MultiChoice Group

Consolidated annual financial statements
for the year ended 31 March 2021

Statement of responsibility by the board of directors

for the year ended 31 March 2021

The consolidated annual financial statements are the responsibility of the directors of MultiChoice Group Limited. In discharging this responsibility, they rely on group management to prepare the consolidated annual financial statements presented on pages 1 to 86 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 as amended (the Companies Act). The group also subscribes in all its activities to principles of best practice and corporate governance, as set out in the King IV Report on Corporate Governance for South Africa 2016 (King IV™). In conformity with IFRS, the consolidated annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated annual financial statements. No facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading. Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements. The group operates in an established control environment, which is documented and regularly reviewed. The group risk committee plays an integral role in risk management.

The group's internal audit function, which operates unimpeded by operational management, and has unrestricted access to the group's audit committee, assesses and, when necessary, recommends improvements in the system of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business.

The directors believe that the group has adequate resources to continue operations as a going concern in the foreseeable future, based on budgets, cash flow forecasts and available cash resources. The consolidated annual financial statements, reflecting the current financial position and existing borrowing facilities, support the viability of the group. The preparation of the consolidated annual financial statements was supervised by the group's Chief Financial Officer, Tim Jacobs CA(SA). These results were made public on 10 June 2021.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. A copy of PricewaterhouseCoopers Inc.'s unqualified audit report is presented on pages 14 to 21.

The consolidated annual financial statements were approved by the board of directors on 10 June 2021 and are signed on its behalf by:

Imtiaz Patel
Chair

Calvo Mawela
Chief executive officer

Company Secretary's Certification

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, in my capacity as company secretary of MultiChoice Group Limited, I confirm that for the year ended 31 March 2021 the company has lodged with the Registrar of Companies and the Companies and Intellectual Property Commission, all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.

Carmen Miller
Company Secretary
10 June 2021

CEO and CFO responsibility statement

The directors, whose names are stated below, hereby confirm that:

(a) the consolidated annual financial statements set out on pages 1 to 86, fairly present in all material respects the financial position, financial performance and cash flows of MultiChoice Group Limited in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to MultiChoice Group Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements of MultiChoice Group Limited; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Calvo Mawela
Chief executive officer (CEO)
10 June 2021

Tim Jacobs
Chief financial officer (CFO)
10 June 2021

Report of the audit committee

for the year ended 31 March 2021

I am pleased to present the report of the audit committee (the committee) for the year ended 31 March 2021 (FY21). The committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

Members of the audit committee and attendance at meetings

The committee consists of independent non-executive directors and meets at least three times per year in accordance with its charter. All members act independently, are financially literate, have sound business and financial acumen and comply with all other requirements of section 94 of the Act. The committee has unrestricted access to company information falling within the committee's mandate and liaises with management on the information it requires to carry out its responsibilities.

During FY21, four meetings were held. The internal and external auditors, in their respective capacity as auditors to the group, attended and reported at all formal meetings of the committee. Both internal and external auditors have unrestricted access to the committee through the chair as well as the opportunity at one meeting per year to report to the committee in the absence of management. The chairperson of the board, group CEO, group CFO, group company secretary, corporate CFO and group general counsel while not members, attend committee meetings by invitation.

The names of the members who were in office during FY21, and up to the date of this report, and the details of the committee meetings attended by each of the members are reflected below.

Name of member	Qualifications	Attendance	Category
L Stephens[1]	BBusSc (finance), BCom(Hons) (RAU), CA(SA), CD(SA)	4/4	Independent non-executive (chair)
CM Sabwa	BCom(Accounting), CPA(K)	4/4	Independent non-executive
E Masilela[2]	BSocSci (Economics and statistics) and MSc (Economic Policy and Analysis)	4/4	Independent non-executive
JH du Preez[3]	CA(SA), CD(SA)	0/0	Independent non-executive
DG Eriksson[4]	CTA and CA(SA)	1/1	Independent non-executive
SJZ Pacak[5]	B.Acc and CA(SA)	0/0	Independent non-executive

1 L Stephens was appointed as chair of the committee with effect from 3 April 2020.
2 E Masilela was appointed as a member with effect from 3 April 2020.
3 JH du Preez was appointed post financial year end, on 1 April 2021, and thus did not attend any meetings during the reporting period.
4 DG Eriksson retired with effect from 11 June 2020 and thus only attended one committee meeting during the reporting period.
5 SJZ Pacak stepped down as the chair and member of the committee with effect from 3 April 2020 and thus did not attend any committee meetings during the reporting period.

The board and the nomination committee unanimously recommend to shareholders at the Annual General Meeting (AGM) that the current committee members be re-elected, including the appointment of JH du Preez, an independent non-executive director, who was appointed to the committee with effect from 1 April 2021.

Responsibilities

The committee has adopted formal terms of reference, delegated by the board of directors, as set out in its charter.

The committee has discharged its responsibilities in terms of its charter and ascribed to it in terms of the Act as follows:

Financial controls

- Review and approve for presentation to and approval by the board, the group's integrated annual report, annual financial statements, interim and provisional reports, and any other group press releases with material financial or internal control impacts. These reviews included:
    - taking appropriate steps to ensure the annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act.
    - considering and, when appropriate, making recommendations on internal financial controls.
    - dealing with concerns or complaints on accounting policies, internal audit, the auditing or content of the annual financial statements, and internal financial controls.
    - reviewing key audit matters raised by the external auditor and management's response thereto.
    - reviewing legal matters that could have a significant impact on the annual financial statements.
    - compiling a report to be inserted in the annual financial statements, describing how the audit committee carried out its functions.

Financial controls (continued)

- Disclose in the integrated annual report significant matters that the audit committee has considered in relation to the annual financial statements, and how these were addressed by management.
- Reviewed the ability of the group to continue as a going concern, including an analysis of the group's liquidity and solvency and recommend it to the board for approval.

External Auditor

- Receive all audit reports directly from the external auditor.
- Annually review the external auditor's performance and disclose the committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor, Brett Stephen Humphreys, who will be subject to rotation at the latest by FY24 as required by regulations.
- Present the committee's conclusions on the external auditor to the board, preceding the annual request to shareholders to approve the appointment of the external auditor.
- Approve the external auditor's terms of engagement and remuneration.
- Consider the need for mandatory audit firm rotation, as required by legislation.
- Evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports.
- Develop a policy for the board to approve non-audit services performed by the external auditor. Approve non-audit services provided by the external auditor in accordance with this policy.

Internal Audit

- Approve and recommend to the board for approval, the internal audit charter, which must be reviewed annually.
- Oversee the internal audit function and assist the board in fulfilling the following responsibilities:
  - set the direction for internal audit arrangements needed to provide objective and relevant assurance contributing to the effectiveness of governance, risk management and control processes.
  - ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the group, and that internal audit is supplemented as required by specialists.
  - confirm the appointment of the head of the group's internal audit function and periodically review her performance.
  - monitor that internal audit follows an approved risk-based internal audit plan, review the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
  - ensure internal audit provides a statement annually as to the effectiveness of the company's governance, risk management and control process.
  - ensure the internal audit function is subject to an external, independent quality review every four years.
  - obtain confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics and internal auditing standards.
  - review internal audit and the risk committee's reports to the audit committee.

Combined Assurance

- Ensure that the arrangements for assurance services are effective in achieving the following objectives:
  - enabling an effective internal control environment;
  - supporting the integrity of information used for internal decision-making by management, the board and its committees, and
  - supporting the integrity of external reports.
- Ensure a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, they support the objectives of assurance.
- Ensure that the combined assurance model is designed and implemented to cover effectively the group's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the group.
- Disclose in the integrated report the arrangements in place for combined assurance and the committee's views on its effectiveness.

Other matters

- Review procedures to ensure that the listing requirements of the Johannesburg Stock Exchange (JSE) are complied with.
- Review practices with reference to the King IV™ Code on Corporate Governance and make specific disclosures recommended by the code.
- Monitor compliance with board-approved group levels of authority.
- Establish procedures for the receipt, retention and treatment of complaints received on accounting, internal control, auditing matters, risk management and management of other fraudulent activities, including procedures for confidential, anonymous reporting by employees.
- Annually evaluate the performance and appropriateness of the expertise and experience of the chief financial officer and the finance function, and disclose the results in the integrated annual report.
- Evaluate the effectiveness of risk management, controls and governance processes.
- Review audit committee reports and charters of all major subsidiaries, as well as their annual assessment of charter compliance.
- Review the JSE Limited's report on the proactive monitoring of annual financial statements and ensure correct application in the group's reported financial information.

Key areas of focus during FY21

The committee's key focus areas during the year included:

- discharging its functions in terms of its charter.
- assessing the impact of changes to accounting standards and the JSE Listings Requirements.
- reviewing implementation of King IV™ recommendations.
- focusing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns.
- review of the group's treasury risks including foreign exchange liquidity shortages and depreciation as well as counterparty risk management.
- oversight of the group's process around mandatory audit firm rotation.
- ensuring the internal financial control and reporting impacts of COVID-19 were adequately addressed.
- reviewing at each meeting the management of and accounting for taxation obligations and contingencies.

Financial statement reporting issues

The committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the annual financial statements with its primary focus being on:

- the quality and acceptability of accounting policies and practices;
- material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor; and
- an assessment of whether the annual financial statements, taken as a whole, are fair and balanced

The significant judgements, issues and conclusions reached, or actions taken by the committee in relation to the FY21 annual financial statements are outlined below.

Each of the matters were discussed with the external auditor and group management, and, where appropriate, have been addressed as key audit matters in the report on the audit of the consolidated annual financial statements on pages 14 to 21.

Significant reporting matter	How the audit committee addressed the matter
BetKing investment On 1 October 2020 the group finalised an investment for a 20% shareholding in BetKing. The transaction was structured with an upfront investment of USD81m (ZAR1.4bn) paid in cash and the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation paid being supported by future equity transactions. Management determined this transaction to be an investment in an associate as a result of the group obtaining significant influence over BetKing through its shareholding and board representation. As a result the business has been equity accounted from 1 October 2020. A large degree of management judgement was exercised on the identification and valuation of the separately identifiable intangible assets acquired within Betking and the likelihood of the contingent consideration materialising. This reporting matter is addressed in the following notes to the consolidated annual financial statements: • Note 25 - Investment in joint ventures and associates	This reporting matter was addressed by the audit committee as follows: • Challenging both management and the external auditor on the judgements underpinning the identification and measurement of separately identifiable intangible assets acquired; • Ensuring that based on the latest developments and discussion with management, managements accounting policies have been appropriately recognised and disclosed in the consolidated annual financial statements; • Discussing with management and the external auditors on the IFRS compliance of accounting for this associate investment. Consequently, the audit committee was satisfied with the approach adopted in the consolidated annual financial statements.
Accounting for Taxation Due to the inherently complex nature of tax exposures in developing markets, specifically within the Rest of Africa segment, the group has recognised material tax liabilities and contingencies in the consolidated annual financial statements. A large degree of management judgement is exercised in estimating potential exposures where the interpretation of tax laws and regulations is subjective. This reporting matter is addressed in the following notes to the consolidated annual financial statements: • Note 9 - Taxation; • Note 10 - Deferred taxation; and • Note 14 - Commitments and contingencies.	This reporting matter was addressed by the audit committee as follows: • Review of updates on the group's assessment on uncertain tax matters from management, including internal and external tax specialists, and legal opinions where necessary; • Challenging both management and the external auditor on the judgements underpinning the measurement and disclosure of uncertain tax matters. Consequently, the audit committee was satisfied with the approach adopted in the consolidated annual financial statements.

Other reporting matters

The committee has reviewed and is satisfied with the adequacy and effectiveness of accounting policies, financial and other internal control systems, and the financial reporting processes which are operating effectively. In doing so the committee considered all entities included in the consolidated annual financial statements and has had access to all relevant financial information to allow the committee to effectively prepare and report on the financial statements of the issuer.

The committee reviewed the adoption and calculation of the group's non-IFRS measures including organic trading profit, core headline earnings and free cash flow. The committee was satisfied that these measures are key to understanding the financial performance of the group and further concluded that the adoption and calculation was appropriate.

Internal audit

The committee has oversight of the group's annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the group to discharge its duties.

The committee oversees cooperation between internal and external auditors and serves as a link between the board of directors and these functions. The group head of internal audit reports functionally to the chair of the committee and administratively to the group CFO. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, are effective.

Effectiveness of the group's internal financial controls

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors on findings from the audit of the consolidated annual financial statements, the risk management processes and systems of internal control of the group were effective for the year under review. No material weaknesses in internal financial controls of the group and its subsidiaries were reported for the year under review.

Independence and effectiveness of the external auditor

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the group until the next AGM. PwC has been the auditor of the group since December 2018. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has, at all times, acted with unimpaired independence.

Details of fees paid to the external auditor are disclosed in note 6 to the consolidated annual financial statements. All non-audit services provided by the auditor were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The audit committee approved the provision of non-audit services that it believes are routine and recurring services that would not impair the independence of the auditor and are consistent with the principles of the Code of Professional Conduct set by the Independent Regulatory Board for Auditors (IRBA). Approved services included general consulting advice and limited tax consulting advice such as tax compliance. Services approved for FY21 amounted to ZAR2.9m (FY20: ZAR9.1m) for tax consulting and ZAR2.8m (FY20: ZAR5.3m) for other services.

During FY21, the committee reviewed representations by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives. The committee also reviewed the results of the IRBA audit findings and assessed if and how these impacted the MCG audit. Based on this review, the committee concluded the external audit to be satisfactory. It was confirmed that no unresolved issues of concern exist between the group and the external auditors.

The partner responsible for the audit is required to rotate every five years. Brett Stephen Humphreys has been the audit partner for three financial years.

The committee has, in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements, satisfied itself that the external auditors and designated auditor are accredited on the JSE list of auditors and advisers, and further confirms that it has assessed the suitability for the appointment of the external auditor and the designated individual audit partner. The committee has, as part of its assessment, requested and reviewed the information detailed in paragraph 22.15(h) of the JSE Listings Requirements from the external auditor.

Accordingly, the committee recommends the reappointment of the external auditors, PwC, and designated auditor, Brett Stephen Humphreys, at the next AGM.

Mandatory audit firm rotation

During FY21, the group commenced its process in line with IRBA's mandatory audit firm rotation requirement, which requires the company to rotate auditors at the latest by FY24. The first part of this process entails selecting new external auditors which will be concluded during FY22. The group intends to implement a phased transition approach, starting in FY23, to ensure the rotation is as seamless as possible.

Confidential meetings

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors, separately and independently from senior management.

Expertise and experience of the group's CFO and the finance function

As required by the King IV™ principle 8 practice 59f and the JSE Limited Listings Requirements 3.84(g), the audit committee has satisfied itself that the group CFO has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the group's requirements. Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the CFO, is effective.

Integrated combined assurance

The board does not only rely on the adequacy of the embedded internal control process in the business but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied that these together are effective for combined assurance. The various assurance providers to the board comprise the following:

- Senior management and the risk committee considers the group's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The audit committee receives assurance from the risk committee that risk management activities are sufficient and effective.
- Information technology governance is assessed by the committee through reporting at each meeting from the group chief information officer.
- The annual renewal of insurance (including directors and officers' insurance) is specifically considered together with risk management and the group's external insurance consultants.
- The committee considers the systems of internal control, internal and external audit reports and reviews the independence of the auditor, the extent and nature of audit engagements, scope of work and findings.
- This committee also reviews the level of disclosure in the annual financial statements and the appropriateness of accounting policies adopted by management and jointly with the risk committee considers material issues of fraud and reporting on fraud.
- The board reviews the performance of the committee against its charter.

The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

Discharge of responsibilities

The committee determined that, during FY21, it had discharged its legal and other responsibilities as outlined in terms of its charter, details of which are included in the full corporate governance report on www.multichoice.com. The board concurred with this assessment.

