

AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2020

Introduction

The group faced tough trading conditions in the first half to December 2019 particularly in the ICT-Carriers business due to a sharp reduction in spend by a major telecommunications operator. These challenges continued into the start of the second half of the year before disaster struck, with the announcement of an immediate national lockdown in response to the COVID-19 pandemic. The resultant impact in the fourth quarter was a devastating revenue impact of approximately R163 million and approximately R59 million impact on operating profit.

Achievements and disappointments

Achievements:

- The reduction in the overhead costs at head office and the majority of the businesses; and
- The expected disposal of Reflex Solutions for R76 million (*cum dividend*) post year-end.

Disappointments:

- The severe impact of the COVID-19 lockdown on revenue and EBITDA;
- The cancellation of the Electrical Manufacturers' disposal transaction in June 2020 due to the impact of the lockdown on the purchaser's funding;
- The reversal of the R11,5 million revenue recognised relating to a voice recording solution implemented during the year;
- The impairment of goodwill in RAMM Technologies on reduced revenue and profitability; and
- The deterioration in the debt to equity ratio due to significant losses.

Financial overview

Statement of comprehensive income

Revenue was severely impacted in the fourth quarter due to the COVID-19-related lockdown and declined to R939,2 million (2019: R1,137 billion).

The main contributors to revenue, before eliminating inter-segmental at revenue, were:

ICT-Enterprise	• 3,3 % decrease to R526,3 million (2019: R544,3 million)
ICT-Carriers	• 48,1% decrease to R177,9 million (2019: R342,7 million)
Security & Fire	• 18,6% decrease to R62,5 million (2019: R76,8 million)
Power & Renewables	• 20,9% decrease to R7,8 million (2019: R9,9 million)
Electrical Manufacturers	• 7,6% decrease to R181,7 million (2019: R196,6 million)

The operating loss before net interest was R60,3 million (2019: R11,3 million profit) due to the drop in revenue, once-off restructure costs and the impairment of goodwill. Unfortunately, revenue of R11,5 million recognised in the first half by Datavoice in ICT-Enterprise had to be reversed during the second half due to a legal challenge between one of our customers and their customer in Poland. Although the contract between Jasco and its customer remains in effect, management decided to follow a conservative approach and reverse the revenue recognised during the year. Accordingly, the payments received from the customer are accounted for as advanced payments.

Net interest costs (excluding the impact of IFRS 16) of R19,7 million decreased from R21,2 million, mainly due to the decrease in the interest rates and good working capital management. Including the IFRS 16 interest cost of R12,7 million, the net interest cost increased to R32,4 million.

The net impact of the adoption of IFRS 16 amounted to an increase in depreciation of R17,7 million, interest cost of R12,7 million, compared to a decrease on rental expenses of R19,4 million.

The equity-accounted share of profits of R33 000 (2019: R1 623 000 share of losses) represents Jasco's 40% share in Jasco East Africa. The exit from East Africa was concluded in the fourth quarter and provisions of R2,6 million were raised.

The taxation charge of R10,0 million compares to R79 million in F2019 on de-recognition of deferred taxation on assessed losses at subsidiary level in this financial year. The effective tax rate is higher than the standard rate due to the increased level of non-deductible expenses, which resulted in a higher taxable income. The main items included in non-deductible expenses are the interest paid on the corporate bond and the impairment charges related to loans and goodwill.

The minorities' share of profits decreased from R9,8 million to R8,2 million due to the lower profits in RAMM Technologies.

Consequently, the earnings loss attributable to ordinary shareholders increased to R110,9 million (2019: R29,1 million) and the earnings loss per share (EPS) increased to 49,4 cents per share (2019: 12,9 cents loss per share). Headline earnings loss per share was 44,5 cents per share (2019: 10,7 cents per share). The weighted average number of shares in issue decreased from 226,3 million to 224,4 million shares.

Statement of financial position

Intangibles and goodwill

Intangibles, excluding goodwill, includes the following:

- The voice transaction management application of R11,2 million (2019: R19,8 million). This movement is due to additions of R7,4 million, amortisation charges of R11,2 million and impairments raised of R4,8 million in the voice recording software application business;

Financial results (year-on-year changes)

-17%	-67%	-77%	-280%
Revenue	EBITDA from operations*	EBITDA	Earnings
R939,2 million	R39,6 million	R12,7 million	-R110,9 million

*before head office costs

Group overview

Jasco delivers technologies across Information and Communication Technology (ICT), security, fire, power and renewables.

Core to the group's strategy is providing solutions that assist our customers in a rapidly changing business environment created by disruptive technology. These products and solutions range from the infrastructure level, which is becoming more commoditised, to analytics and business consulting at the top end of the value-added spectrum where the group has the ability to differentiate itself in the market.

