)	1 401 639
Buildings	0	0	8 844 227	0	(589 615)	8 254 612
	0	1 113 418	9 630 897	0	(968 483)	9 775 832

The Group adopted IFRS16 for the first time in the financial year. Comparative figures have been accounted for in accordance with IAS17 and accordingly, any asset recognised under finance leases in accordance with IAS17 for the comparative figures have been recognised as part of property, plant and equipment.

7. Intangible assets

Reconciliation of intangible assets	Opening balance	Additions	Disposals	Amortisation	Total
Licences	300 000	0	0	0	300 000
Computer software	2 419 997	0	0	(800 824)	1 619 173
	2 719 997	0	0	(800 824)	1 919 173

8. Investment in associate

The Group acquired a 25% share in ConexLink (Pty) Ltd as at 1 June 2020. ConexLink (Pty) Ltd is involved in owning and operating a data centre and providing data centre environment solutions.

9. Loan to associate

A loan of R2.70 million was provided to ConexLink (Pty) Ltd to complete the launch of its data centre.

10. Prepayments

The decrease of R3.47 million in prepayments is mainly due to a decrease in the amount of prepaid commissions paid in advance, based on revised commission payment structures implemented during 2018.

11. Lease liabilities

New leases entered into the financial year amounted to R8,84 million for buildings and R786k for routers and handsets. The total repayments amounted to R767k.

12. Financial instruments

The Group classified financial instruments into the following categories at 30 June 2020.

Financial assets	Amortised cost as at 30 June 2020	Amortised cost as at 30 June 2019
Trade and other receivables	3 864 761	5 270 567
Loan to associate	2 700 374	0
Cash and cash equivalents	16 191 004	12 987 460
	22 756 139	18 258 027

Financial liabilities	Amortised cost as at 30 June 2020	Amortised cost as at 30 June 2019
Lease liabilities	10 021 306	1 158 125
Trade and other payables	4 993 385	3 849 040
	15 014 691	5 007 165

The carrying amount of all significant financial instruments approximates the fair value.

13. Financial risk management and fair value

There has been no material change in the Group's financial risk management objectives and policies compared to those disclosed in the consolidated annual financial statements as at and for the year ended 30 June 2019.

14. Earnings, headline earnings and dividend per share

	30 June 20	30 June 19
Earnings per share	Reviewed	Audited
Earnings and diluted earnings per share (cents)	2,59	2,48
Earnings used in the calculation of earnings and diluted earnings per share	1 089 555	1 042 983
Headline and diluted headline earnings per share (cents)	2,49	2,48
Reconciliation between earnings and headline earnings		
Earnings attributable to shareholders of the group	1 089 555	1 042 983
Adjust for:		
Profit on disposal of plant and equipment	(60 153)	0
Tax effect of profit on disposal of plant and equipment	16 843	0
Headline earnings for the year	1 046 245	1 042 983
Issued and weighted number of shares	42 000 000	42 000 000

15. Trade and other receivables

Trade and other receivables decreased from the previous financial period from R6,01 million to R4,74 million due mainly to stringent control over outstanding debt in the period as well as a decrease in trading activities. Allowance for estimated credit loss decreased from R4.31 million to R1,38 million due to the settlement reached with Huge. Furthermore, accruals for revenue invoiced in arrears decreased from R2,32 million to R1,53 million due mainly to a decrease in trading activities.

16. Trade and other payables

Trade and other payables increased from R4,50 million to R5,40 million due mainly to a dividend of R672k declared on 29 June 2020 and paid 17 July 2020. Furthermore, accruals for costs related to revenues, which is invoiced in arrears, decreased from R1,59 million to R1,38 million due mainly to a decrease in trading activities.

17. Segment reporting

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker. The Executive Director is the Chief Operating Decision Maker of the Group.

Based on a consideration of the above, it can be concluded that the Group does not have different operating segments. The business is conducted in South Africa and is managed centrally and has no branches. The Group is managed as one operating unit.