Key focus areas going forward

The committee's key focus areas for the next financial year include:

- discharging its functions in terms of its charter.
- focusing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns.
- review of the group's treasury risks including foreign exchange liquidity shortages and depreciation as well as counterparty risk management.
- guiding the group's progress with mandatory audit firm rotation.
- ensuring the internal financial control and reporting impacts of COVID-19 continue to be adequately addressed.
- reviewing at each meeting the accounting for taxation obligations and contingencies.

Louisa Stephens
Chair: Audit committee
10 June 2021

1. Nature of business

MultiChoice Group (MCG or the group) operates video-entertainment subscriber platforms in South Africa and sub-Saharan Africa (50 countries in total) and offers satellite (DTH), digital terrestrial television (DTT), over-the-top (OTT) and related video-entertainment services. Video-entertainment is a commercial service that provides packages of video and audio programming to consumers, typically for a monthly charge.

2. Financial review

In a year that required careful navigation of COVID-19 challenges, the group added 1.4m 90-day active subscribers to close the year ended 31 March 2021 (FY21) on 20.9m subscribers. This represents a 2% acceleration in YoY growth to 7%, as heightened consumer demand for video entertainment services, continued penetration of the mass market and an easing of electricity shortages in southern Africa improved growth rates. The 90-day subscriber base is split between 11.9m subscribers (57%) in the Rest of Africa and 8.9m (43%) in South Africa.

Revenue increased 4% (4% organic) to ZAR53.4bn, with subscription revenues accounting for ZAR44.7bn, a solid 5% (5% organic) increase YoY. Both advertising and commercial subscription revenues were significantly impacted by COVID-19. Advertising revenues were down 34% YoY (ZAR0.6bn) at the interim stage, but with less lockdown intensity in the second half and the return of live sport, it recovered well, ending 11% down YoY at ZAR2.8bn. Similarly, commercial subscription revenues started to recover in the latter part of the financial year. At the interim stage it was down 46% but finished the year 35% lower than the prior year. The hospitality industry remains intermittent in its recovery due to lockdowns and is expected to take some time to normalise.

Group trading profit rose 28% to ZAR10.3bn (44% organic), benefitting from a ZAR1.5bn (ZAR2.7bn organic) reduction in losses in the Rest of Africa and 9% growth in South Africa. This strong trading profit performance was due to resilient revenue growth, strong cost control and the impact of embracing new ways of working as a consequence of COVID-19 that reduced operating costs. It was further supported by a delay of ZAR1.1bn in sports events costs, which will be incurred in FY22.

An ongoing focus on cost reduction allowed for a further ZAR1.5bn in costs being eliminated from the base during the year. Overall costs decreased 1% YoY (-3% organic) and resulted in the group accelerating operating leverage from 5% in the prior year to 7% in FY21. Major contributors to these savings were renegotiated sports rights, lower decoder unit costs, sourcing and procurement savings and the benefits of ongoing digital adoption throughout the organisation.

The group continued its strategy of differentiation through local content and stepped up its investment by producing 4 567 additional hours (19% YoY growth), despite disruptions caused by strict early COVID-19 lockdown measures. As a result, the total local content library now exceeds 62 000 hours. During FY21, the group launched eleven new local language/content channels across sub-Saharan Africa. In Nigeria, the fifth season of *Big Brother*, produced as a lockdown edition, achieved a record 3 million viewers. In South Africa, the group screened several new local productions such as *Inconceivable, Lioness, Gomora* and *Legacy*. It also renegotiated two major international content agreements in South African Rand (ZAR) and completed five new co-productions *(Reyka, Rogue, Crime and Justice, Blood Psalms* and *Endangered Species*) with global content producers.

Core headline earnings, the board's measure of sustainable business performance, was up 32% on the prior year at ZAR3.3bn. The strong earnings growth was attributable to the improvement in trading profit and realised foreign exchange movements.

Consolidated free cash flow of ZAR5.7bn was up 10% compared to the prior year. This was underpinned by strong earnings growth for the year but dampened somewhat by the end of a contractual agreement on the southern Africa transponder lease, whereby an upfront payment led to reduced lease payments for the first 36 months of the lease term (ZAR0.4bn negative impact versus FY20). An increase in capital expenditure (ZAR0.7bn), primarily related to a multi-year investment programme to upgrade the group's customer service, billing and data capabilities, reduced cash flows further.

As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR4.1bn, slightly more than the prior year due to higher profitability.

Net interest paid increased by ZAR0.2bn to ZAR0.5bn, primarily as a result of the translation of interest on United States Dollar (USD) transponder lease liabilities at a weaker ZAR:USD exchange rate and interest on the new working capital term loan.

The strength of the balance sheet remains critically important given the uncertain longer-term economic impact of COVID-19 and funding requirements for RoA that includes liquidity constraints in Nigeria. Some ZAR9.5bn in net assets, including ZAR8.5bn in cash and cash equivalents, combined with ZAR4.0bn in available facilities, provide ZAR12.5bn in financial flexibility to fund the group's operations. This strong financial position is after ZAR4bn was utilised to settle the MCG and Phuthuma Nathi (PN) dividends in September, and ZAR1.4bn was spent acquiring a 20% stake in BetKing.

Cash holdings of ZAR2.5bn (FY20: ZAR1.7bn) held in Nigeria, Angola and Zimbabwe remain exposed to weaker currencies. A large part of the YoY increase can be attributed to renewed liquidity challenges in Nigeria, where the central bank has provided limited USD liquidity to the market.

3. Segmental review

South Africa

The South African business held up well in a tough consumer climate, delivering subscriber growth of 6% YoY or 0.5m subscribers on a 90-day active basis. The impact of COVID-19 and the associated lockdowns saw consumers prioritise video services, but a lack of live sport combined with the inability of commercial subscribers to trade, impacted negatively on revenue generation, especially early in the financial year.

Revenue increased 1% to ZAR34.3bn despite lower advertising (ZAR0.4bn) and commercial subscriber revenues (ZAR0.3bn). Revenue growth was supported by healthy subscriber growth in the middle and mass market and the uplift from annual price increases. This was negated by a lower average Premium subscriber base, mainly attributed to the lack of live sport for part of the financial year. This, together with the ongoing shift in subscriber mix towards the mass market and challenges faced in terms of commercial subscribers, resulted in the monthly average revenue per user (ARPU) declining 4% from ZAR290 to ZAR277.

Trading profit increased 9% to ZAR11.1bn. The higher profitability can be attributed to the group's cost optimisation programme, the non-recurrence of three major sporting events expensed in the prior year, lower operational costs in a COVID-19 environment and a temporary shift in content costs as a result of deferred sporting events.

SuperSport had to contend with no live sport in the first half of the financial year and nimbly adapted by changing channel line-ups, broadcasting top-quality documentaries and showcasing blockbuster sporting movies to keep subscribers entertained. Highlights for the year included renewing the English Premier League (2025) and UEFA Champions League (2024) rights, securing exclusive continental rights for the 2022 FIFA World Cup in Qatar and the blockbuster start to the group's live documentary journey with the hugely popular *Chasing the Sun.*

Connected Video users on the DStv app and Showmax continue to grow as online consumption increases. During the year Showmax launched Showmax Pro, the group's first standalone online sport offering, as well as DStv Streaming, which allows customers to subscribe to an online-only service. Local content is also proving to be a key differentiator on Showmax, with local content viewership up significantly this year, and four of the top five titles on Showmax being local productions. A record number of Showmax originals were launched during the year, including the first Kenyan and Nigerian original series.

The group expanded its entertainment ecosystem with the launch of Netflix and Amazon Prime Video on the Explora Ultra platform.

On the product front, numerous innovative and customer-centric product launches occurred in FY21. The new Explora Ultra decoder allows subscribers to seamlessly shift between satellite and online platforms, with all content aggregation occurring centrally via one billing platform. DStv Rewards leverages the group's supplier relationships to reward customers based on their behaviours, DStv Add Movies was the group's first meaningful foray into genre add-ons, while DStv Communities allows collective payments to improve active days and retention. Although still too early to be definitive on the success of these products, early signs are promising, with performance tracking either ahead or in line with expectations.

Rest of Africa

The Rest of Africa business grew its 90-day active subscriber base by 0.8m subscribers or 8% YoY, with the closing base now approaching 12m. The macroeconomic environment remained challenging with sharp currency depreciation and ongoing consumer pressure impacting reported results. Much needed rainfall reduced electricity shortages in southern Africa, resulting in a recovery of customers in Zambia and Zimbabwe. Liquidity challenges resurfaced in Nigeria in the previous financial year, and although being actively managed, cash balances in Nigeria increased ZAR0.8bn to close over ZAR2.3bn. The group also improved its Ethiopian local product offering, which includes localised billing, more Amharic content and SuperSport local language commentary.

Revenue of ZAR17.2bn grew 11% YoY (14% organic). Subscription revenue grew at a similar rate and contributed ZAR15.9bn. ARPU improved to ZAR115 (FY20: ZAR110), supported by a stable subscriber mix and inflationary price increases. Currency depreciation impacted results more than in the previous year, mainly due to the material depreciation against the USD of the Angolan Kwanza (47%), the Zambian Kwacha (43%) as well as a 7% depreciation in the Nigerian Naira late in the financial year.

2. Financial review (continued)

Rest of Africa (continued)

Trading losses narrowed by 52% (91% organic) or ZAR1.5bn (ZAR2.7bn organic) to ZAR1.4bn. The combination of revenue growth, effective cost control, content refunds and lower content costs with sports events being delayed resulted in the trading margin improving 11%. Although this sharp reduction in losses is pleasing, it must be noted that the return of major sporting events and further expected currency weakness will make it difficult to repeat such an improvement in FY22.

Technology

The technology segment, Irdeto, had a solid year. Despite the non-recurrence of USD8m in once-off revenues in the prior year and the deferral of certain project revenues due to COVID-19, it contributed ZAR1.8bn in revenues, an increase of 5% YoY (-1% organic). The trading profit margin normalised to 31%.

During the year, Irdeto continued to gain market share in providing digital security services in the video entertainment sector. Irdeto won new business with United Group, the leading telecom and media operator in South-Eastern Europe, and integrated its watermarking technology with IBM’s cloud platform to enable easier deployment by operators. Beyond video, it expanded its gaming security platform to include Steamworks, the largest digital distribution platform for PC games, and Sony for the PlayStation 5. Irdeto continued to expand its deployment of connected vehicles with Hyundai and added new projects to secure high-speed rail networks and capital-intensive construction equipment.

4. BetKing investment

As part of the group’s strategy to expand its entertainment ecosystem, it finalised an investment for a 20% shareholding in BetKing, a sports betting group with pan-African ambitions. The transaction was structured with an upfront investment of USD81m (ZAR1.4bn) paid in cash and the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation paid being supported by future equity transactions. As the group exercises significant influence through its shareholding and board representation, the business has been equity accounted as an associate from 1 October 2020.

5. Share transactions

Share schemes

The group realigned its long term incentive plan structures in the current year through three initiatives. Firstly, a new phantom share scheme was created for the technology segment, Irdeto. Irdeto competes globally to attract and retain top software engineering talent and it was deemed more appropriate for Irdeto’s long term incentive plan to be linked directly to the performance of the company. Secondly, the MCA 2008 SAR scheme was closed as it no longer aligned to the group’s long term strategy. Lastly, in order to fully align management incentives to shareholder expectations, all future executive share allocations will now be 100% linked to performance conditions and a new phantom performance share scheme based on the returns generated from strategic investments was created.

Share transactions

In order to preserve cash reserves, the group transferred 4.3m (with a value of ZAR0.4bn on the date of transfer) of the 10.1m treasury shares repurchased in the prior year, to fund awards for the current year under the group restricted stock unit (RSU) share plan (this transfer was between two group companies).

6. Working capital loan

To improve the group cost of capital and reinforce the statement of financial position, an amortising working capital loan of ZAR1.5bn was concluded in November 2020. The loan has a three-year term and bears interest at three-month JIBAR + 1.70%. Based on the current low interest rate cycle, the group decided to conclude an interest rate swap in February 2021 at an all-in fixed rate of 5.75% for the remainder of the loan term.

7. Subsequent events

On 10 June 2021, the board approved the formal offer for MCG to increase its equity investment in Blue Lake Ventures Limited ("BetKing") from 20% to 49% for a consideration of USD281.5m (approximately ZAR4.0bn), subject to the below substantive conditions being met and the transaction becoming effective:

- finalisation of debt funding,
- regulatory approvals,
- approval of the BetKing equity share option plan, and
- agreement and signature of all long form legal agreements.

The equity investment will also result in payment of the contingent consideration of USD31m (ZAR0.5bn) (refer to note 25) relating to the acquisition of the first 20% in BetKing.

There have been no other events that occurred after the reporting date, including events associated with COVID-19, that could have a material impact on the consolidated annual financial statements.

8. Dividend

The board declares a gross dividend of 565 SA cents per listed ordinary share (ZAR2.5bn). This dividend declaration is subject to approval of the MultiChoice South Africa Holdings Proprietary Limited (MCSAH) dividend at its annual general meeting on Wednesday, 25 August 2021. The finalization date for the dividend declaration by the company will be Thursday, 26 August 2021. Subject to the aforementioned MCSAH approval, dividends will be payable to the company's shareholders recorded in the register on the record date, being Friday, 10 September 2021. The last date to trade cum dividend will be on Tuesday, 7 September 2021 (shares trade ex-dividend from Wednesday, 8 September 2021). Share certificates may not be dematerialised or re-materialised between Wednesday, 8 September 2021 and Friday, 10 September 2021, both dates inclusive. The dividend payment date will be Monday, 13 September 2021. The dividend will be declared from income. It will be subject to the dividend tax rate of 20%, yielding a net dividend of 452 SA cents per listed ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 113 SA cents per listed ordinary share. The issued ordinary share capital as at 10 June 2021 was 442.5m ordinary shares (including 15.6m shares held in treasury). The company's income tax reference number is 9485006192.

9. Outlook

Going forward, subject to a stable regulatory environment and the unknown impact of the COVID-19 pandemic, the group will continue scaling its video entertainment services across the continent, focusing on both traditional linear broadcasting, as well as streaming services. In addition, it plans to further increase its investment in local content to a target 45% of total general entertainment spend and pursue new growth opportunities that will enhance customer experiences and revenue prospects.

The group is enjoying good momentum and is excited about FY22. We are seeing the advertising business recover, we have plans to further enhance our entertainment ecosystem and we look forward to an exceptional slate of local content and the meaningful return of sport as we catch up on the events missed in FY21. We are however cognisant of ongoing consumer pressure in what remains an uncertain COVID-19 environment, continued macro-economic volatility in our markets and the need to absorb deferred content costs in FY22. We will look to counter these headwinds through tight cost control and by driving operational excellence. Our strong balance sheet positions us well to withstand these uncertainties and deliver value to our customers and shareholders.

10. Share capital

There were no changes in the group's share capital during the year. Refer to note 26.

11. Property, plant and equipment

At 31 March 2021 the group's investment in property, plant and equipment amounted to ZAR15.0bn (2020: ZAR17.7bn). Details are reflected in note 18 of the consolidated annual financial statements.

Capital commitments at 31 March 2021 amounted to ZAR34.1m (2020: ZAR91.7m).

12. Directorate

Mr JA Mabuza, an independent non-executive director, took over from Mr SJZ Pacak as the lead independent director, with effect from 3 April 2020.

After a robust independence assessment by the board Mr E Masilela was recategorized as an independent non-executive director on 2 April 2020.

Mr DG Eriksson retired as an independent non-executive director with effect from 11 June 2020.

Mr MI Patel was reclassified as a non-executive director from October 2020 on expiry of his executive contract.

Mr SJZ Pacak retired as an independent non-executive director with effect from 1 April 2021.

Mr JH du Preez was appointed as an independent non-executive director with effect from 1 April 2021.

No other changes have been made to the directorate of the group.

The directors' names, details and meeting attendance are presented below and the group company secretary's name, business and postal addresses are presented on page 85. Directors' shareholdings in the issued share capital of the group are disclosed in note 31 of the consolidated annual financial statements.