Jasco is currently shifting from a product development, distributor and reseller model to that of a systems integrator and service provider of choice. To achieve this, the group is transforming each of the respective business units to progress higher up the value chain.

The business units to deliver this strategy are:

ICT Solutions		Security & Fire	Power & Renewables	Electrical Manufacturers
ICT-Carriers	ICT-Enterprise			
<ul style="list-style-type: none"> Cables and connectors Distributed antenna systems Masts and towers Access networks Transmission networks Data centres – carrier neutral Open access networks Hi-sites 	<ul style="list-style-type: none"> Unified communications Contact centres Workforce optimisation Voice and data connectivity Remote and desktop support Cloud (IaaS, PaaS, SaaS) Asset tagging and tracking (Internet of Things) Waste management (Internet of Things) Rooftop management Broadcast video solutions Digital media 	<ul style="list-style-type: none"> CCTV and surveillance Access control Fire detection Fire suppression 	<ul style="list-style-type: none"> Power quality assurance (including UPS and generators) Renewable photo-voltaic (PV) solar energy 	<ul style="list-style-type: none"> Plastic injection moulding Metal pressings Tooling Wire harnesses

Following the resignation of the CEO in May 2020, the board reappointed AMF (Pete) da Silva as the interim CEO in June 2020. Since then, a further review of the business units' performance and financial position was undertaken and a new organisational structure was implemented post the year-end. The primary objective is to further reduce the overhead costs to achieve a more sustainable position. This restructuring was critical, given our expectation that the business environment will remain constrained.

- The computer software applications (internet-of-things or "IoT" platform) of R10,6 million (2019: R12,0 million) include amortisation charges of R2,7 million and additions of R1,2 million;
- Trade names of R4,2 million (2019: R5,9 million) following amortisation charges of R1,7 million; and
- Customer-related intangibles of R20,0 million (2019: R24,5 million) following amortisation charges of R4,5 million.

Goodwill decreased from R82,1 million in F2019 to R71,8 million due to the impairment of R10,3 million of goodwill related to RAMM Technologies. This assessment is conducted in accordance with Jasco's accounting policy to annually test the carrying value of goodwill. The cash flow projections, prepared from financial budgets approved by the board of directors, covering a five-year period, are discounted to the present value. Pre-tax discount rates appropriate to the cash-generating unit the asset belongs to of 16,68% (2019: 16,71%) are used. This excludes RAMM Technologies where 21,67% (2019: 21,67%) is used due to the dependency on its major customer. Revenue growth assumptions after the first year were based on an inflationary increase. A long-term growth rate of 0,8% was assumed into perpetuity. Both revenue growth rates and long-term growth rates are based on management's approach to achieve conservative targets. The profit before interest and taxation (PBIT) margins used in the value-in-use calculations are Carrier Solutions 33,7%, RAMM Technologies 12,6% and Electrical Manufacturers 3,3%.

With regard to the assessment of the value-in-use of the investment, management believes that the most notable possible change in any of the above key assumptions would result from a change to the discount rate. The second most sensitive assumption is the long-term growth rate and the third assumption is a change to the free cash flow projections. A reasonable, possible change in any of the key assumptions would not result in the carrying amount of any of the cash-generating units exceeding their recoverable amounts.

Fixed assets

Fixed assets of R74,7 million (2019: R83,4 million) decreased on reclassification of leased assets of R0,7 million to right-of-use assets. The capital expenditure decreased from R24,5 million in F2019 to R16,3 million. This relates mainly to R11,0 million computer and office equipment on additional investment in Reflex Solutions, and R1,0 million on plant and equipment, due to the increase in network capacity in response to higher data traffic during the lockdown when many business units' employees had to work from home. The depreciation charge increased to R22,9 million from R20,0 million in F2019, mainly due to the investment in computer equipment during the year.

Right-of-use assets and lease liabilities

The right-of-use assets recognised on adoption of IFRS 16 amounted to R106,1 million and predominantly relate to property leases at R105,0 million. Refer to Note 10 of the annual financial statements at www.jasco.co.za.

The first-time adoption of IFRS 16 resulted in the recognition of lease liabilities amounting to R137,2 million. R0,8 million was reclassified from interest-bearing liabilities. The repayment of lease liabilities amounted to R26,9 million during the year, including interest of R12,7 million.

Interest-bearing liabilities and short-term borrowings

The corporate bond was effectively unchanged from the prior financial year at R45,3 million (2019: R45,8 million) and interest was serviced during the current financial year. The corporate bond attracts interest at the equivalent of the prime lending rate and is repayable on 31 January 2021. The interest charged reduced from R5,0 million to R4,0 million due to the lower interest rates. The financial covenants were not met during the financial year, and although condoned by the bondholder, the loan was classified as short-term at the financial year-end.