- The requirements of an operating segment is that the results of the component of the entity is regularly reviewed by the CODM, however the nature of the services is such that the internal reporting thereof to the CODM is allocated as a single operating segment due to the similarity in nature, process, clients, method of delivery and regulatory environment.
- The nature of Group's business is that of a service provider. The services provided, are performed from a single source technology basis. The services provided are billed to single customers, charged on the type of service provided. These range from fixed line services, to cellular services as well as to data and VOIP services. The services provided are not separately run segments or divisions and are managed from a single source, employee and asset base perspective.
- The asset and liabilities used in providing the services are indistinguishable from each other and the same technology platforms are used in providing all services to a customer. It is therefore impossible to obtain specific discernible financial information, except for the billing raised specific to the service which has been charged. This information is presented as such to the CODM.

All revenues from external customers originate in South Africa, thus our geographical locations of operations are restricted to a single area, South Africa.

LCR and Digital Direct, our main technologies, are two technologies which are fully integrated to provide one telecommunications solution to our customers and are not separately managed.

No single customer makes up more than 10% of the Group's revenue.

18. Related party transactions

Members of Key Management

J Voigt	Executive Director
BR Topham	Executive Director (resigned 31 January 2019)
JM Vosloo	Executive Director

Non-Executive Directors	DJ Bate
	MG Erasmus
	MB Pretorius
	WF Steinberg
	M Tappan

Entities in which key management and/or non-executive Directors have a beneficial interest:

MB Pretorius	Snowy Owl Properties 82 (Pty) Ltd
	Telemasters (Pty) Ltd
	Zero Plus Trading 194 (Pty) Ltd
BR Topham	TAG Consulting (Pty) Ltd
J Voigt	Perfectworx Consulting (Pty) Ltd
	Contineo Virtual Communications (Pty) Ltd
JM Vosloo	JMV Business Solutions

	30 June 2020	30 June 2019
Related party transactions and balances	R	R
Details of transactions and balances occurring between the group and the related parties are presented below:		
Sales to related parties:		
Telemasters (Pty) Ltd	0	32 920
Purchases from related parties:		
Perfectworx Consulting (Pty) Ltd	3 391 092	1 733 036
Contineo Virtual Communications (Pty) Ltd	8 446 548	7 756 194
Consulting fees paid to:		
TAG Consulting (Pty) Ltd	0	133 171
JMV Business Solutions	1 189 500	90 000
Zero Plus (Pty) Ltd	361 500	449 940
Rentals on operating lease to:		
Snowy Owl Properties 82 (Pty) Ltd	1 596 710	2 092 946
Trade payables:		
Snowy Owl Properties 82 (Pty) Ltd	0	200 574
Compensation to Key management		
Short-term employee benefits	1 415 242	2 409 471

19. Litigation

There are currently no legal or related proceedings against the Group of which the Board is aware which may have or have had in the 12 months preceding the date of this report a material effect on the consolidated position of the Group.

20. Subsequent events

Other than as disclosed below, the Directors are unaware of any significant adjusting or disclosable events that have occurred between the end of the financial year and the date of this report that may materially affect the Group's results for the year under review or its financial position as at 30 June 2020:

- The acquisitions of Contineo Virtual Communications (Pty) Ltd from Messrs. Jaco Voigt ("Voigt") and Laurent Pieton for a maximum purchase consideration of R15 150 000 (fifteen million one hundred and fifty thousand Rand) and Perfectworx Consulting (Pty) Ltd from Voigt for a maximum purchase consideration of R1 350 000 (one million three and fifty thousand Rand) (together, "the Acquisitions") were concluded and an aggregate of 8 500 000 new shares were issued to Pieton and Voigt in settlement of the initial purchase consideration payable for the acquisitions on 1 July 2020;
- Dividend number 49 of 1,60 cents per share was declared on 30 September 2020 and payable to all shareholders recorded in the share register of the Company at the close of business on 23 October 2020.

11. Corporate information

Directors:	DJ Bate** , MG Erasmus** , MB Pretorius* , WF Steinberg** , M Tappan** , J Voigt, JM Vosloo (* non-executive # independent)
Registered Address:	Building 2 ATT House, Maxwell Office Park, Magwa Crescent, Waterfall City, 2090 (P.O. Box 68255, Highveld, Park 0169)
Company Secretary:	S Ramirez-Victor
Auditors:	Nexia SAB&T, 119 Witch-Hazel Avenue, Highveld Techno Park, Centurion
Transfer Secretaries:	Link Market Services Proprietary Limited, 13 th Floor, 19 Ameshoff Street, Braamfontein, 2017
Designated Advisor:	AcaciaCap Advisors (Pty) Ltd
Website:	www.telemasters.co.za