Directors and attendance at meetings in the 2021 financial year:

	Date first appointed	Board	Audit	Risk	Remuneration	Nomination	Social and ethics	Category
		Attendance						
MI Patel[1]	6 December 2018	5/5	*	4/4	*	1/1	*	NE
CP Mawela	6 December 2018	5/5	*	4/4	*	*	4/4	Executive - CEO
TN Jacobs	6 December 2018	5/5	*	4/4	*	*	4/4	Executive - CFO
FLN Letele	6 December 2018	5/5	*	*	*	*	4/4	NE
KD Moroka	6 December 2018	5/5	*	*	4/4	3/4	4/4	INE
JJ Volkwyn	6 December 2018	5/5	*	*	4/4	4/4	*	NE
E Masilela	6 December 2018	4/5	4/4	4/4	*	*	*	INE
L Stephens	6 December 2018	5/5	4/4	4/4	*	4/4	*	INE
CM Sabwa	14 May 2019	5/5	4/4	4/4	*	*	*	INE
JA Mabuza	5 July 2019	5/5	*	*	4/4	4/4	*	Lead INE
FA Sanusi	5 July 2019	5/5	*	*	*	*	4/4	INE
JH du Preez[2]	1 April 2021	0/0	0/0	0/0	*	*	*	INE
SJZ Pacak[3]	6 December 2018	5/5	0/0	0/0	0/0	*	0/0	INE
DG Eriksson[4]	6 December 2018	2/2	1/1	1/1	*	*	*	INE

** Not a member.*
1 MI Patel was re-classified as a non-executive director in October 2020 and appointed to the nomination committee as a member with effect from 11 November 2020. Accordingly, he only attended one committee meeting as a member during the reporting period. He did however attend as invitee prior to his appointment as a member.
2 JH du Preez was appointed post financial year end and thus did not attend any meetings in the reporting period.
3 SJZ Pacak stepped down as the chair and member of the audit and risk committees and also as a member of the remuneration and social and ethics committees with effect from 3 April 2020 and thus did not attend any committee meetings during the reporting period.
4 DG Eriksson retired with effect from 11 June 2020 and thus only attended two board meetings and one committee meeting during the reporting period.

13. Group company secretary

Mrs RJ Gabriels resigned as interim company secretary on 11 June 2020 with Ms CC Miller appointed as group company secretary on the same date.

Independent auditor's report

To the Shareholders of MultiChoice Group Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of MultiChoice Group Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

What we have audited

MultiChoice Group Limited's consolidated financial statements set out on pages 22 to 84 comprise:

- the consolidated statement of financial position as at 31 March 2021;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

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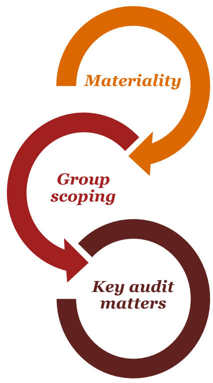
Our audit approach

Overview



Overall group materiality

- *R533 380 000, which represents 1% of consolidated revenue.*

Group audit scope

- *We performed full scope audits, in accordance with determined materiality, on all significant components in terms of their financial significance and risk to the consolidated results and in respect of the centralised functions. For non-significant components we performed either full scope audit procedures, review procedures or specified audit procedures based on the associated risk of the component.*

Key audit matters

- *Accounting for taxation; and*
- *Acquisition of Blue Lake Ventures Limited ("BetKing").*

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

Materiality

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

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

Overall group materiality	*R533 380 000.*
How we determined it	*1% of consolidated revenue.*
Rationale for the materiality benchmark applied	*We selected consolidated revenue as our materiality benchmark because, in our view, it reflects the activity levels of the Group and it is a benchmark against which the performance and growth of the Group can be consistently measured in circumstances of volatile year-on-year earnings that is attributable to foreign exchange volatility. We chose 1% based on our professional judgement, after consideration of the range of qualitative materiality thresholds that we would typically apply.*

How we tailored our group audit scope

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

The scoping included consideration of financially significant components, risk characteristics as well as taking into consideration the sufficiency of work performed over material line items in the consolidated financial statements.

The Group operates in multiple different geographical locations including South Africa, the Rest of Africa (including the following main markets: Nigeria, Angola, Kenya and Zambia), Europe (including the following main markets: Netherlands, France and the United Kingdom) and other locations (including Canada, the United States of America, Brazil and India). We performed full scope audits, in accordance with determined materiality, on all significant components in terms of their financial significance and risk to the group results and in respect of the centralised functions.

In addition, non-significant components have been subjected to either full scope audit procedures, review procedures or specified audit procedures based on the associated risk of the component. The group engagement team also performed audit and analytical review procedures over the remaining balances and the consolidation process.

We ensured that the audit teams, both at group and component levels, included the appropriate skills and competencies; experts in valuations, information technology, actuarial and specialists in tax were included in the team structures.

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

Key audit matters

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

	How our audit addressed the key audit matter
Accounting for taxation	
The entities listed in note 24 to the consolidated financial statements operate across many tax jurisdictions. Due to the inherent nature of tax exposures in developing markets, specifically within the Rest of Africa segment, these entities have recognised tax liabilities and have disclosed contingencies in relation to these tax exposures. *Management have applied their judgement to estimate the exposure and the likelihood that a claim will succeed, or whether a liability will arise where the interpretation of the applicable tax laws and regulations were considered to be subjective.* *Accounting for these material tax exposures was considered to be a matter of most significance to our audit due to the:* • *magnitude, complexity and nature of these exposures;* • *significant level of management judgement involved in interpreting tax laws and regulations that are considered subjective; and* • *application of the principles of IFRS Interpretations Committee - Uncertainty over income tax treatments IFRIC 23 (“IFRIC 23”) and International Accounting Standard Provisions, contingent liabilities and contingent assets IAS 37 (“IAS 37”) - in measuring the tax exposures.* *Refer to the following notes to the consolidated financial statements:* • *Note 9: Taxation;* • *Note 10: Deferred taxation; and* • *Note 14: Commitments and contingencies.*	*Making use of our international tax and transfer pricing expertise, we evaluated management’s assessment of the probability of outflows for tax exposures relating to withholding tax, value-added tax, transfer pricing and permanent establishment and other related taxes.* *Our evaluation included meetings with the Group’s local tax advisers and local management to discuss the significant exposures and to evaluate the reasonableness of management’s conclusions.* *To assess management’s assessment, we inspected the correspondence received by management from the respective tax authorities and external tax advisers. Where exposures were deemed to be probable, we inspected the accounting records to test whether management had appropriately recognised these tax exposures in accordance with the principles of IFRIC 23 and IAS 37. No material differences were noted.* *We assessed the inputs into a sample of management’s calculations of the tax exposures and the related tax balances, and considered whether the principles applied are aligned to the requirements of IFRIC 23 and IAS 37. The inputs were assessed by comparing the percentages applied in determining the liabilities, interest and penalties to external sources, and the amounts used in the calculations were agreed to the underlying audited figures. No material differences were noted.* *We considered the appropriateness of the disclosures in the consolidated financial statements against the requirements of IFRS.*

Acquisition of Blue Lake Ventures Limited ("BetKing")

On 1 October 2020 the Group acquired 20% of the issued share capital in Blue Lake Ventures Limited ("BetKing") for a total consideration of USD112 million (ZAR1.809bn). The consideration consisted of an upfront cash payment of USD81 million (ZAR1.351bn) and contingent consideration to the value of USD31 million (ZAR0.5bn) that is subject to certain earn-out provisions being met between December 2021 and December 2023. The contingent consideration is payable in cash.

Management determined this transaction to be the acquisition of an associate as a result of the Group obtaining significant influence over BetKing, as defined per International Accounting Standard 28 ("IAS 28") - Investments in associates and joint ventures. Significant judgement was exercised by management on the identification and valuation of the separately identifiable intangible assets acquired within BetKing and the likelihood of the contingent consideration materialising.

Management engaged external valuation experts who applied their judgement to assist management in determining the fair value of the identifiable intangible assets which were recognised at acquisition, and in assessing the likelihood of the conditions relating to the contingent consideration being met. These intangible assets are not recorded separately in the consolidated financial statements as the investment is disclosed in a single line item as "Investment in joint ventures and associates". However, the fair values of the identified intangibles form the basis for additional amortisation charges and similar adjustments that will be reflected in the Group's share of the associate's equity accounted results in the current and subsequent years.

The acquisition of Betking was considered to be a matter of most significance to our audit due to:

- *The significant judgement applied by management in the identification and fair value measurement of the identifiable intangible assets; and*
- *The magnitude of the contingent consideration and the significant judgement and estimation involved in assessing the likelihood of achieving the targets linked to the payment of the contingent consideration.*

We inspected the acquisition contracts to assess the appropriateness of the accounting treatment and classification of the investment in BetKing as an associate. We inspected the underlying documentation regarding the purchase consideration paid and the share certificates underlying the shares held in BetKing, to assess the accuracy of the number and class of shares acquired. No material differences were noted.

We obtained the purchase price allocation performed by management (assisted by management's expert) and, with the making use of our internal valuation expertise, we evaluated the models used by the management expert to calculate the fair values of the separately identifiable intangible assets acquired and the equity value of the business. Based on the results of our evaluation, we accepted the models utilised by management.

We recalculated the fair value of the identifiable intangible assets (BetKing brand, customer relationships and internally developed software), and the total equity value, using our own independent inputs, to consider the reasonability of management's valuations of the separately identified intangible assets. In performing these recalculations, we evaluated the key assumptions used in management's valuation including the forecasted cash flows, tax amortisation benefit, discount rate, growth rates, EBITDA margins, royalty rates, contributory asset charges and terminal growth rates by recalculating the assumptions and/or comparing these assumptions to those of comparable companies using acceptable valuation benchmarking techniques. No material differences were noted.

We evaluated the completeness of the separately identifiable intangible assets as outlined in the purchase price allocation by comparing those assets to identifiable intangible assets of comparable companies. No additional identifiable intangible assets were noted that were required to be recognised.

We evaluated the likelihood of the contingent consideration being payable, by assessing the likelihood of the target conditions being met as stipulated in the purchase agreement. We compared the performance targets in the purchase agreement to the future cash flow

Refer to the following notes to the consolidated financial statements:

• Note 12 - Liabilities funding operations; and

• Note 25 - Investment in joint ventures and associates.

forecast of BetKing, to assess whether it is probable for BetKing to meet these performance targets. We found no aspects in this regard which required further consideration.

We utilised our internal valuations expertise to independently determine the fair value of the contingent consideration as at the acquisition date and compared this outcome to the value as calculated by management. No material differences were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*MultiChoice Group Consolidated annual financial statements for the year ended 31 March 2021*" and the document titled *"MultiChoice Group Limited annual financial statements for the year ended 31 March 2021"*, which includes the Company Secretary's Certification, Report of the audit committee and Directors' report to shareholders as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled *"MultiChoice Group Limited Integrated annual report 2021"*, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.[1]

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

[1] The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Multichoice Group Limited for 37 years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.

Director: Brett Stephen Humphreys

Registered Auditor

Johannesburg, South Africa

10 June 2021

Consolidated statement of financial position

as at 31 March 2021

	Notes	2021 ZAR'm	2020 ZAR'm
Assets			
Non-current assets		**23 379**	**25 408**
Property, plant and equipment	18	**14 964**	17 737
Goodwill and other intangible assets	23	**5 008**	4 337
Investments and loans		**119**	185
Investment in associates and joint ventures	25	**1 745**	166
Amounts due from related parties	27	**17**	224
Derivative financial instruments	12	**8**	634
Deferred taxation	10	**1 518**	2 125
Current assets		**18 949**	**20 849**
Inventory	20	**659**	874
Programme and film rights	19	**5 633**	4 750
Trade and other receivables	21	**3 302**	3 888
Amounts due from related parties	27	**51**	-
Derivative financial instruments	12	**340**	1 733
Restricted cash	22	**427**	459
Cash and cash equivalents	22	**8 537**	9 145
TOTAL ASSETS		**42 328**	**46 257**
Equity and Liabilities			
Equity reserves attributable to the group's equity holders		**12 426**	**12 722**
Share capital	26	**454**	454
Other reserves		**(13 518)**	(13 048)
Retained earnings		**25 490**	25 316
Non-controlling interests		**(2 912)**	(2 917)
TOTAL EQUITY		**9 514**	**9 805**
Non-current liabilities		**14 254**	**18 181**
Lease liabilities	12	**12 432**	16 894
Long-term loans and other liabilities	12	**1 213**	78
Amounts due to related parties	27	**-**	185
Derivative financial instruments	12	**358**	3
Deferred taxation	10	**251**	1 021
Current liabilities		**18 560**	**18 271**
Lease liabilities	12	**1 978**	2 057
Short-term loans and other liabilities	12	**683**	-
Programme and film rights	12	**3 826**	4 085
Provisions	16	**525**	140
Accrued expenses and other current liabilities	15	**9 195**	9 223
Derivative financial instruments	12	**598**	116
Taxation liabilities	9	**1 755**	2 650
TOTAL EQUITY AND LIABILITIES		**42 328**	**46 257**

The accompanying notes are an integral part of the consolidated annual financial statements.

Consolidated income statement

for the year ended 31 March 2021

	Notes	2021 ZAR'm	2020 ZAR'm
Revenue	5	**53 338**	51 387
Cost of providing services and sale of goods	6	**(27 812)**	(28 454)
Selling, general and administration expenses	6	**(15 048)**	(14 571)
Net impairment loss on trade receivables	21	**(152)**	(175)
Other operating gains/(losses) - net	7	**132**	80
Operating profit	6	**10 458**	**8 267**
Interest income	13	**366**	435
Interest expense	13	**(1 080)**	(1 039)
Net foreign exchange translation losses	13	**(757)**	(2 256)
Share of equity-accounted results	25	**(58)**	(44)
Other losses	7	**(25)**	(49)
Profit before taxation		**8 904**	**5 314**
Taxation	9	**(4 827)**	(3 444)
Profit for the year		**4 077**	**1 870**
Attributable to:			
Equity holders of the group		**2 161**	507
Non-controlling interests		**1 916**	1 363
		4 077	**1 870**
Earnings per share			
Basic and diluted earnings for the year (ZAR’m)		**2 161**	507
Basic earnings per ordinary share (SA cents)	4	**506**	117
Diluted earnings per ordinary share (SA cents)	4	**497**	115

The accompanying notes are an integral part of the consolidated annual financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2021

	2021 ZAR'm	2020 ZAR'm
Profit for the year	**4 077**	**1 870**
Total other comprehensive income for the year:		
Exchange gains arising on translation of foreign operations[1,2,3]	**44**	891
Fair value losses on investments held at fair value	**(102)**	(54)
Hedging reserve[1]	**361**	243
- Net fair value losses[4]	**(898)**	(143)
- Hedging reserve recycled to the income statement[4]	**453**	1 383
- Hedging reserve recycled to the statement of financial position	**-**	(379)
- Net tax effect of movements in hedging reserve[5]	**806**	(618)
Total comprehensive income for the year	**4 380**	**2 950**
Attributable to:		
Equity holders of the group	**2 281**	1 964
Non-controlling interests	**2 099**	986
	4 380	**2 950**

1 These components of other comprehensive income may subsequently be reclassified to the consolidated income statement during future reporting periods.
2 Relates to the translation of Rest of Africa and Technology segments, which have a USD reporting currency.
3 The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21. This movement is recognised in other reserves on the consolidated statement of changes in equity.
4 The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21 and additional forward exchange contracts executed during FY21 which resulted in an increase in the achieved average hedge rate on cash flow hedges from ZAR13.90 in FY20 to ZAR16.40 in FY21.
5 The movement relates to tax on net fair value losses recognised in the South Africa segment as detailed in footnote 4 above which are taxed at 28%. Fair value gains in the Rest of Africa segment, which offset the fair value losses in South Africa, are non-taxable.