The working capital loan of R145,7 million from the Bank of China is unchanged from the prior financial year. The interest charge is prime related and increased from R15,9 million to R16,6 million. The term of the facility was extended for a further period to 27 December 2021. The financial covenants were not met during the financial year and although condoned by the bank, the loan was classified as short-term at financial year-end as the extension was granted post the financial year-end. (See Subsequent events below.)

Deferred taxation assets and liabilities

The deferred taxation assets decreased slightly from R22,1 million to R21,9 million during the year and relate mainly to:

- Jasco Carrier Solutions – R6,3 million
- Jasco Systems – R4,5 million
- Jasco Trading – R4,0 million
- Reflex Solutions – R2,5 million
- Jasco Enterprise – R2,7 million
- Datavoice – R1,4 million

This represents a partial recognition of the available assessed losses to the extent that these are expected to be utilised in the next 24 to 36 months.

The deferred taxation asset of R10,6 million related to the partial recognition of the Jasco Enterprise assessed loss was reversed in June 2020.

The deferred taxation liabilities reduced from R6,8 million to R2,3 million on the movement in temporary differences during the year.

Working capital

Inventories of R101,1 million (2019: R108,5 million) decreased, mainly due to the lower revenue. The largest inventory holdings are in ICT-Carriers and Electrical Manufacturers. Inventory provisions increased by R5,0 million to R13,1 million on lower stock turnover during the year due to the COVID-19 lockdown.

Trade and other receivables of R159,6 million decreased from R205,1 million in F2019, primarily due to lower volumes. Although collections were good, the debtors older than 120 days increased from R7,7 million to R7,9 million. Accordingly, the provision for impairment of trade receivables increased from R2,9 million to R6,3 million on a more conservative view being taken given prevailing economic conditions.

Taxation refundable increased from R11,3 million to R11,9 million, mainly due to foreign withholding taxes in subsidiary companies with an assessed loss.

Trade and other payables of R172,4 million reduced from R213,5 million in F2019 due to the lower volumes, the payment of R9,8 million deferred purchase consideration for Reflex Solutions, and the R11,5 million reclassification of lease liabilities.

Provisions increased from R1,4 million to R5,9 million, mainly due to provisions for exit costs in Jasco East Africa, 2019 incentive bonuses in ICT-Carriers, and group retrenchment costs.

Contract liabilities (short- and long-term) of R44,8 million decreased from R45,6 million and relate mainly to service level agreement renewals from Jasco Enterprise customers.

Statement of cash flows

The statement of cash flows reflects an inflow in cash generated from operations before working capital changes of R29,9 million compared to R57,8 million in F2019. Working capital changes reflect an inflow of R8,0 million (2019: R21,7 million inflow) on a decrease in trade and other receivables of R36,9 million, offset by a decrease in payables of R36,1 million. Cash generation from operations of R37,9 million therefore decreased from R79,5 million.

The net interest payment amounted to R31,2 million (2019: R19,6 million), including IFRS 16 charges noted earlier. The income tax payments of R10,9 million were lower than R13,4 million in the prior year due to lower levels of profitability at subsidiary level. A dividend of R3,3 million was paid to the non-controlling shareholder in Reflex Solutions (2019: R4,0 million to NewTelco). Total cash flows from operating activities were a R7,4 million outflow compared to the R42,4 million inflow in F2019.

Investing activities reflected a cash outflow of R15,4 million (2019: R55,9 million outflow) related mainly to capital expenditure of R16,0 million on fixed assets and intangible assets.

Financing activities reflected an outflow of R24,5 million (2019: R10,3 million inflow) being the R14,2 million in lease repayments and R10,3 million in asset finance repayments.

Accordingly, Jasco's net favourable bank position of R17,8 million decreased from R64,8 million in F2019, mainly due to losses incurred during the year.

Operational segmental review

ICT-Carriers

ICT-Carriers includes the Webb Industries, Hi-sites and Carrier Solutions businesses and contributed 19% of group revenue. Carriers delivers telecommunications products and services, from design and planning of networks to configuration, integration and support. As a distributor and systems integrator, the proven solutions focus on access, transmission and operational support systems for telecommunications networks across Southern Africa.

Revenue declined by 48% from R342,7 million to R177,9 million. This was due to the major telecommunications operators reducing their infrastructure spend, as well as a significant decline in volumes of R46,5 million in the last quarter of the year due to the COVID-19 lockdown.

Operating profit declined from a profit of R43,0 million to a loss of R2,6 million due to the lower volumes. The COVID-19 lockdown reduced operating profit by R16,2 million in the last quarter, despite additional cost savings of R4,1 million following a restructure.