The accompanying notes are an integral part of the consolidated annual financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2021

	Share capital[1] ZAR'm	Other reserves[2] ZAR'm	Retained earnings ZAR'm	Non-controlling interests ZAR'm	Total equity ZAR'm
Balance at 1 April 2019	[1]	**(12 445)**	**24 499**	**(2 259)**	**9 796**
Profit for the year	-	-	507	1 363	1 870
Other comprehensive income	-	1 457	-	(377)	1 080
Total comprehensive income for the year	**-**	**1 457**	**507**	**986**	**2 950**
Treasury shares acquired[3]	-	(1 682)	-	-	(1 682)
PN share swap[1]	454	(378)	-	(76)	-
Share-based compensation movement	-	-	322	47	369
Transactions with non-controlling interest[4]	-	-	(12)	-	(12)
Dividends declared[5]	-	-	-	(1 615)	(1 615)
Balance at 1 April 2020	**454**	**(13 048)**	**25 316**	**(2 917)**	**9 805**
Profit for the year	**-**	**-**	**2 161**	**1 916**	**4 077**
Other comprehensive income	**-**	**120**	**-**	**183**	**303**
Total comprehensive income for the year	**-**	**120**	**2 161**	**2 099**	**4 380**
Hedging reserve basis adjustment[6]	**-**	**(590)**	**-**	**(175)**	**(765)**
Share-based compensation movement	**-**	**-**	**391**	**-**	**391**
Purchase of shares for group share schemes[7]	**-**	**-**	**(152)**	**-**	**(152)**
Other share-based compensation movements[8]	**-**	**-**	**(245)**	**2**	**(243)**
Transactions with non-controlling interest[9]	**-**	**-**	**430**	**(430)**	**-**
Dividends declared[5,10]	**-**	**-**	**(2 411)**	**(1 491)**	**(3 902)**
Balance at 31 March 2021	**454**	**(13 518)**	**25 490**	**(2 912)**	**9 514**

1 439m ordinary shares were issued at nominal value. During FY20, 3.7m shares were issued to PN shareholders as part of a share swap offer. Refer to note 8 and 26.
2 Other reserves include treasury shares, the hedging reserve, fair value reserve and foreign currency translation reserve.
3 As at 31 March 2021, the group holds 15.6m treasury shares which were repurchased for a total of ZAR1.7bn. In FY20 the group repurchased 15.6m treasury shares which resulted in a decrease in the number of ordinary shares issued. 5.5m shares were repurchased for the group's RSU scheme and 48 076 (FY20: 4 231) RSUs were exercised during the year. 10.1m shares were repurchased as part of a general share buy-back.
4 In FY20, MultiChoice Africa Holdings B.V. increased its controlling interest in MultiChoice Uganda Limited by 5% for a purchase consideration of ZAR23m.
5 Non-controlling interests dividends relate primarily to dividends paid to PN.
6 Relates to the basis adjustment (net of tax of ZAR208m on other reserves and ZAR63m on non-controlling interests) on programme and film right assets as content comes into licence.
7 Primarily relates to the settlement of share-based compensation benefits.
8 Primarily relates to the closure of the MCA 2008 SAR scheme during FY21.
9 Relates primarily to two transactions in FY21. One whereby MultiChoice Africa Holdings B.V. transferred assets held in GOtv Zambia Proprietary Limited (51% owned by the group) to GOtv Broadcasting Zambia (25% owned by the group) at an amount equal to the fair value of the assets transferred. The fair value of the net assets transferred was ZAR179m. There was no carrying value related to non-controlling interest in GOtv Broadcasting Zambia prior to this transaction. No cash consideration was paid. The second was a dilution of MultiChoice Africa Holdings B.V's interest in GOtv Kenya Limited from 100% to 70% due to local shareholding requirements. There was no carrying value related to non-controlling interest in GOtv Kenya Limited prior to this transaction. No cash consideration was received.
10 Dividends declared by the group exclude dividends related to treasury shares held by the group.

The accompanying notes are an integral part of the consolidated annual financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2021

	Notes	2021 ZAR'm	2020 ZAR'm
Cash flows from operating activities			
Cash generated from operating activities	11	**13 909**	12 081
Interest income received		**263**	401
Interest costs paid		**(796)**	(737)
Settlement of share-based compensation awards[1]		**(349)**	-
Taxation paid		**(4 095)**	(3 988)
Net cash generated from operating activities		**8 932**	**7 757**
Cash flows from investing activities			
Property, plant and equipment acquired		**(755)**	(618)
Proceeds from sale of property, plant and equipment		**54**	40
Intangible assets acquired[2]		**(858)**	(252)
Proceeds from sale of intangible assets		**9**	-
Increase in restricted cash		**(79)**	(459)
Investment in associate[3]	25	**(1 351)**	(78)
Loans to Enterprise Development Trust beneficiaries		**(28)**	(15)
Repayment of Enterprise Development loans		**21**	-
Loans to related parties[4]		**(39)**	-
Other movements in investments and loans		**(50)**	-
Net cash utilised in investing activities		**(3 076)**	**(1 382)**
Cash flows from financing activities			
Proceeds from long and short-term loans raised[5,6]	12	**2 000**	-
Repayments of long and short-term loans[5,6]	12	**(631)**	-
Repayments of lease liabilities[7]	12	**(1 855)**	(1 445)
Repurchase of treasury shares		**-**	(1 682)
Purchases of shares for group share schemes[8]		**(152)**	-
Transactions with non-controlling interests		**-**	(23)
Dividends paid by holding company		**(2 411)**	-
Dividends paid by subsidiaries to non-controlling shareholders		**(1 491)**	(1 615)
Net cash utilised in financing activities		**(4 540)**	**(4 765)**
Net movement in cash and cash equivalents		**1 316**	1 610
Foreign exchange translation adjustments on cash and cash equivalents		**(1 924)**	812
Cash and cash equivalents at the beginning of the year		**9 145**	6 723
Cash and cash equivalents at the end of the year	22	**8 537**	**9 145**

1 Relates to the settlement paid to employees due to the closure of the MultiChoice 2008 SAR scheme (note 6.1).
2 The increase relates primarily to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.
3 During October 2020, the group acquired a 20% shareholding in BetKing.
4 During FY21, a set-off agreement was entered into between equity investees, MultiChoice Africa Holdings BV and GOtv Zambia Limited whereby amounts due to related parties were set-off against related amounts due from related parties. This transaction resulted in a non-cash movement of ZAR192m.
5 During September 2020, the group utilised a short-term banking facility for ZAR500m. The facility attracts interest at a market-related interest rate. The facility was utilised for working capital in the group. During October 2020 the facility was fully repaid.
6 An amortising working capital loan of ZAR1.5bn was concluded in November 2020. The loan has a three year term and bears interest at three-month JIBAR + 1.70%. As at 31 March 2021, ZAR125m of this loan had been repaid.
7 The increase is primarily due to the weaker average ZAR rate against the USD of ZAR16.30 (FY20: ZAR14.99) and the end of a contractual agreement on the southern Africa transponder lease whereby an upfront payment reduced lease payments for the first 36 months of the lease term. Regular monthly lease payments resumed from October 2019 resulting in increased outflows.
8 Relates to the purchase of group shares which were used to settle the group's share-based compensation awards.

The accompanying notes are an integral part of the consolidated annual financial statements.

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1. Basis of preparation

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act No 71 of 2008 as amended. The company also subscribes in all its activities to principles of best practice and corporate governance, as set out in the King IV Report on Corporate Governance for South Africa 2016.

The consolidated annual financial statements include amounts based on judgements and estimates made by management.

The consolidated annual financial statements are prepared using the historic cost convention apart from certain financial instruments (including derivative instruments) which are stated at fair value.

The consolidated annual financial statements are presented on the going concern basis.

The consolidated annual financial statements are presented in South African Rand (ZAR), which is the group's presentation currency, rounded to the nearest million. The consolidated statement of financial position was prepared using a closing USD exchange rate at 31 March 2021 of 14.78:1 (31 March 2020: 17.86:1) which has been utilised for the consolidation of the Rest of Africa and Technology segments that have a USD presentation currency. The consolidated income statement and statement of comprehensive income were prepared using the average USD exchange rate utilised for the year ended 31 March 2021 of 16.30:1 (31 March 2020: 14.99:1).

The group has adopted all new and amended accounting pronouncements issued by the International Accounting Standards Board that are effective for financial years commencing 1 April 2020. A number of amendments to accounting pronouncements are effective from 1 January 2020, but they do not have a material effect on the group's consolidated annual financial statements. The assessment of these pronouncements have been provided in note 2.

Trading profit includes the finance cost on transponder lease liabilities and the derivative profit or loss impact relating to economic hedges (i.e. futures) against foreign currency movements, but excludes the amortisation of intangible assets (other than software), impairment of assets, equity-settled share-based payment expenses, cash-settled share-based payment expenses on closure of schemes, severance provisions raised and other operating gains/losses.

Change in trading profit definition

The group earns revenue in Nigerian Naira (NGN) through its subsidiary in Nigeria. The transactional currency between the intermediary parent and the subsidiary is USD; therefore, the group is exposed to foreign currency fluctuations between the USD and NGN. The group entered into futures contracts in Nigeria as a hedging mechanism from FY18. The futures assist to economically hedge the NGN exposure by changing it to USD exposure. In FY21, the CODM has considered the profit or loss derived from these futures as a significant contributor in evaluating segment operational performance and in allocating resources. Therefore, the definition of trading profit has been amended to reflect the movements in the futures as recorded in the consolidated income statement. The impact of this change has been disclosed in note 3.

2. Principal accounting policies

The principal accounting policies applied in the preparation of the consolidated annual financial statements are set out in the relevant notes.

The accounting policies have been consistently applied to all years presented other than for the impact of the new accounting pronouncements adopted during the current year.

2. Principal accounting policies (continued)

The group adopted the following new accounting pronouncements, set out below, during the current period.

Accounting pronouncement	Adoption impact
Definition of Material – Amendments to IAS 1 and IAS 8	The IASB has made amendments to *IAS 1 Presentation of Financial Statements* and *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarifying when information is material and incorporating some of the guidance in IAS 1 about immaterial information. The amendment did not have a material impact for the group.
Definition of a Business – Amendments to IFRS 3	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. The amendment did not have a material impact for the group.
Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7	The amendments relating to disclosures provide certain reliefs in relation to interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving interbank offered rates (IBOR)-based contracts, the reliefs will affect companies in all industries. The amendments did not have a material impact for the group.
Conceptual Framework	The IASB has issued amendments to references to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. The amendments did not have a material impact for the group.

Accounting judgements and sources of estimation uncertainty

The preparation of the consolidated annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as reported income and expenses. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ.

Where relevant, the group has provided sensitivity analysis demonstrating the impact of changes in key estimates and assumptions on reported results.

The significant accounting estimates and judgements have been set out in the note to which it relates, these are:

	Note reference	Estimate/judgement relates to:	Judgement versus Estimate
Equity compensation benefits	6	Valuation/estimates of vesting	Estimate
Taxation liabilities	9	Uncertainties around timing, quantum and amount	Judgement
Deferred taxation assets	10	Uncertainties around future financial performance	Judgement
Leases	12	Determination of the incremental borrowing rate	Estimate
Property, plant and equipment	18	Residual values and useful lives	Estimate
Programme and film rights	19	Amortisation period	Estimate
Goodwill and other intangible assets	23	Impairment	Estimate
Investment in associates and joint ventures	25	Purchase price allocation valuation	Estimate

2. Principal accounting policies (continued)

COVID-19 considerations

Overview

COVID-19 continues to disrupt the operations and financial reporting processes of the majority of businesses globally, including MCG customers, employees and other stakeholders. Based on the magnitude of the pandemic and its potential impact on the consolidated annual financial statements, management has conducted an updated review of all possible financial effects the virus could have on the measurement, presentation and disclosure provided.

Consideration of potential impact

Key areas considered are reflected in the table below, including whether or not they were deemed to have a significant impact on the group:

COVID-19 consideration	Assessment	Potential Impact
Programme and film rights (recoverability and classification)	General entertainment content assets will be recovered through the airing of content, with productions largely resuming as normal across the group in early FY21. Based on the success of the safety protocols implemented, the cancellation and deferral of sport events are considered less likely than at 31 March 2020.	Low (general entertainment) Low (sports rights)[1]
Subsequent events	COVID-19 was assessed as being prevalent in the group's markets before 31 March 2021 however no material changes are expected during the subsequent event period.	Low[1]
Hedging on uncertain sports right obligations	Forecast transactions that relate to upcoming seasons or events, unless formally cancelled, still meet the 'highly probable' criteria. The group deems it unlikely that there will be material disruptions going forward as the safety protocols are working well.	Low[2]

1 Potential impact was adjusted from high at 31 March 2020 to moderate at 30 September 2020 and has now been adjusted to low due to the risk assessment of the probability that this will materialise reducing.
2 Potential impact has been adjusted from moderate at 31 March 2020 and 30 September 2020 to low due to the risk assessment of the probability that this will materialise reducing.

Update on areas that had a potentially high/moderate impact as at 31 March 2020

The group's assessment of the following items has changed from potentially having a high/moderate impact in the prior year to having a potentially low impact on the group at 31 March 2021.

Programme and film rights

As at 31 March 2020, the group disclosed a high risk related to the likelihood of sport events (in respect of which the group has the broadcasting rights) taking place and the associated contractual rights in the event that these are expected to or have been cancelled. The group engaged with rights owners to negotiate refunds for the disruption to the business and subscribers due to a truncated season as well as games, delays in seasons and fixtures held behind closed doors. These refunds were deducted against payments for future seasons. The refunds are treated as a reduction in the amortisation costs for the interrupted portion of the season. The contracts were finalised and the group reached consensus with right owners on seasons going forward. The group does not expect any further significant interruptions which would affect the broadcast of its sports rights going forward.

Hedging on uncertain sports right obligations

As at 31 March 2020, forecast transactions that relate to upcoming seasons or events, unless formally cancelled, still meeting the highly probable' criterion was considered as a moderate risk. In line with the disclosures provided above for "Programme and film rights", the group does not expect material disruptions going forward as the safety protocols seem to be working well.

Subsequent events

Due to the increased certainty associated with the financial reporting effects of COVID-19 on the group, the impact of subsequent events materialising due to COVID-19 was reassessed as low at 31 March 2021. Refer to note 29 for subsequent events disclosure.

PART I. SEGMENTS

3. Segmental information

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the executive directors of the group. No change has occurred in segment identification since the prior year.

The group has identified its operating segments based on its business by geography or product as follows: South Africa, Rest of Africa and Technology. Below are the types of services and products from which each segment generates revenue:

South Africa – offers digital satellite television and online services (including subscription and transactional video on demand) to subscribers in South Africa.

Rest of Africa – offers digital satellite television, online services (including subscription and transactional video on demand) and digital terrestrial television services to subscribers across 50 African countries, excluding South Africa.

Technology – through the Irdeto group, provides digital content management and protection systems to group companies and customers globally to protect, manage and monetise digital media on multiple platforms.

Sales between the above segments are eliminated in the "Eliminations" row in the tables below. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report are measured in a manner consistent with that in the consolidated income statement.