ICT-Enterprise

ICT-Enterprise contributed 55% of group revenue. Enterprise delivers end-to-end business solutions for both premises and cloud-based customer requirements. The business consists of four key areas, namely Communications Solutions (contact centre and workforce optimisation), Information Technology (IT) Solutions (network and unified communications, connectivity, cloud computing and IT managed services), Internet of Things (IoT) solutions (real-time asset tracking and management and property technology management), and Broadcast Solutions.

Revenue declined by 3,3% to R526,3 million (2019: R544,3 million) and declined by R38,0 million in the last quarter due to the impact of the COVID-19 lockdown.

The Broadcast and Communications Solutions lines of business were most significantly impacted due to delays in projects following the closure of customer sites. The Datavoice business had to reverse the revenue recognition on a major foreign project amounting to R11,5 million during the year, due to a customer related dispute. This resulted in Datavoice's profitability reducing significantly to a loss of R6,2 million.

The ICT-Enterprise operating profit decreased significantly from R54,7 million to R8,4 million and experienced a R26,7 million negative impact from the COVID-19 lockdown in the last quarter.

Reflex Solutions contributed revenue of R276,2 million (2019: R169,7 million) and an operating profit of R21,4 million (2019: R18,8 million). This business will be disposed of following the financial year-end for R76,0 million (*cum dividend*).

Security & Fire

Security & Fire includes Security Solutions and Fire Solutions and contributed 6% of group revenue. It offers design, installation and maintenance of smart technology solutions to address the safety of buildings and people. The offering ranges from access control, surveillance systems, fire detection and fire suppression to a suite of smart building solutions.

The year under review was a period of consolidation after the business unit's restructure in F2019. Within the first three quarters of F2020, revenue was ahead of the prior year. However, the last quarter was significantly impacted by the COVID-19 lockdown, as customers' sites were closed and a number of large project installations were delayed. As a result, revenue decreased by 18,6% to R62,5 million from the previous year's R76,8 million. The COVID-19 lockdown impact amounted to R30,3 million in the last quarter.

During the fourth quarter, management curtailed unnecessary expenses, but maintained salaries at pre-lockdown levels. In addition, the benefits from an additional round of restructuring will only materialise in F2021. The loss of planned volumes on a relatively static expense base resulted in an operating loss of R3,9 million for the full year compared to a R9,5 million loss in the prior year. The COVID-19 lockdown impact amounted to R6,1 million in the last quarter.

Power & Renewables

Power & Renewables contributed 1% of group revenue. It offers a turnkey service that covers both quality and assurance of supply, including uninterruptible power supplies, generators, transformers, voltage stabilisers, surge protection and Small Scale Embedded Generation (SSEG) renewable solar photovoltaic (PV) solutions.

Revenue declined by 20,9% from R9,9 million to R7,8 million due to the slow uptake in solar PV sales based on reluctance by customers to incur large capital investments. This has resulted in a restructure and removal of direct costs associated with Solar PV solutions. The last quarter experienced a R6,0 million loss in expected revenue due to the COVID-19 lockdown.

Operating profit deteriorated from a loss of R4,5 million to a loss of R8,0 million due to the absence of Solar PV projects, combined with restructuring costs. The COVID-19 lockdown impacted profitability by R1,1 million in the last quarter.

Electrical Manufacturers

Electrical Manufacturers contributed 19% of group revenue. It is largely a component manufacturer of plastic injection-moulded products, wire harnesses, metal pressings and household electrical products, with a specific focus on the large home appliance market in South Africa.

Revenue decreased by 7,6% to R181,7 million from last year's R196,6 million. This was an acceptable result considering the effects of the COVID-19 lockdown and the significant loss in revenue of R34,3 million during the fourth quarter.

As the business manages to continue diversifying its customer mix, gross margins are expected to improve. The overheads were reduced by 4,8%, as management continues with strict cost containment measures.

This resulted in operating profit of R5,1 million, with a margin of 2,8%. Although this declined from last year's R9,6 million, with a margin of 4,8%, it is a satisfactory result given the R8,1 million impact from the COVID-19 lockdown in the last quarter.

This business remains capital intensive, with net asset value of R56,6 million (2019: R76,9 million). The management team made a concerted effort to reduce the working capital position in anticipation of the expected disposal of this business in the second half of the year. The sale transaction was cancelled following the negative impact of COVID-19 on the purchaser's funding arrangements.

Key internal initiatives

Reducing debt levels and the interest burden

The priority is to continue to reduce the debt obligation over the next financial year and to introduce a new commercial banking partner to reduce the Bank of China working capital loan. Due to the reduction in the cost base across the group, improved profitability and cash generation are expected going forward. This will assist in systematically reducing the debt levels.

The gearing percentage is 315% (from 81%) due to the significant loss reported. This includes the Bank of China working capital term loan facility which replaced the previous overdraft facilities. Following the potential disposal of Reflex Solutions (refer to Subsequent events), the bulk of the proceeds will be utilised to reduce debt and return the gearing ratio closer to the target levels.

Improving profitability of business units

The desired improvement in the profitability was not achieved. Although aggressive cost cutting was undertaken throughout the year, with a number of business areas being rationalised or closed, the impact of the COVID-19 lockdown was severe. Consequently, a further fundamental organisational restructure was completed in the new financial year following the appointment of the interim CEO.

Working capital management

Management will continue its focus on working capital and maintain the high standards achieved in debtors' and inventory management.

Finance teams

The finance teams across the group worked well with the new auditing team in difficult circumstances given the COVID-19 lockdown restrictions and the requirement to audit remotely. Although this caused some delays, the main reason for the time extension before publishing results was the protracted negotiations with the minority shareholders of Reflex Solutions and the extension of the Bank of China facility (see Subsequent events below).

Subsequent events

The group entered into share subscription and put option agreements, as well as several related agreements with the minority shareholders of Reflex Solutions on 18 September 2020. As a consequence, Jasco will relinquish control of Reflex Solutions on the share subscription date and will accordingly equity account the business. This transaction was approved by the board on 9 September 2020. There is no impact on the current financial year.

The board approved the exercise of the put option by the company to dispose of the 510 shares in Reflex Solutions for R76,0 million (including the dividend of R3,2 million). As this is a Category 1 transaction, it will be subject to the required shareholder and regulatory approvals. The disposal proceeds will be utilised to reduce debt (the corporate bond and working capital loan). The circular is expected to be distributed to shareholders by 31 January 2021.

The company obtained an extension of the working capital loan facility from the Bank of China to 27 December 2021.

The COVID-19 lockdown levels eased to Level 1 and business volumes have improved during the first quarter of the new financial year. Certain of the business units have improved faster than others.

Anticipated major accounting developments

There are no major accounting developments expected to materially impact F2021.

Group prospects

The economic outlook for F2021 remains very challenging. However, management will remain focused on executing their strategic goals.

The key focus areas for the next 12 months are:

- Stabilise the balance sheet by disposing of non-core assets and reducing debt;
- Improve earnings by addressing the head office costs and underperforming business units to meet profitability targets;
- Accelerate growth through investment in key growth markets and launch new smart solution offerings of open access networks, internet-of-things, and cloud workforce management;
- Continue to focus on effective people engagement, development and retention through further investment in the group's online training platform; and
- Reduce and optimise the legal and operational structure.

The performance thus far during the first half of the new financial year is pleasing with improving revenue following the easing of the COVID-19 lockdown. Although the revenue is still lower than the same period last year, the gross margins are steady, the overhead expense base has reduced by 25% and operating profit is consequently higher.

Litigation, claims and other contingencies

The following item should be noted:

The investigation by the Competition Commission into Jasco Security & Fire (formerly MV Fire Proprietary Limited), several other fire installation companies, and the Automatic Sprinkler Inspection Bureau (ASIB) continues.

The period under investigation dates back to before Jasco's ownership of the company. The investigation has focused on the commission's view that installation companies should compete with ASIB in the provision of inspection and accreditation services. Jasco maintains it has not contravened the competition law and will continue to defend the matter. The former owner has been cooperating with our attorneys in defending the matter. The maximum potential penalty is 10% of revenue in the year the Commission commenced the investigation. This is estimated at R3,5 million.

Going concern

We draw attention to the fact that on 30 June 2020, the group accumulated losses of R257,2 million (2019: R139,2 million), with the group making a loss of R110,9 million (2019: R29,1 million). The group's current liabilities exceed its current assets by R145,9 million (2019: R63,9 million) as the group breached its debt covenants causing the loans to be recorded as current liabilities instead of non-current. These events and conditions indicate that a material uncertainty exists that may cast doubt on the groups ability to continue as a going concern.

Subsequent to year-end, the Bank of China loan was extended to a 100% lump sum repayment on 31 December 2021. The directors believe there is sufficient financing available to continue the business of the group, accordingly, these financial statements have been prepared on a going-concern basis.

Dividend proposal

A dividend is not proposed due to the loss reported for the financial year.

Changes to the board

The board welcomed Mr AMF (Pete) da Silva back as the interim CEO from 1 June 2020, following the resignation of Mr M (Mark) Janse van Vuuren on 31 May 2020. Mr T (Thapelo) Petje resigned from the board on 29 February 2020. The Board thanks them both for their dedicated and loyal service to the group.