The revenues from external customers for each major group of products and services are disclosed in note 5. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

Segmental revenue and results

Revenue

Years ended 31 March	**2021 (ZAR'm)**			**2020 (ZAR'm)**		
	External	**Inter-segment**	**Total**	**External**	**Inter-segment**	**Total**
South Africa	**34 327**	**6 588**	**40 915**	34 154	6 700	40 854
Rest of Africa	**17 162**	**281**	**17 443**	15 476	337	15 813
Technology	**1 849**	**1 638**	**3 487**	1 757	1 762	3 519
Eliminations	**-**	**(8 507)**	**(8 507)**	-	(8 799)	(8 799)
Total	**53 338**	**-**	**53 338**	**51 387**	**-**	**51 387**

	2021 (ZAR'm)				**2020 (ZAR'm)**			
Revenue by nature	**South Africa**	**Rest of Africa**	**Technology**	**Total**	**South Africa**	**Rest of Africa**	**Technology**	**Total**
Subscription fees	**28 794**	**15 817**	**-**	**44 611**	28 434	14 318	-	42 752
Advertising	**2 443**	**405**	**-**	**2 848**	2 797	416	-	3 213
Set-top boxes	**987**	**802**	**-**	**1 789**	857	572	-	1 429
Installation fees	**324**	**-**	**-**	**324**	332	-	-	332
Technology contracts and licensing	**-**	**-**	**1 849**	**1 849**	-	-	1 757	1 757
Other revenue	**1 779**	**138**	**-**	**1 917**	1 734	170	-	1 904
Total external revenue	**34 327**	**17 162**	**1 849**	**53 338**	**34 154**	**15 476**	**1 757**	**51 387**

3. Segmental information (continued)

2021

	ZAR'm Year ended 31 March 2021						
	Revenue[5]	COPS[1]	SGA[2]	Depreciation	Software amortisation	Lease interest[3]	Trading profit/ (loss)[4,5]
South Africa	**40 915**	**(19 438)**	**(8 545)**	**(1 223)**	**(171)**	**(406)**	**11 132**
Rest of Africa[5]	**17 515**	**(12 740)**	**(4 702)**	**(1 199)**	**-**	**(282)**	**(1 408)**
Technology	**3 487**	**(1 185)**	**(1 585)**	**(151)**	**-**	**-**	**566**
Eliminations	**(8 507)**	**7 545**	**962**	**-**	**-**	**-**	**-**
Total	**53 410**	**(25 818)**	**(13 870)**	**(2 573)**	**(171)**	**(688)**	**10 290**

2020

	ZAR'm Year ended 31 March 2020						
	Revenue	COPS[1]	SGA[2]	Depreciation	Software amortisation	Lease interest[3]	Trading profit/ (loss)[4,5]
South Africa	40 854	(20 311)	(8 421)	(1 283)	(175)	(405)	10 259
Rest of Africa	15 813	(12 700)	(4 577)	(1 206)	-	(251)	(2 921)
Technology	3 519	(1 253)	(1 427)	(149)	-	-	690
Eliminations	(8 799)	7 836	963	-	-	-	-
Total	**51 387**	**(26 428)**	**(13 462)**	**(2 638)**	**(175)**	**(656)**	**8 028**

1 Refers to cost of providing services and sale of goods. Segmental COPS excludes depreciation of ZAR1 920m (FY20: ZAR1 949m) (note 6) and amortisation of ZAR74m (FY20: ZAR76m) (note 23).

2 Refers to selling, general and administration expenses. Segmental SGA includes other operating gains amounting to ZAR15m (FY20: ZAR82m) (note 7) and net impairment loss on trade receivables of ZAR152m (FY20: ZAR175m), however excludes depreciation of ZAR653m (FY20: ZAR689m) (note 6), amortisation of ZAR162m (FY20: ZAR170m) (note 23), equity-settled share-based compensation of ZAR391m (FY20: ZAR344m) (note 6) and cash-settled share-based compensation due to closure of SAR scheme of ZAR98m (FY20: ZARnil).

3 Relates to interest on transponder leases only.

4 Trading profit includes the finance cost on transponder lease liabilities and the derivative profit or loss impact relating to economic hedges (i.e. futures) against foreign currency movements, but excludes the amortisation of intangible assets (other than software), impairment of assets, equity-settled share based payment expenses, cash-settled share based payment expenses on closure of schemes, severance provisions raised and other operating gains/losses.

5 During the current year, the group's definition of trading profit was amended to include movements in futures contracts (note 1). Total group revenue and trading profit and Rest of Africa Revenue and trading profit presented above includes gains amounting to ZAR72m related to fair-value movements on Nigeria futures contracts. Comparative revenue and trading profit disclosure has not been restated for this change, however, the comparative impact of this change would have resulted in a ZAR230m increase in FY20 revenue and trading profit.

	2021 ZAR'm	2020 ZAR'm

3. Segmental information (continued)

Trading profit as presented in the segment disclosure is the CODM and management's measure of each segment's operational performance. A reconciliation of the segmental trading profit to operating profit as reported in the income statement is provided below:

	2021 ZAR'm	2020 ZAR'm
Trading profit per segmental income statement	**10 290**	8 028
Adjusted for:		
Interest on transponder leases	**688**	656
Amortisation of intangibles (other than software)	**(65)**	(71)
Other operating gains/(losses) - net[1]	**117**	(2)
Equity-settled share-based compensation	**(391)**	(344)
Severance provision	**(11)**	-
Cash-settled share-based payments on closure of SAR scheme[2]	**(98)**	-
Fair-value movements on futures contracts	**(72)**	-
Operating profit per the income statement[3]	**10 458**	**8 267**

1 Includes profit and loss on sale of assets, reversal of impairments/impairments of assets, insurance proceeds and fair-value adjustments. Excludes ZAR15m (FY20: ZAR82m) of other operating gains which are included in both trading profit and operating profit.
2 Relates to once-off expense on the closure of the MultiChoice 2008 SAR scheme in December 2020.
3 The consolidated income statement discloses all reporting items from consolidated operating profit to consolidated profit before taxation.

Geographical information

The group operates in the following geographical areas:

Africa - The group derives revenues from video-entertainment platform services and technology products and services predominately to individual consumers. The group is domiciled in South Africa which is managed and consequently presented separately. The main markets throughout the Rest of Africa include Nigeria, Angola, Kenya and Zambia. The Rest of Africa is managed independently by a dedicated team and is consequently presented as a single segment.

Europe - The group generates revenue from technology products and services provided by subsidiaries based in the Netherlands, France and the United Kingdom. These revenues primarily are business to business.

Other - The group generates revenue from technology products and services provided by subsidiaries primarily based in Canada, the United States of America, Brazil and India.

	Africa				
31 March 2021	**South Africa ZAR'm**	**Rest of Africa ZAR'm**	**Europe ZAR'm**	**Other ZAR'm**	**Total ZAR'm**
External consolidated revenue	**34 327**	**17 162**	**1 435**	**414**	**53 338**
Consolidated assets[1]	**13 274**	**7 382**	**1 061**	**-**	**21 717**

	Africa				
31 March 2020	**South Africa ZAR'm**	**Rest of Africa ZAR'm**	**Europe ZAR'm**	**Other ZAR'm**	**Total ZAR'm**
External consolidated revenue	34 154	15 476	1 281	476	51 387
Consolidated assets[1]	13 258	7 728	1 254	-	22 240

1 Consolidated assets includes property, plant and equipment, goodwill and other intangible assets and Investments associates and joint ventures.

Revenue is allocated to a geographic area based on the location of subscribers or users/customers.

Assets are allocated to a geographic area based on the location of the assets, subscribers or customers.

PART II. INCOME STATEMENT

4. Earnings per share

Earnings per share (EPS) is a measure of the group's profit for the year allocated to each outstanding ordinary share. It is calculated by dividing profit after tax attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after tax dilutive effect. The company has dilutive potential ordinary shares which comprise restricted share units (RSU) issued in terms of the group's share scheme.

The group is required to calculate headline earnings per share in accordance with the JSE Listings Requirements, determined by reference to the South African Institute of Chartered Accountants' Circular 1/2019 'Headline Earnings'. Headline earnings per share is calculated by dividing headline earnings by the weighted average number of shares in issue during the year, excluding treasury shares.

Years ended 31 March		**2021**				**2020**			
Reconciliation of basic and diluted earnings to basic and diluted headline earnings	**Notes**	**Gross ZAR'm**	**Taxation ZAR'm**	**Non-controlling interests ZAR'm**	**Net ZAR'm**	**Gross ZAR'm**	**Taxation ZAR'm**	**Non-controlling interests ZAR'm**	**Net ZAR'm**
Basic and diluted earnings attributable to equity holders of the group					**2 161**				507
Headline adjustments:									
(Reversal)/Impairment of property, plant and equipment	18	**(76)**	**1**	**1**	**(74)**	28	-	(2)	26
Impairment of programme and film rights	19	**69**	**(19)**	**(11)**	**39**	-	-	-	-
Impairment of investments		**9**	**-**	**(2)**	**7**	-	-	-	-
Impairment of joint ventures		**-**	**-**	**-**	**-**	24	-	(5)	19
Impairment of associates		**-**	**-**	**-**	**-**	3	-	-	3
Loss on sale of property, plant and equipment	7	**15**	**(2)**	**(1)**	**12**	-	-	-	-
Insurance proceeds	7	**(35)**	**10**	**6**	**(19)**	-	-	-	-
Profit on sale of intangible assets	7	**(15)**	**4**	**3**	**(8)**	-	-	-	-
Basic and diluted headline earnings attributable to equity holders of the group					**2 118**				**555**

	2021 ZAR'm	2020 ZAR'm

4. Earnings per share (continued)

	2021	2020
Basic and diluted headline earnings for the year (ZAR'm)	**2 118**	555
Basic headline earnings per ordinary share (SA cents)	**496**	128
Diluted headline earnings per ordinary share (SA cents)[1]	**487**	126
Net number of ordinary shares issued (million)		
- at year-end	**427**	427
- at year-end (including treasury shares)[2]	**443**	443
- weighted average for the year	**427**	435
- diluted weighted average for the year[1]	**435**	439

1 As at 31 March 2021, 10.1m RSUs have already been offered resulting in a dilutive impact in the current year (FY20: 5.4m offered).
2 As at 31 March 2021, the group holds 15.6m treasury shares.

5. Revenue

The group recognises revenue from the following major sources:

- **Subscription fees**
- **Set-top box sales**
- **Installation revenue**
- **Advertising revenue**
- **Technology contracts and licensing**
- **Other revenue**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Revenue is measured as the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

Subscription fees

Pay-television, subscription video-on-demand, transactional video-on-demand and access fees are earned over the period the services are provided. Subscription revenue arises from the monthly billing of subscribers for pay-television and online services provided by the group. Revenue is recognised in the month the service is rendered. Any subscription revenue received in advance of the service being provided is recorded as deferred revenue as part of accrued expenses and other current liabilities and recognised as revenue in the month the service is provided.

Set-top box sales

Revenue is recognised at a point in time, when the devices are provided to the customer. Payments for the devices are either received upon delivery of the device or through extension of credit to the customer. Repayment terms for credit sales are up to 24 months, however the extended repayment terms are deemed insignificant to the group.

Installation revenue

Installation revenue on devices is recognised when the device is installed and customer is connected. Payments for the installation are either received upon delivery of the device or through extension of credit to the customer. Repayment terms for credit sales are up to 24 months, however the extended repayment terms are deemed insignificant to the group.

Advertising revenue

The group primarily derives advertising revenues from advertisements broadcast on its video-entertainment platforms and shown online on its websites and instant messaging windows as well as sponsorship revenues earned on major events. Advertising revenues from video-entertainment platforms are recognised upon showing. Online advertising revenues are recognised over the period in which the advertisements are displayed. Sponsorship revenues are recognised over the period of the event. Advertising revenue is billed in arrears with 45-day payment terms.

	2021 ZAR'm	2020 ZAR'm

5. Revenue (continued)

Technology contracts and licensing

For contracts with multiple obligations (e.g. maintenance and other services), the transaction price is allocated between each of the performance obligations based on the price that the group would charge if the goods or services were sold separately.

The group recognises revenue allocated to maintenance and support fees, for on-going customer support and product updates, ratably over the period of the relevant contracts. Contract periods generally range from between 3-5 years. Payments for maintenance and support fees are generally made in advance and are non-refundable. For revenue allocated to consulting services and for consulting services sold separately, the group recognises revenue as the related services are performed.

The group enters into arrangements with network operators whereby application software is licensed to network operators. Where all of the software under the arrangement has been delivered, the revenue is recognised based on number of subscribers or usage. Under arrangements where the group has committed to deliver unspecified future applications, the revenue earned on the delivered applications is ratably recognised over the subscription period. Standard payment terms for network operators are 30 days.

Other revenue

Other revenue comprises of decoder insurance premiums relating to the decoders of the pay-television subscribers, sub-licensing revenue relating to the provision of content to other broadcasters and reconnection fees relating to amounts charged to customers for the reconnection of their pay-television services. The revenue for the insurance premiums is recognised over time, as and when the services are rendered. The revenue from sub-licensing is recognised over time as content and services are delivered. The revenue for the reconnection fees is recognised at a point in time when the customer has been reconnected.

	2021 ZAR'm	2020 ZAR'm
Subscription fees	**44 611**	42 752
Advertising	**2 848**	3 213
Set-top boxes	**1 789**	1 429
Installation fees	**324**	332
Technology contracts and licensing	**1 849**	1 757
Other revenue	**1 917**	1 904
	53 338	**51 387**

The following table shows unsatisfied performance obligations resulting from long-term technology contracts as at 31 March 2021.

	2021 ZAR'm	2020 ZAR'm
Aggregate amount of the transaction price allocated to long-term technology contracts that are partially or fully unsatisfied	109	219

Management expects that 42% of the transaction price allocated to the unsatisfied contracts as of 31 March 2021 will be recognised as revenue during FY22 (ZAR46m) and 16% (ZAR17m) will be recognised as revenue in the FY23 reporting period. The remaining 42% (ZAR46m) will be recognised as revenue in FY24 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

Management expects that 35% of the transaction price allocated to the unsatisfied contracts as of 31 March 2020 will be recognised as revenue during FY21 (ZAR77m) and 30% (ZAR66m) will be recognised as revenue in the FY22 reporting period. The remaining 35% (ZAR76m) will be recognised as revenue in FY23 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

All other technology contracts are for periods of 1 year or less or are billed based on time incurred. As permitted under *IFRS 15*, the transaction price allocated to these unsatisfied contracts is not disclosed and is also not material.

	2021 ZAR'm	2020 ZAR'm

6. Expenses by nature

Operating profit includes the following items:

(a) Cost of providing services and sale of goods (COPS)

	2021 ZAR'm	2020 ZAR'm
Content[1]	**17 951**	18 764
Set-top box purchases	**5 165**	4 855
Depreciation: Owned assets (note 18)	**554**	592
Depreciation: Right-of-use asset for transponders (note 18)	**1 366**	1 357
Other[2]	**2 776**	2 886
	27 812	**28 454**

1 Included in content is amortisation of programme and film rights of ZAR11.6bn (2020: ZAR12.8bn). Also refer to note 19.
2 Includes various cost items such as agency fees, licence fees, communication and network costs.

(b) Selling, general and administration expenses (SGA)

	2021 ZAR'm	2020 ZAR'm
Employee costs	**6 411**	6 256
Sales and marketing	**2 351**	2 410
Depreciation: Owned assets (note 18)	**455**	471
Depreciation: Right-of-use asset for buildings (note 18)	**194**	214
Depreciation: Right-of-use asset for vehicles (note 18)	**4**	4
Short-term leases	**34**	36
Low-value leases	**3**	2
Auditors remuneration	**58**	60
Other[1]	**5 538**	5 118
	15 048	**14 571**

1 Includes various cost items such as administration, maintenance and general overhead costs.

(c) Employee-related expenditure

Employee remuneration is charged to the income statement and recognised as an expense in the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits include salaries and wages, medical-aid contributions, paid vacation leave, sick leave and incentive bonuses.

Long-term employee benefits

Long-term employee benefits are those benefits that are expected to be wholly settled more than 12 months after the end of the annual reporting period in which the services have been rendered and are discounted to their present value.

Retirement benefits

The group provides retirement benefits to its full-time employees, by means of monthly contributions to a defined contribution pension fund. The assets of this fund are held in separate trustee administered funds. The group's contribution to the retirement fund is recognised as an expense in the period in which the employees render the related service.

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the consolidated income statement.

		2021 ZAR'm	2020 ZAR'm

6. Expenses by nature (continued)

Equity-settled share-based compensation benefits

MultiChoice Group Limited (MCG) operates a number of equity-settled compensation plans which allow certain employees the right to receive ordinary shares in MCG after a prescribed period and for some participants subject to performance conditions. In terms of these plans, employees are offered awards in the form of either, restricted stock units (RSUs), Phantom Performance Shares (PPS) or share appreciation rights (SARs). As MCG grants these awards and has the obligation to settle the awards in MCG shares, the schemes have been recognised as equity-settled.

All awards are granted subject to the completion of a requisite service period by employees, ranging from two to five years. The awards granted vest in tranches which results in a comparatively higher charge in earlier years.

Equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the shares, adjusted to reflect management's estimate of the awards that will vest. These equity-settled share-based payments are not subsequently revalued. In respect of RSU's, awards are automatically settled in MCG equity instruments on the vesting date.

Staff costs

The group had 7 028 permanent employees in FY21 (FY20: 6 894).

The total cost of employment of all employees, including subsidiary executive directors, was as follows:			
Salaries, wages and bonuses		**6 096**	6 174
Cash-settled share-based payments on closure of SAR scheme	6.1	**98**	-
Equity-settled share-based compensation	6.1/6.2/6.4	**391**	344
Retirement benefit costs		**306**	320
Medical aid fund contributions		**280**	230
Severance		**47**	2
Other costs[1]		**99**	137
Total staff costs		**7 317**	**7 207**
Included in cost of providing services and sale of goods[2]		**906**	951
Included in selling, general and administration expenses		**6 411**	6 256
		7 317	**7 207**

1 Other costs primarily include training and recruitment costs.
2 Primarily relates to local production staff costs which gets included within content costs.

6.1. SARs

The group has granted share appreciation rights (SARs) which allow certain employees to earn a long-term incentive amount calculated with reference to the increase in the underlying entity's share price between the offer date of the SARs to the date the employee exercises their right. In respect of the SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of MCG for equity-settled plans.

The SARs are granted subject to the completion of a requisite service period by employees. The SARs granted are subject to tranche vesting. The SARs expire ten years from the date of offer. One third of SAR's in the MultiChoice 2008 SAR Scheme vests after years three, four and five from grant date. One fifth of the SAR's in the Irdeto Holdings B.V. 2012 Scheme vests after years one, two, three, four and five.

6. Expenses by nature (continued)

6.1. SARs (continued)

The MultiChoice 2008 SAR scheme was created as a long-term incentive plan for the MultiChoice South Africa (SA) and Rest of Africa (ROA) businesses. During the year ended 31 March 2019, at the time of unbundling from Naspers, the SAR scheme was discontinued (i.e. no further SARs were issued and normal vesting for existing SARs continued). The scheme is equity-settled as it is settled in MCG equity.

In the current financial year, management reassessed the effectiveness of the scheme as a long-term incentive plan and concluded it was no longer meeting its purpose. The scheme was therefore closed following board approval and a 75%+ vote from participants on 23 November 2020 (the effective date). Going forward, this simplifies the group's share scheme profile with future awards being made through the existing RSU plan, and the new plans explained further in 6.4 and 6.5.

The closing down of the scheme included the following terms:

- full acceleration of all unvested awards,
- full and final cash settlement at a value of ZAR110 per SAR,
- the removal of any remaining vesting conditions.

This change has resulted in an accelerated share-based payment expense being recorded in terms of the requirements of IFRS 2 Share based payments amounting to ZAR98m based on the amended fair value of the scheme at the effective date of ZAR638m.

The fair value of the awards were calculated using the Bermudan binomial tree model, taking into account the following significant assumptions:

	MCA 2008		Irdeto 2012		Showmax	
Weighted average	**Number of options**	**Average exercise price per option (ZAR)**	**Number of options**	**Average exercise price per option (USD)**	**Number of options**	**Average exercise price per option (USD)**
Outstanding at 31 March 2019	31 274 353	99	776 193	35	414 021	18
Exercised during the year[1]	(36 525)	77	(181 207)	28	-	-
Forfeited during the year[2]	(4 172 089)	96	(67 427)	39	(414 021)	18
Expired during the year	(68 206)	82	-	-	-	-
Outstanding at 31 March 2020	26 997 533	99	527 559	36	-	-
Exercised during the year[1]	(14 135 562)	85	(167 936)	31	-	-
Forfeited during the year	(1 451 270)	103	(7 647)	46	-	-
Expired during the year	(3 445)	92	-	-	-	-
Cancelled during the year	(11 407 256)	117	-	-	-	-
Outstanding at 31 March 2021	**-**	**-**	**351 976**	**39**	**-**	**-**

1 The weighted average share price at the date of exercise of the options exercised during the year for the MCA 2008 and the Irdeto 2012 schemes was ZAR109 and USD56 respectively (2020: ZAR80 and USD63).
2 The Showmax SAR scheme was forfeited in FY20 subsequent to unbundling from the Naspers group.

During FY20 and FY21 there were no new grants related to these SAR schemes.

6.2. RSUs

Employees of the group participate in the MCG Restricted Stock Plan Trust (RSU). RSUs are granted to employees by MultiChoice Group Limited who has the obligation to settle the awards. As such, the RSU awards are classified as equity-settled.

RSUs awarded to employees (excluding executives) before the AGM on 27 August 2020, vest over a five-year period, starting in the second year after the grant date. From the second anniversary of the grant date, 25% of the awarded RSUs vest each year.

RSUs awarded to executives before the AGM on 27 August 2020, vest over a four-year period, starting in the third year after the grant date. From the third anniversary of the grant date, 50% of the awarded RSUs vest each year. 50% of awarded RSUs are subject to performance conditions.

6. Expenses by nature (continued)

6.2. RSUs (continued)

RSUs awarded to employees (excluding executives) after the AGM on 27 August 2020, vest over a four-year period, starting in the third year after the grant date. From the third anniversary of the grant date, 50% of the awarded RSUs vest each year.

RSUs awarded to executives after the AGM on 27 August 2020, vest over a three-year period, vesting 100% in the third year after the grant date. 75% of November 2020 RSU awards are subject to performance conditions while 100% of March 2021 RSU awards are subject to performance conditions.

In all of the above RSU allocations, RSUs are automatically settled with participants on the vesting date and do not have an exercise price.

The shares in terms of the RSU scheme are administered by The MultiChoice Group Restricted Share Plan Trust, which is a consolidated entity of the group. The shares are acquired on market and are held as treasury shares until such time as they vest. Forfeited shares are reallocated in subsequent grants. Under the terms of the trust deed, MultiChoice Group Limited and its subsidiaries are required to provide the trust with the necessary funding for the acquisition of the shares at the time of the grant.

The fair value of the RSUs at grant date (weighted average: 2021: ZAR96.92) was estimated by taking the market value of the MCG shares on that date less the present value of future dividends that will not be received by employees during the vesting period.

Movement in number of RSUs	**MultiChoice Group RSU (ZAR)**
Outstanding at 31 March 2019	-
Granted during the year	5 780 313
Exercised during the year	(4 231)
Forfeited during the year	(409 794)
Outstanding at 31 March 2020	5 366 288
Granted during the year	5 620 390
Exercised during the year	(48 076)
Forfeited during the year	(910 459)
Outstanding at 31 March 2021	**10 028 143**
Weighted average remaining contractual life (years)	3.4

The fair value of the equity-settled options are calculated at grant date using the Bermudan binomial tree model, taking into account the following significant assumptions:

Weighted average	**MultiChoice Group RSU**
2020	
Expected dividend yield (%)	0.5
Expiry date (years)	4.0
2021	
Expected dividend yield (%)	4.8
Expiry date (years)	4.0

6.3. Share options

In prior years employees of MCG participated in share options granted under two separate schemes. The share options were granted by either MIH Holdings Limited or MIH Services FZ LLC (entities within the Naspers Group) who had the obligation to settle the options with the employees. As such, the share options were classified as equity-settled by the group. These schemes were settled during FY20 and no further grants were made in FY21.

6. Expenses by nature (continued)

The fair value of the awards were calculated using the Bermudan binomial tree model, taking into account the following significant assumptions:

	MIH Holdings Limited		MIH Services FZ LLC		MCG - MIH Services FZ LLC (Naspers shares - 2017)	
Weighted average	**Number of options**	**Average exercise price per option (ZAR)**	**Number of options**	**Average exercise price per option (ZAR)**	**Number of options**	**Average exercise price per option (ZAR)**
Outstanding at 31 March 2019	132 251	1 846	47 367	2 346	9 062	-
Settled during the year	(132 251)	-	(47 367)	-	(9 062)	-
Outstanding at 31 March 2020	-	-	-	-	-	-

	MCG - MIH Holdings Share Trust (Naspers shares - 2017)		MCG - MIH Holdings Share Trust (Naspers Shares)		MCG - MIH Services FZ LLC - N - ZAR (Naspers shares)	
Weighted average	**Number of options**	**Average exercise price per option (ZAR)**	**Number of options**	**Average exercise price per option (ZAR)**	**Number of options**	**Average exercise price per option (ZAR)**
Outstanding at 31 March 2019	26 478	-	35 895	-	11 199	-
Settled during the year	(26 478)	-	(35 895)	-	(11 199)	-
Outstanding at 31 March 2020	-	-	-	-	-	-

6.4. Irdeto RSU scheme

During FY21, the group created a new phantom share option scheme for the employees of the Technology segment, Irdeto. This was done to align Irdeto long term incentives to the Irdeto business objectives, rather than the overall group. As the scheme will be settled with MCG shares, it has been classified as an equity-settled share based payment arrangement. The vesting period is phased over a four-year period, where participants will receive 50% of their awards granted in year 3 and the remaining 50% in year 4, should performance conditions be met.

Performance conditions include total revenue, external business revenues, earnings before interest, tax, depreciation, and amortisation (EBITDA) and cumulative free cash flow over a 3 year period. The vesting percentages for each measure, for performance below threshold, at threshold, target, and stretch and above will be 0%, 50%, 75% and 100% respectively, with linear interpolation between these levels.

The scheme is valued using a fixed, pre-determined multiple of demonstrated sustainable EBITDA to eliminate subjectivity in the valuation as far as possible. This is calculated as follows:

(Valuation EBITDA x EBITDA Multiple) plus net cash / less net debt.

The weighted average fair value of the phantom shares at grant date of 4 September 2020 was USD35.47.

	Irdeto RSU	
Movement in number of Irdeto RSUs	**Number of options**	**Average exercise price per option (USD)**
Granted during the year	211 022	-
Exercised during the year	(736)	-
Forfeited during the year	(3 401)	-
Outstanding at 31 March 2021	**206 885**	**-**
Weighted average remaining contractual life (years)	3.4	

6. Expenses by nature (continued)

Weighted average	2021 Irdeto RSU
Fair value of RSU at measurement date (USD)	**35**
Exercise price (USD)	**2**
Risk-free interest rate[1] (%)	**0.4**
Annual suboptimal rate[2] (%)	**101.3**
Expected volatility[3] (%)	**53.9**
Weighted average remaining contractual life (years)	**3.4**
Option life (years)	**5.7**

1 Based on the zero rate bond yield.
2 Based on the portion of vested options that were exercised annually.
3 Determined using historical daily share prices of listed companies with similar operations to Irdeto.

6.5. Phantom Performance Share scheme

On 31 March 2021, the group initiated a new long-term incentive scheme, the Phantom Performance Share (PPS) scheme. This scheme is based on a portfolio of new investments made and to be made by the group and the associated growth in those investments. Performance conditions apply and vesting will only occur should portfolio returns (measured using an internal rate of return (IRR) calculation) of 12.5% be achieved, with full vesting occurring at 25%. Vesting occurs over a 5 year period (50% in year 4 and 50% in year 5). The scheme will be settled with MCG shares and therefore it has been classified as an equity-settled share based payment arrangement.

	PPS Plan 2021	
Movement in number of PPS units	**Number of options**	**Average exercise price per option (ZAR)**
Granted during the year	319 748	-
Outstanding at 31 March 2021	**319 748**	**-**
Weighted average remaining contractual life (years)	4.5	

Weighted average	2021 PPS Plan 2021
Fair value of PPS Units at measurement date (ZAR)	**99**
Risk-free interest rate[1] (%)	**7.5**
Annual suboptimal rate[2] (%)	**100.0**
Expected volatility[3] (%)	**36.5**
Weighted average remaining contractual life (years)	**4.5**
Option life (years)	**10**

1 Based on the zero rate bond yield.
2 Based on the portion of vested options that were exercised annually.
3 Determined using historical daily share prices of MCG shares.

	Notes	2021 ZAR'm	2020 ZAR'm
7. Other gains/(losses) - net			
Other operating gains/(losses) - net	**Notes**		
Dividends received		**-**	21
Other gains		**15**	87
Loss on sale of property, plant and equipment		**(15)**	-
Profit on sale of Intangible assets		**15**	-
Reversal of impairment/(impairment) of property, plant and equipment	18	**76**	(28)
Insurance proceeds		**35**	-
Fair-value adjustment		**6**	-
		132	**80**
Other losses			
Acquisition related cost		**(25)**	-
Loss on acquisition of assets and liabilities		**-**	(49)

8. Empowerment transaction

FY20 PN share swap

In line with prior commitments, an offer was made to PN shareholders on 25 September 2019, to exchange up to 20% of their PN shares for shares in the MultiChoice Group. The offer closed on 28 October 2019 and resulted in 3.7m shares being issued to PN shareholders, while the MultiChoice Group acquired 3.8m shares in PN in return. Following the conclusion of this share swap, the group's overall interest in MultiChoice South Africa Group increased from 75.0% to 76.4%, resulting in the decrease in non-controlling interest of 1.4%. The transaction was treated as a share issue at fair value with an increase in share capital and a corresponding decrease in other reserves and non-controlling interests in the consolidated statement of changes in equity.

9. Taxation

The tax charge is determined based on taxable income for the year and includes current tax, deferred tax and dividend withholding tax.

The current tax charge is the tax payable on the taxable income for the financial year applying enacted or substantively enacted tax rates.

Deferred tax is provided for on all temporary differences between the carrying amount of assets and liabilities for accounting purposes and the amounts used for tax purposes. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill; and
- investments in subsidiaries and interests in joint arrangements to the extent that the temporary difference will probably not reverse in the foreseeable future and the control of the reversal of the temporary difference lies with the parent, investor, joint venturer or joint operator.

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

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the group's operations where there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward. The estimated tax losses available may be subject to various statutory limitations as to its usage. The group has not recognised any deferred tax assets for carry forward unused tax losses in any of the years presented.

The holding company tax rate is 28% for all financial years presented.

Dividends paid to shareholders that are not exempted from dividend withholding tax under South African tax law are subject to dividend withholding tax at a rate of 20%. This tax is on the shareholders and is not recognised in the consolidated income statement.

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments.

	2021 ZAR'm	2020 ZAR'm
9. Taxation (continued)		
Major components of the tax expense		
Current		
South Africa	**2 594**	3 307
Current year	**2 461**	3 318
Prior year	**133**	(11)
Foreign taxation	**1 343**	929
Current year	**1 313**	930
Prior year	**30**	(1)
	3 937	**4 236**
Deferred		
South Africa	**867**	(747)
Current year	**937**	(706)
Prior year	**(70)**	(41)
Foreign taxation - Current year	**23**	(45)
	890	**(792)**
Total taxation per income statement	**4 827**	**3 444**
Reconciliation of taxation		
Taxation at statutory rate of 28%	**2 493**	1 488
Adjusted for:		
Non-deductible expenses	**234**	173
Initial recognition of prior year taxes	**93**	(53)
Non-taxable income	**(197)**	(66)
Differences not provided for[1]	**1 069**	1 080
Unrecognised RoA losses[2] and other unprovided timing differences[3]	**1 159**	1 205
Assessed losses utilised	**(90)**	(125)
Foreign withholding taxes and other direct taxes	**739**	716
Other uncertain tax positions	**276**	21
Tax adjustment for foreign taxation rates	**104**	80
Tax attributable to equity-accounted earnings	**16**	5
Taxation provided in Income statement	**4 827**	**3 444**

1 During the year, the group further expanded on the line item as previously presented and the comparatives were represented accordingly.
2 Unrecognised RoA tax losses of ZAR405m (FY20: ZAR558m) will not result in deferred tax assets due to local in-country tax regulations.
3 Other unprovided temporary differences relate to temporary differences on provisions, capital allowances and exchange differences as well as the release of deferred tax assets previously raised on assessed losses carried forward.

The group is subject to income taxes in numerous jurisdictions. As a result, significant judgement is required in determining the group's provision for income taxes. There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business.