For and on behalf of the board

Dr ATM Mokgokong <i>(Non-executive chairman)</i>	AMF da Silva <i>(Chief executive officer)</i>	WA Prinsloo <i>(Chief financial officer)</i>
14 December 2020		

Basis of preparation

The summarised consolidated results have been prepared in accordance with the Framework Concepts of International Financial Reporting Standard ("IFRS"), IAS 34 Interim Financial Reporting Standards, the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council, the South African Companies Act, 71 of 2008, as amended and the Listings Requirements of the JSE Limited. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous year, with the exception of the adoption of IFRS 16. These summarised consolidated financial statements, which were derived from the underlying audited consolidated financial statements for the year ended 30 June 2020, have not been audited. The directors take full responsibility for the preparation of the abridged report and confirm that the financial information has been correctly extracted from the underlying audited financial statements, which have been prepared under the supervision of WA Prinsloo CA(SA). The auditors, Mazars, have audited the consolidated annual financial statements for the year ended 30 June 2020 from which this summarised report has been derived and on which an unmodified opinion was expressed. The annual financial statements and a copy of the unmodified audit opinion are available at Jasco's registered office.

Fair value of financial instruments

The fair values of financial instruments are determined using appropriate valuation techniques, including recent market transaction and other valuation models, have been applied and significant inputs include exchange rates. The group only has assets that are carried at fair value in Level 2. There is no difference between the fair value and carrying value of financial instruments not presented below due to either the short-term nature of these items, or the fact that they are priced at variable interest rates.

Fair value hierarchy

Financial instruments carried at fair value in the statement of financial position

- Financial assets at fair value through profit or loss	(R'000)	57
- Financial liabilities at fair value through profit or loss	(R'000)	69

Posting of integrated annual report and notice of annual general meeting

Shareholders are further advised that the company's integrated annual report for the year ended 30 June 2020, containing the annual financial statements and notice of annual general meeting, will be distributed on Friday, 18 December 2020.

Included in the integrated annual report is a notice of annual general meeting of shareholders, which will be held in the company's boardroom, Jasco Office Park, Corner Alexandra Avenue and Second Street, Midrand, on Tuesday, 19 January 2021, at 14:00 to transact the business as stated in the notice of the annual general meeting to be distributed to shareholders on 18 December 2020.

The record date, for purposes of determining which shareholders are entitled to receive the notice of annual general meeting, will be Friday, 4 December 2020.

The last day to trade and the record date for shareholders to be eligible to participate in and vote at the annual general meeting are Tuesday, 5 January 2021 and Friday, 8 January 2021 respectively.

The integrated annual report will be available on the company website: www.jasco.co.za from 18 December 2020.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2020 R'000	2019 Restated ^a R'000	2018 Restated ^a R'000
Assets			
Non-current assets	327 277	258 203	258 819
Plant and equipment [†]	74 675	83 393	79 596
Right-of-use assets	106 124	–	–
Intangible assets	117 772	144 233	154 509
Investment in joint venture/associate	–	–	4 412
Deferred income tax	21 981	22 093	19 725
Other non-current contract assets	1 664	–	–
Other non-current assets	5 061	8 484	577
Current assets	309 208	399 823	467 229
Inventories	101 113	108 484	102 642
Contract assets	11 927	6 685	–
Trade and other receivables	159 646	205 136	286 197
Taxation refundable	11 938	11 308	9 506
Short-term portion of other non-current assets	3 258	2 723	995
Cash and cash equivalents	21 326	65 487	67 889
Total assets	636 485	658 026	726 048
Equity and liabilities			
Shareholders' equity	59 626	176 535	204 219
Share capital	281 283	281 283	281 283
Treasury shares	(3 083)	(3 203)	(450)
Non-distributable reserves	4 848	7 109	6 941
Retained loss	(257 155)	(139 174)	(110 392)
Equity attributable to equity holders of the parent	25 893	146 015	177 382
Non-controlling interests	33 733	30 520	26 837
Non-current liabilities	121 743	17 721	139 440
Interest-bearing liabilities ^c	6 218	7 083	128 549
Lease liabilities [*]	110 871	–	–
Contract liabilities	2 333	3 877	518
Deferred income tax	2 321	6 761	10 373
Current liabilities	455 116	463 770	382 389
Trade and other payables	172 446	213 450	285 263
Provisions	5 891	1 354	1 196
Taxation	4 970	5 239	2 992
Contract liabilities	42 509	41 674	38 237
Short-term borrowings ^c	203 020	202 053	54 701
Lease liabilities [*]	26 280	–	–
Total equity and liabilities	636 485	658 026	726 048

^a Prior year includes Leased assets previously recognised prior to adoption of IFRS 16
^b Interest-bearing liabilities include finance lease liabilities recognised prior to the adoption of IFRS 16 leases
^c Prior year lease liabilities arising on adoption of IFRS 16
^d Certain provisions were reclassified into trade and other payables as they better reflect the nature of the liability.