The group recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the group, the group seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable, possible or remote. Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability, refer to note 14.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

	2021 ZAR'm	2020 ZAR'm

10. Deferred taxation

Reconciliation of deferred tax asset

	2021 ZAR'm	2020 ZAR'm
At beginning of year	**1 104**	874
(Debited)/credited to income statement	**(891)**	792
Charged to other comprehensive income and directly through equity	**1 077**	(618)
Foreign exchange effects	**(23)**	56
	1 267	**1 104**

Deferred tax is attributable to the following temporary differences

	2021 ZAR'm	2020 ZAR'm
Assets		
Provisions and other current liabilities	**466**	402
Lease liabilities	**2 520**	3 317
Income received in advance	**211**	199
Receivables and other current assets	**115**	128
Hedging reserve	**333**	109
Other[1]	**25**	245
	3 670	**4 400**
Liabilities		
Property, plant and equipment	**(23)**	(52)
Intangible assets	**(58)**	(37)
Receivables and other current assets	**(66)**	(60)
Right-of-use assets	**(1 741)**	(1 909)
Programme and film rights	**(471)**	(362)
Hedging reserve	**-**	(853)
Other[1]	**(44)**	(23)
	(2 403)	**(3 296)**

1 Other includes derivative financial assets and liabilities.

For all temporary differences noted, the current year movement has been recognised in profit and loss with the exception of changes in the fair value of derivative financial instruments that relate to cash flow hedges which have been recognised in other comprehensive income.

The group has tax losses carried forward of approximately ZAR22.8bn (2020: ZAR29.7bn). A summary of the tax losses carried forward at 31 March 2021 by tax jurisdiction and the expected expiry dates are set out below:

2021	**Rest of Africa ZAR'm**	**Latin America and USA[1] ZAR'm**	**Total[2] ZAR'm**
Expires in year one	**130**	**-**	**130**
Expires in year two	**135**	**-**	**135**
Expires in year three	**525**	**-**	**525**
Expires in year four	**1 074**	**-**	**1 074**
Expires in year five	**939**	**-**	**939**
Expires after year five	**14 143**	**5 821**	**19 964**
	16 946	**5 821**	**22 767**

10. Deferred taxation (continued)

2020	**Rest of Africa**	**Latin America and USA**[1]	**Total**[2]
	ZAR'm	**ZAR'm**	**ZAR'm**
Expires in year one	161	-	161
Expires in year two	223	-	223
Expires in year three	1 281	-	1 281
Expires in year four	519	-	519
Expires in year five	600	-	600
Expires after year five	19 984	6 895	26 879
	22 768	**6 895**	**29 663**

1 Technology segment tax jurisdictions.
2 The decrease in total tax losses carried forward is primarily due to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21 and decreased losses in the Rest of Africa segment.

	Notes	2021 ZAR'm	Restated[2] 2020 ZAR'm

PART III. CASH FLOWS AND LIABILITY MANAGEMENT

11. Cash generated from operations

	Notes	2021 ZAR'm	Restated[2] 2020 ZAR'm
Operating profit		**10 458**	**8 267**
Adjustments:			
Non-cash and other		**15 675**	17 110
Depreciation and amortisation	18/23	**2 809**	2 884
Share-based compensation expenses	6	**489**	344
Net realisable value adjustments on inventory	20	**326**	174
Reversal of net realisable value adjustments on inventory[1]	20	**(467)**	-
Net impairment loss on trade receivables[2]	21	**152**	175
Hedge accounting revaluations		**136**	539
Amortisation of programme and film rights	19	**11 649**	12 780
Movement in legal and tax provisions	16	**260**	-
Other[3]		**321**	214
Working capital		**(12 224)**	**(13 296)**
Cash movement in trade and other receivables[2]		**156**	47
Cash movement in accrued expenses and other current liabilities		**(195)**	(1 895)
Cash movement in programme and film rights		**(12 380)**	(11 432)
Cash movement in inventory		**195**	(16)
Cash generated from operating activities		**13 909**	**12 081**

1 Primarily relates to an increase in set-top box prices during the year.
2 FY20 numbers have been restated to disclose these lines on a gross basis. These restated amounts did not impact any of the primary statements nor did it impact any other financial information previously presented.
3 Primarily relates to general accruals raised in the Rest of Africa segment.

12. Liabilities funding operations

The group's long-term sources of financing primarily consists of lease liabilities for transponder capacity and amounts due for programme and film rights.

Financial liabilities include current and non-current debt. Financial liabilities are classified as current unless the borrowing entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities, other than those arising under leases, are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortised cost.

Leases

Lease liabilities are initially measured at the present value of the lease payments and are subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:
- where possible, uses recent third-party financing received, adjusted to reflect changes in financing conditions since this financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third-party financing; and/or
- makes adjustments specific to the lease, e.g. term, country, currency and security.

12. Liabilities funding operations (continued)

At inception, the rate used for transponder leases is determined using a 3 month US LIBOR plus a premium of 1.75% for the incremental borrowing rate. The incremental borrowing rate is unchanged for the duration of lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The group applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the group's business planning cycle, significance of related leasehold improvements and past history of terminating/not renewing a lease.

The group is not exposed to potential future increases in variable lease payments based on an index or rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Certain lease contracts include both lease and non-lease components. The group has elected the practical expedient to account for non-lease components as part of its lease liabilities and right-of-use assets.

Financial liabilities are derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the consolidated income statement as interest expense based on the effective interest rate method.

Derivative instruments and hedge accounting

Hedging strategy

The group applies hedging where economically viable for periods up to 36 months as part of its foreign currency risk management strategy which is reviewed regularly by the group risk committee and the board of directors. This provides certainty in terms of future financial assets and obligations denominated in foreign currency and allows the group to set achievable financial plans and deliver sustainable returns to shareholders. This is applied in the South Africa, Rest of Africa and Technology segments through forward exchange contracts (FECs), non-deliverable forwards (NDFs) and futures instruments in Nigeria.

Hedging of foreign currency costs

In the South Africa segment, the group uses FECs to hedge the exposures arising from its cash obligations denominated in US dollars for transponder lease payments and its US dollar and Euro denominated payments to purchase programming and channels, because the entities with the obligation to settle these exposures do not have the US dollar or Euro as their functional currencies. This is performed for all cash obligations in the next 18 months, and can be extended up to 36 months for contractually committed exposures, in terms of the group treasury policy.

Hedging of local currency remittances

Where economical, FECs, NDFs and futures (hedging instruments) are used to hedge currency risk relating to local currency remittances in the Rest of Africa segment. This is performed by implementing hedging instruments centrally to secure a foreign exchange rate for all cash to be extracted in the future for periods up to 13 months in markets such as Nigeria, Kenya, Zambia and Ghana. This protects the group against foreign currency depreciation (especially in markets which experience liquidity challenges) and provides certainty of cash remittance rates in markets where FECs and NDFs are used.

Hedging of operating costs in the Technology segment

The Technology segment utilises FECs and NDFs to hedge operational costs to provide certainty of foreign exchange rates for financial planning purposes.

Hedge accounting

The group applies hedge accounting where all the relevant criteria are met.

12. Liabilities funding operations (continued)

The group designates hedging instruments taken out as either a cash flow hedge or fair value hedge as follows:

- *Cash flow hedge*: hedge of the foreign currency risk of a firm commitment to purchase programming and channels, operating costs in the Technology segment and in the Rest of Africa for local in-country remittances;
- *Fair value hedge*: hedge of the fair value of recognised transponder lease liabilities and in the Rest of Africa for local in-country remittances and futures in Nigeria.

FECs and NDFs in the Rest of Africa segment are designated as cash flow hedges whilst the Nigerian futures are designated as fair value hedges.

Changes in the fair value of FECs that are designated, and qualify, as cash flow hedges are recognised in other comprehensive income and the ineffective part of the hedge is recognised in the consolidated income statement. The amounts deferred in other comprehensive income are transferred to the consolidated income statement and classified as income or expense in the same periods during which the hedged transaction affects the consolidated income statement. The amounts transferred are recognised in either 'cost of providing services and sale of goods' or 'selling, general and administration expenses'. To the extent that amounts deferred in other comprehensive income pertain to hedges of programme and film rights, these amounts are subsequently transferred to the initial cost of the asset when it is recognised in the consolidated statement of financial position (basis adjustment) and is recognised subsequently to the consolidated income statement as the asset is amortised. This basis adjustment is presented directly in the consolidated statement of changes in equity and not through other comprehensive income.

Changes in the fair value of derivatives that are designated, and qualify, as fair value hedges are recorded in the consolidated income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. These are presented in 'interest (expense)/income' (refer to note 13).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms (notional value and timing of exposure) of the hedging instrument match the terms of the hedged item. In addition, the gain or loss on the hedged item (which for transponder lease liabilities is designated as the portion of the contractual cash flows covered by forward exchange contracts) is compared to the gain or loss on the hedging instrument to ensure the hedging relationship is effective. The group therefore performs a qualitative and quantitative assessment of effectiveness.

Rebalancing will occur when adjustments need to be made to the hedged instrument due to a material change in the underlying hedged item. This is treated as a continuation of the hedging relationship.

Hedge ineffectiveness will be assessed and recognised immediately in the consolidated income statement before adjusting the hedging relationship.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes significantly from what was originally estimated, the total amount of the hedged item reduces or if there are changes in the credit risk of either party to the hedging relationship.

Hedge accounting will be discontinued in its entirety when the hedging relationship no longer meets the risk management objective, the hedging relationship no longer complies with the qualifying criteria or the hedging instrument has been sold or terminated.

Partial discontinuation will occur when a portion of the forecast transaction is no longer highly probable, or a portion of the hedged item is no longer part of the hedging relationship due to an adjustment to the hedge ratio (percentage cover in relation to highly probable forecasted transactions).

COVID-19 has required the group to reassess whether a transaction is still a 'highly probable forecasted transaction'. This includes whether the volume or amounts involved will be lower than forecasted or whether it is now no longer highly probable that the forecasted transaction will occur. The primary consideration in the group is around sporting events that could be delayed, cancelled or could potentially occur in a different format with a different associated rights cost.

12. Liabilities funding operations (continued)

The group concluded that the economic hedging relationship under *IFRS 9* still largely exists (apart from cancelled events which represented a minor portion of hedged transactions) at 31 March 2021, and the underlying cash flows are highly probable. As the hedged items largely relate to the following season of the sporting event, which are settled on a prepaid basis, the group still expects to execute payments in line with normal committed payment timelines. The post balance sheet period was monitored to assess if any adjustment was required either due to formal cancellation, a change in contractual terms or other information that changes a highly probable forecast transaction to only being probable or not probable.

In FY21, the group acquired a 20% shareholding in BetKing (note 25). The transaction was structured to include an upfront investment with the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation paid being supported by future equity transactions. The contingent consideration was initially and will subsequently be measured at fair value.

(a) Interest-bearing: Lease liabilities	**12 432**	**16 894**
Total liabilities	**14 410**	18 951
Less: Current portion	**(1 978)**	(2 057)
(b) Interest-bearing: Loans and other liabilities (A)	**887**	**14**
Total liabilities	**1 387**	14
Less: Current portion	**(500)**	-
(c) Non-interest-bearing: Programme and film rights	**-**	**-**
Total liabilities	**3 826**	4 085
Less: Current portion	**(3 826)**	(4 085)
(d) Interest- and non-interest-bearing: Amounts due to related parties	**-**	**185**
Non-current liabilities	**-**	185
Non-interest-bearing: Loans and other liabilities (B)	**326**	**64**
Total liabilities	**509**	64
Less: Current portion	**(183)**	-
Total non-current liabilities	**13 645**	17 157
Total non-current loans and other liabilities (A)+(B)	**1 213**	78

The impact of these liabilities on the group's liquidity is disclosed in note 17.

Reconciliation of liabilities arising from financing activities	**Lease liabilities**	**Interest bearing liabilities**	**Related- party loans**	**Non - Interest bearing liabilities**
	2021	**2021**	**2021**	**2021**
	ZAR'm	**ZAR'm**	**ZAR'm**	**ZAR'm**
Balance at 1 April 2020	**18 951**	**14**	**185**	**64**
Additional liabilities recognised	**454**	**2 000**	**-**	**-**
Repayments[1]	**(2 585)**	**(654)**	**-**	**(6)**
Interest accrued	**730**	**29**	**-**	**-**
Foreign exchange translation[2]	**(3 140)**	**(2)**	**7**	**(7)**
Transferred to amounts due from related parties	**-**	**-**	**(192)**	**-**
Contingent consideration recognised[3]	**-**	**-**	**-**	**458**
Balance at 31 March 2021	**14 410**	**1 387**	**-**	**509**
Less: Current portion	**(1 978)**	**(500)**	**-**	**(183)**
Non-current liabilities	**12 432**	**887**	**-**	**326**

12. Liabilities funding operations (continued)

Reconciliation of liabilities arising from financing activities	Lease liabilities	Interest bearing liabilities	Related- party loans	Non - Interest bearing liabilities
	2020 ZAR'm	2020 ZAR'm	2020 ZAR'm	2020 ZAR'm
Balance at 1 April 2019	15 731	13	134	46
IFRS 16 adoption	728	-	-	-
Additional liabilities recognised	481	-	-	-
Repayments[1]	(2 158)	-	-	-
Interest accrued	713	-	-	-
Foreign exchange translation[2]	3 456	1	51	18
Balance at 31 March 2020	18 951	14	185	64
Less: Current portion	(2 057)	-	-	-
Non-current liabilities	16 894	14	185	64

1 Capital repayments of ZAR1 855m (2020: ZAR1 445m) are included in repayment of lease liabilities within financing activities and ZAR730m (2020: ZAR713m) is included as part of interest costs paid within operating activities in the cash flow statement. Capital repayments of ZAR631m are included in repayment of long and short-term loans within financing activities and ZAR29m is included as part of interest costs paid within operating activities in the cash flow statement.
2 This item is non-cash in nature.
3 Relates to the earn-out provisions, to be settled in cash, as a result of the group's acquisition of BetKing (refer to note 25).

a) Interest-bearing: Lease liabilities

Asset leased	Related platform[2]	Years of final repayment (calendar year)	Weighted average year-end interest rate	2021 ZAR'm	2020 ZAR'm
Transponder 1-21[1]	SA DTH	2027-2031	3.50-4.98%	**8 890**	11 777
W7 transponder[1]	RoA DTH	2025	4.35-6.00%	**2 719**	2 430
E36 B&C transponder[1]	RoA DTH	2025-2031	3.93-4.61%	**1 923**	3 629
IS 904 Intelsat Transponder 1 - 9,13[1]	RoA DTT	2024	5.11%	**249**	370
Land and buildings		2021-2034	2.85-22.00%	**596**	694
Other assets		2021-2029	5.83-8.00%	**33**	51
Total lease liabilities				**14 410**	**18 951**

1 All transponder leases are denominated in US dollars.
2 South Africa direct-to-home (SA DTH), Rest of Africa direct-to-home (RoA DTH) and Rest of Africa digital terrestrial television (RoA DTT).

The maturity analysis of the lease liabilities is as follows:

	2021	2020
Within one year	**2 518**	2 749
Two to five years	**8 233**	10 556
More than five years	**6 216**	9 525
Less finance charges	**(2 557)**	(3 879)
Carrying amount of lease liabilities	**14 410**	**18 951**

12. Liabilities funding operations (continued)

(b) Interest-bearing: Loans and other liabilities

Unsecured	Loan utilised for	Currency of year-end balance	Years of final repayment (calendar year)	Weighted average year-end interest rate	2021 ZAR'm	2020 ZAR'm
Austrian government	Research and development	EUR	2021-2024	0.75%	**12**	14
Term loan	Working capital	ZAR	2023	3 month JIBAR +1.7%	**1 375**	-
Total					**1 387**	**14**

(c) Non-interest-bearing: Programme and film rights

Unsecured	Currency of year-end balance	Years of final repayment (calendar year)[1]	2021 ZAR'm	2020 ZAR'm
Various trade suppliers	ZAR	2021	**-**	2 344
Various trade suppliers	USD	2021	**-**	1 491
Various trade suppliers	ZAR	2020-2023	**28**	227
Various trade suppliers	GBP	2020	**-**	3
Various trade suppliers	EUR	2020	**-**	8
Various international production studios	USD	2020	**-**	12
Various trade suppliers	ZAR	2022	**2 456**	-
Various trade suppliers	USD	2022	**1 335**	-
Various trade suppliers	GBP	2022	**2**	-
Various international production studios	USD	2022	**5**	-
Total programme and film rights			**3 826**	**4 085**

1 Relates to the length of studio contracts and does not correlate to the recognition of liabilities. In line with the accounting policy of the group, all liabilities are current in nature.