JASCO ELECTRONICS HOLDINGS LIMITED

Registration number 1987/003293/06
 JSE share code: JSC ISIN: ZAE000003794
 ("Jasco" or "the company" or "the group")

Directors and Secretary:

Dr ATM Mokgokong (Chairman),
 MJ Madungandaba (Deputy Chairman),
 DH du Plessis*, S Bawa*, P Radebe*, T Zondi* (Non-executive),
 AMF da Silva (CEO), WA Prinsloo (CFO) (Acting company secretary)
 *Independent

Registered office:

Jasco Park, c/o 2nd Street and Alexandra Avenue, Midrand, 1685

Transfer secretaries:

Link Market Services SA (Pty) Limited, 13th Floor, Rennie House,
 19 Ameshoff Street, Braamfontein, 2001

Sponsor:

Grindrod Bank Limited, Fourth Floor, Grindrod Tower, 8A Protea
 Place, Sandton, 2146

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2020 R'000	2019 R'000
Revenue	939 213	1 137 355
Cost of sales	(652 533)	(746 540)
Gross profit	286 680	390 815
Other income	17 999	20 575
Selling and distribution costs	(2 252)	(2 186)
Administrative expenses	(240 614)	(286 214)
Other expenses	(118 024)	(109 669)
Net impairment loss on trade receivables	(4 121)	(1 972)
Operating (loss)/profit	(60 332)	11 349
Finance income	3 726	4 559
Finance costs	(36 079)	(25 754)
Equity accounted share of profit/(loss) from associate	33	(1 623)
Loss before taxation	(92 652)	(11 469)
Taxation	(9 983)	(7 906)
Loss for the year	(102 635)	(19 375)
Other comprehensive loss	–	–
Total comprehensive loss for the year	(102 635)	(19 375)
Profit/(Loss) for the year attributable to:		
– non-controlling interests	8 228	9 762
– ordinary shareholders of the parent	(110 863)	(29 137)
	(102 635)	(19 375)
Total comprehensive income/(loss) attributable to:		
– non-controlling interests	8 228	9 762
– ordinary shareholders of the parent	(110 863)	(29 137)
	(102 635)	(19 375)
Earnings per ordinary share (cents) – basic	(49,4)	(12,9)
– diluted	(49,4)	(12,9)

CONSOLIDATED STATEMENT OF CASH FLOWS

	2020 R'000	2019 R'000
Cash flows from operating activities	(7 424)	42 435
Cash generated from operations	37 935	79 480
Interest received	3 523	4 310
Interest paid [*]	(34 726)	(23 915)
Taxation paid	(10 893)	(13 440)
Dividend paid to non-controlling shareholder	(3 263)	(4 000)
Cash flows from investing activities	(15 402)	(55 915)
Purchase of plant and equipment	(7 329)	(12 986)
Proceeds on disposal of plant and equipment	520	711
Additions to right-of-use assets	(2)	–
Additions to intangibles	(8 686)	(12 795)
Acquisition of subsidiary, net of cash disposed of	–	(30 828)
Disposal of subsidiary, net of cash disposed of	(74)	–
Increase in loan to associate	(2 554)	(1 018)
Receipts from loan to customer	2 724	1 001
Cash flows from financing activities	(24 517)	10 335
Cash flows from treasury shares	–	(524)
Non-current loans raised	–	20 000
Non-current loans repaid	(10 319)	(7 641)
Leases – principal payments	(14 198)	–
Transactions with non-controlling shareholders	–	(1 500)
Net decrease in cash and cash equivalents	(47 343)	(3 145)
Cash and cash equivalents at beginning of year	64 769	67 889
Revaluation of foreign cash balances	368	25
Net cash and cash equivalents at end of year	17 794	64 769
Cash and cash equivalents	21 326	65 487
Bank overdrafts	(3 532)	(718)
Net cash and cash equivalents at end of year	17 794	64 769

* Includes R12,7 million IFRS 16 interest paid to lessors.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Treasury shares R'000	Non-distributable reserves R'000	Retained earnings/(loss) R'000	Total parent shareholders' equity R'000	Non-controlling interest R'000	Total equity R'000
Balance as at 30 June 2018	281 283	(450)	6 941	(110 392)	177 382	26 837	204 219
Treasury shares	–	–	–	–	–	–	–
– Share Incentive Trust	–	(2 753)	–	–	(2 753)	–	(2 753)
Equity settled share-based payment	–	–	517	–	517	–	517
Transfer of equity settled share-based payment reserve	–	–	(355)	355	–	–	–
Transactions with non-controlling shareholders	–	–	2 448	–	2 448	(6 079)	(3 631)
Utilisation of equity settled share-based payment reserve	–	–	(2 442)	–	(2 442)	–	(2 442)
Total comprehensive (loss)/income	–	–	–	(29 137)	(29 137)	9 762	(19 375)
(Loss)/profit for the year	–	–	–	(29 137)	(29 137)	9 762	(19 375)
Other comprehensive loss	–	–	–	–	–	–	–
Balance as at 30 June 2019	281 283	(3 203)	7 109	(139 174)	146 015	30 520	176 535
Retained earnings	–	–	–	–	–	–	–
– IFRS 16 transitional adjustment	–	–	–	(9 321)	(9 321)	(1 790)	(11 111)
Restated equity at the beginning of the year	281 283	(3 203)	7 109	(148 495)	136 694	28 730	165 424
Treasury shares – Share Incentive Trust	–	120	–	–	120	–	120
Equity settled share-based payment	–	–	187	–	187	–	187
Disposal of companies	–	–	–	–	–	38	38
Dividend paid to non-controlling shareholder	–	–	–	–	–	(3 263)	(3 263)
Recycling of non-distributable reserves (transaction with NCI)	–	–	(2 448)	2 448	–	–	–
Transactions with non-controlling shareholders	–	–	–	(245)	(245)	–	(245)
Total comprehensive (loss)/income	–	–	–	(110 863)	(110 863)	8 228	(102 635)
(Loss)/profit for the year	–	–	–	(110 863)	(110 863)	8 228	(102 635)
Other comprehensive loss	–	–	–	–	–	–	–
Balance as at 30 June 2020	281 283	(3 083)	4 848	(257 155)	25 893	33 733	59 626

SEGMENTAL REPORT

	Income and expenses									Financial position		
	Revenue			Net forex profit/(loss) and other income [*]	Administrative and other expenses [*]	Depreciation and amortisation	Operating profit/(loss) [†]	Finance income	Finance costs	Assets	Liabilities	Capital expenditure
	Revenue	Inter-segment	Segmental revenue									
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
2020												
ICT – Enterprise	526 314	(7 992)	518 322	11 760	(167 327)	(25 788)	8 356	3 150	(1 908)	190 178	147 517	22 722
ICT – Carriers	177 905	(19)	177 886	596	(57 262)	(3 777)	(2 612)	107	(754)	86 755	29 148	309
Electrical Manufacturers	181 677	–	181 677	(433)	(30 811)	(10 452)	5 132	56	(2 865)	111 510	54 944	1 344
Security & Fire	62 543	–	62 543	38	(21 966)	(312)	(3 895)	–	(121)	21 796	10 030	68
Power & Renewables	7 824	(164)	7 660	64	(7 907)	(331)	(8 052)	1	(2)	2 030	1 513	59
Sub-total operating division	956 263	(8 175)	948 088	12 025	(285 273)	(40 660)	(1 071)	3 314	(5 650)	412 269	243 152	24 502
Other non-operating divisions	–	–	–	40 197	(78 776)	(10 994)	(49 573)	721	(26 852)	163 927	258 825	941
Adjustments [‡]	(17 050)	8 175	(8 875)	(39 896)	38 947	(10 279)	(9 688)	(309)	(3 577)	60 289	74 882	(501)
Total	939 213	–	939 213	12 326	(325 102)	(61 933)	(60 332)	3 726	(36 079)	636 485	576 859	24 942
2019												
ICT – Enterprise	544 271	(9 126)	535 145	13 480	(196 785)	(18 222)	54 738	2 727	(1 195)	177 467	94 746	27 306
ICT – Carriers	342 747	–	342 747	883	(76 077)	(1 389)	43 022	210	(89)	112 877	30 294	1 793
Electrical Manufacturers	196 641	–	196 641	(692)	(33 250)	(5 370)	9 575	84	(513)	100 111	23 261	3 630
Security & Fire	76 826	(11 064)	65 762	1 854	(24 285)	(377)	(9 530)	29	(503)	32 478	17 795	542
Power & Renewables	9 892	(259)	9 633	365	(7 247)	(242)	(4 466)	1	(6)	3 781	350	–
Sub-total operating division	1 170 377	(20 449)	1 149 928	15 890	(337 644)	(25 600)	93 339	3 051	(2 306)	426 714	166 446	33 271
Other non-operating divisions	610	–	610	68 637	(142 135)	(6 739)	(95 804)	1 913	(31 917)	179 349	238 772	4 590
Adjustments [‡]	(33 632)	20 449	(13 183)	(78 578)	119 622	(6 168)	(13 814)	(405)	8 469	51 963	76 272	(608)
Total	1 137 355	–	1 137 355	5 949	(360 157)	(38 507)	11 349	4 559	(25 754)	658 026	481 490	37 253

[†] Segmental revenue and operating profit of the operating divisions includes the interest received and paid relating to the finance lease receivables, but excludes all other interest paid or received and is stated before making adjustment for inter-group administration fees.
^{*} Made up of other income and foreign exchange losses.
[†] Made up of operating expenses excluding foreign exchange losses and depreciation and amortisation.
[‡] Relates to elimination of inter-group transactions.