(d) Interest- and non-interest-bearing: Amounts due to related parties

Amounts due to related parties: Non-current	2021 ZAR'm	2020 ZAR'm
Equity investees	**-**	185

During FY21, a set-off agreement was entered into between equity investees, MultiChoice Africa Holdings BV and GOtv Zambia Limited whereby amounts were set-off. This transaction is non-cash in nature.

(e) Management of foreign currency exposure on cash obligations

A significant portion of the group's cash obligations under contracts for transponder leases as well as programming and channels are denominated in US Dollars and Euro. In the Rest of Africa segment, for local in-country remittances forward foreign exchange cover is either not available in certain territories or is uneconomical and accordingly exposures in those territories are not hedged. The group uses forward exchange contracts, non-deliverable forwards (NDFs) and futures to hedge the exposure to foreign currency risk. The group generally covers forward 100% of highly probable forecasted exposures in foreign currency for a minimum of 18 months and committed exposures up to three years. This results in the group typically taking out cover as follows:

- Programming and channels; operating costs and set-top box costs: 100% of all highly probable forecasted exposures to purchase programming and channels, operating costs and set-top box costs, except in territories where forward exchange cover is not available or is uneconomical.
- Transponder lease payments: due to the long-term nature of the transponder lease agreements, the group only takes out cover for up to three years of lease payments. A portion of the foreign exchange movement in the recognised lease liability is therefore unhedged.

	2021 ZAR'm	2020 ZAR'm

12. Liabilities funding operations (continued)

Market Risk

The group uses a combination of forward exchange contracts, non-deliverable forwards and futures to hedge its exposure to foreign currency risk. Under the group's policy, an economic relationship should exist between the hedged item and hedging instrument.

The group designates the contracted forward rate of foreign currency hedges in the hedge relationships. The contracted forward rate is determined with reference to relevant market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. This differential is discounted where it is material.

The fair value of the derivative financial instruments, and whether those derivatives were designated in a hedge relationship or not, is set out below:

	2021 ZAR'm	2020 ZAR'm
Non-current assets		
Forward exchange contracts	**1**	634
Interest rate swap	**7**	-
Current assets	**340**	1 733
Forward exchange contracts	**48**	1 452
Futures contracts	**262**	215
Currency depreciation features[1]	**30**	66
Non-current liabilities		
Forward exchange contracts	**(358)**	(3)
Current liabilities		
Forward exchange contracts	**(598)**	(116)
Net derivative (liabilities)/assets	**(608)**	**2 248**

1 Currency depreciation features relate to clauses in content acquisition agreements that provide the group with a contractually specified level of currency depreciation protection.

The following amounts were recognised in the consolidated income statement in relation to the forward exchange contracts:

	2021 ZAR'm	2020 ZAR'm
Net (loss)/profit on forward exchange contracts	**(1 653)**	928

Movements in the hedging reserve related to cash flow hedges are detailed below. The amount deferred is expected to realise over three years in line with the maturity of the forward exchange contracts.

	2021 ZAR'm	2020 ZAR'm
Opening balance	**(464)**	(274)
Net fair value losses recognised in other comprehensive income	**(898)**	(143)
Derecognised and added to asset	**(1 045)**	(379)
Derecognised and reported in revenue	**163**	212
Derecognised and reported in cost of providing services and sale of goods	**327**	1 201
Derecognised and reported in finance cost	**(37)**	(30)
Tax effects	**1 077**	(618)
Non-controlling interests	**788**	(433)
Closing balance	**(89)**	**(464)**

12. Liabilities funding operations (continued)

Exposure to foreign currency on uncovered commitments

The below details the group's uncovered commitments that are denominated in a currency other than the functional currency of the settling entity:

Uncovered commitments:	**2021 Currency amount of commitments 'm**	**2021 ZAR'm**	**2020 Currency amount of commitments 'm**	**2020 ZAR'm**
US dollar[1]	**629**	**9 429**	92	1 646
South African Rands	**14**	**14**	10	10
Euro[2]	**64**	**1 039**	101	1 995
Other currencies[3]	**13 739**	**764**	19 440	802
		11 246		**4 453**

1 The increase in uncovered USD commitments relates primarily to the renewal of content deals. These deals fall outside the 36 month hedging window as allowed by the group treasury policy.
2 The decrease in uncovered Euro commitments relates primarily to the unwinding of previous commitments that were not replaced by new commitments due to ongoing negotiations.
3 Includes Nigeria naira, British pound and Australian dollar.

Effects of hedge accounting on financial position and performance

The effects of the foreign currency related hedging instruments on the group's financial position and performance are as follows:

Foreign exchange contracts	**2021**		**2020**	
	Cash flow hedges	**Fair value hedges**	**Cash flow hedges**	**Fair value hedges**
Carrying amount per currency pair - asset/(liability) (ZAR'm)				
- USD/ZAR	**(227)**	**(603)**	937	934
- EUR/ZAR	**(48)**	**(1)**	154	-
- USD/NGN	**-**	**39**	-	196
- Other[1]	**(26)**	**11**	(44)	(16)
	(301)	**(554)**	**1 047**	**1 114**
Notional amount per currency pair - buy/(sell)				
- USD/ZAR - (USD'm)	**303**	**460**	219	328
- EUR/ZAR - (EUR'm)	**48**	**1**	53	-
- USD/NGN - (NGN'bn)	**-**	**(118)**	-	(87)
- Other	1	1	1	1
Maturity date range	**April 2021 - December 2022**	**April 2021 - December 2022**	April 2020 - January 2022	April 2020 - January 2022
Hedge ratio per currency pair				
- USD/ZAR	**100 %**	**100 %**	100 %	100 %
- EUR/ZAR	**100 %**	**100 %**	100 %	100 %
- USD/NGN	**100 %**	**100 %**	100 %	100 %
- Other	1	1	1	1

12. Liabilities funding operations (continued)

Foreign exchange contracts (continued)	2021		2020	
	Cash flow hedges	Fair value hedges	Cash flow hedges	Fair value hedges
Change in value of hedged item used to determine hedge effectiveness per currency pair - gain/(loss) (ZAR'm)				
- USD/ZAR	**1 302**	**(1 345)**	1 246	1 029
- EUR/ZAR	**37**	**13**	123	(11)
- USD/NGN	**-**	**67**	-	218
- Other[1]	**(123)**	**(5)**	16	(5)
	1 216	**(1 270)**	**1 385**	**1 231**
Weighted average hedged rate per currency pair for the year				
- USD/ZAR	**16.40**	**16.61**	13.90	15.49
- EUR/ZAR	**18.97**	**20.03**	17.37	-
- USD/NGN	**-**	**422.84**	-	365.88
- Other	1	1	1	1

1 Other relates to multiple immaterial hedging currency pairs.

Sensitivity analysis

Foreign exchange risk

Some entities in the group have a functional currency other than US dollar. These entities hold significant US dollar liabilities, (eg. Transponder leases (Note 12(a)), resulting in foreign exchange profit and loss exposures (Note 13). In addition, a significant portion of the group's programme and film rights purchases are in US dollar whereas the corresponding revenues are in local currencies, which exposes the group to cash flow foreign exchange risk. As explained in note 12(e) the group enters into hedging arrangements to partially mitigate this risk.

The group's sensitivity to a 10% decrease in the Rand against the US dollar, Euro and British pound are shown below. These percentage decreases represent management's assessment of the possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the above percentage change in foreign currency rates.

The sensitivity analysis below excludes the effects of the hedging relationships noted in note 12(e).

A 10% decrease of the Rand against the US Dollar, Euro and British Pound would result in the profit after tax decreasing by ZAR202.7m (restated 2020[1]: increase ZAR452.8m). Changes in other equity would increase by ZAR0.7bn (restated 2020[1]: increase ZAR1.1bn).

1 The FY20 amounts have been restated as these amounts were previously incorrect. These restated amounts did not impact any of the primary statements nor did it impact any other financial information previously presented.

Interest rate risk

The majority of the group's borrowings relate to transponder leases that have fixed interest rates (refer to note 12(a)).

The group is primarily exposed to interest rate fluctuations of the South African Repo/JIBAR, US/GBP LIBOR and EURIBOR rates. The following changes in the rates represent management's best estimate of the possible change in interest rates at the respective year-ends:

- South African Repo/JIBAR rate: increases by 100 basis points each (2020: increases by 100-basis points each)

- US/GBP LIBOR and EURIBOR rates: increases by 100 basis points each (2020: increases by 100-basis points each)

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax would increase by ZAR25.5m (2020: increase ZAR46.1m).

Total equity would be unaffected by the above changes in interest rates (2020: ZARnil).

	2021 ZAR'm	2020 ZAR'm

12. Liabilities funding operations (continued)

Group policy is to maintain at least 50% of its borrowings at fixed rate, using floating-to-fixed interest rate swaps to achieve this when necessary. In the current year the group entered into long-term borrowings at floating rates (JIBAR plus 1.7%) and swapped it into a fixed rate (5.75%) which is lower than the rate available if the group borrowed at fixed rates directly. The group's borrowings at a variable rate were denominated in ZAR.

13. Interest (expense)/income

	2021 ZAR'm	2020 ZAR'm
Interest expense		
Loans and overdrafts[1]	**(53)**	(4)
Leases[2]	**(730)**	(713)
Other[3]	**(297)**	(322)
	(1 080)	**(1 039)**

1 Increase relates primarily to interest on working capital term loan of ZAR29m.
2 Relates primarily to transponder leases of ZAR688m (FY20: ZAR656m).
3 Relates primarily to discounting on programme and film rights of ZAR176m (FY20: ZAR233m).

	2021 ZAR'm	2020 ZAR'm
Interest income		
Loans and bank accounts	**232**	366
Other	**134**	69
	366	**435**

A significant portion of the group's operations are exposed to foreign exchange risk. The table below presents the net gain/(loss) from this foreign exchange exposure and incorporates effects of qualifying forward exchange contracts that hedge this risk.

	2021 ZAR'm	2020 ZAR'm
Net loss from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of liabilities	**(1 027)**	(976)
On translation of transponder leases[1]	**1 923**	(2 208)
Gains on translation of forward exchange contracts[2]	**1 799**	3 821
Losses on translation of forward exchange contracts[2]	**(3 452)**	(2 893)
Net foreign exchange translation losses	**(757)**	**(2 256)**

1 Movement primarily relates to ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21.
2 The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21 and additional forward exchange contracts executed during FY21 which resulted in an increase in the achieved average hedge rate from ZAR14.70 in FY20 to ZAR16.51 in FY21.

14. Commitments and contingencies

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies, should they materialise, out of existing facilities and internally generated funds.

Commitments

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2021 amount to ZAR34.1m (2020: ZAR91.7m).

(b) Programme and film rights

At 31 March 2021 the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts amount to ZAR36.6bn (2020: ZAR32.5bn). The group's programme and film rights commitments increased due to renewal of major sports rights in the current year.

	2021 ZAR'm	2020 ZAR'm

14. Commitments and contingencies (continued)

(c) Set-top boxes

At 31 March 2021 the group had entered into contracts for the purchase of set-top boxes (decoders). The group's commitments in respect of these contracts amount to ZAR1.4bn (2020: ZAR1.7bn).

(d) Guarantees

The group has guarantees of ZAR47.5m (2020: ZAR54.0m) primarily in respect of obligations for service contracts.

(e) Assets pledged as security

The group pledged property, plant and equipment with a net carrying value of ZAR10.1bn (2020: ZAR12.1bn) as security against certain assets acquired in terms of leases. Refer note 18 for further details.

(f) Other commitments

At 31 March 2021 the group had entered into contracts for the receipt of various services. These service contracts are for transmission services, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to ZAR4.6bn (2020: ZAR4.2bn). The group's other commitments increased due to technology (broadcast and information) commitments, primarily due to the timing of various contractual renewals.

(g) Lease commitments

The group has the following short-term and low value lease commitments:

	2021 ZAR'm	2020 ZAR'm
Minimum lease payments due		
Payable in year one	**15**	24
Payable later than one year but not later than five	**-**	2
	15	**26**

The group leases office equipment (low value), warehouse (short-term) and office buildings (short-term) under various non-cancellable leases.

Contingencies

Taxation matters

The group operates a number of businesses in jurisdictions where taxes may be payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group's current assessment of possible but unlikely withholding and other tax exposures, including interest and potential penalties, amounts to approximately ZAR0.2bn (2020: ZAR0.2bn). No provision has been made as at 31 March 2021 for these possible exposures.

	2021 ZAR'm	2020 ZAR'm

15. Accrued expenses and other current liabilities

Trade payables	**1 326**	1 163
Deferred income[1]	**3 158**	3 528
Accrued expenses	**2 089**	2 433
Taxes and other statutory liabilities	**867**	438
Employee benefits	**1 348**	1 256
Bonus accrual	**976**	970
Accrual for leave	**325**	284
Severance	**47**	2
Other current liabilities	**407**	405
	9 195	**9 223**

1 Relates to subscription fees received from customers in advance. Subscription fees received in advance which are outstanding at the end of the prior year are recognised during the following year as the subscription services are provided.

16. Provisions

Warranties	**73**	39
Legal and tax provisions	**435**	74
Lease decommissioning provisions	**17**	27
	525	**140**

Warranty provisions arise from the group's obligation to repair set-top boxes under a 12-month warranty period in the South Africa and Rest of Africa segments. These provisions are therefore expected to be fully utilised in the next 12 months, with warranty provisions on new set-top box sales being recognised.

The group is currently involved in various litigation matters. The legal and tax provisions have been estimated based on legal counsel and management's estimates of costs and probable claims relating to these. These also include estimated amounts related to other regulatory matters. Legal proceedings tend to be unpredictable in terms of timing of settlement, however management's best estimate is that these matters will be resolved within the next 12 months.

Lease decommissioning provisions are recognised at the present value of anticipated costs to restore leased office premises back to base building specifications in the technology segment. These outflows are contractually required over the next 12 months.

The movement in lease decommissioning and legal and tax provisions during the year was as follows:

Opening balance at 1 April 2020	**101**
Additional provisions charged to the income statement[1]	**266**
Provisions reversed to the income statement[2]	**(6)**
Provisions credited to other accounts[1]	**132**
Foreign currency translation effects	**(41)**
	452

1 Relates to legal and tax provisions only.
2 Relates to lease decommissioning provisions only.

	2021 ZAR'm	2020 ZAR'm

17. Liquidity management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity. The facilities expiring beyond one year are subject to renewal.

	2021	2020
Committed/on call	**2 500**	2 500
Uncommitted[1]	**2 500**	2 500
	5 000	**5 000**

1 In FY21, ZAR1.0bn of the ZAR2.5bn uncommitted facilities is unavailable for drawdown due to indirect utilisation on the back of a formal bank guarantee issued.

The following analysis details the remaining contractual maturity of the group's non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

31 March 2021	**Carrying value**	**Contractual cash flows**	**0-12 months**	**1-5 years**	**5 years+**
Non-derivative financial liabilities					
Interest-bearing: Lease liabilities	**14 410**	**16 966**	**2 518**	**8 233**	**6 215**
Interest-bearing: Loans and other liabilities	**1 387**	**1 478**	**558**	**920**	**-**
Non-interest-bearing: Programme and film rights	**3 826**	**4 348**	**4 319**	**29**	**-**
Non-interest-bearing: Loans and other liabilities[1]	**51**	**51**	**9**	**23**	**19**
Contingent consideration[2]	**458**	**458**	**183**	**275**	**-**
Trade payables	**1 326**	**1 326**	**1 326**	**-**	**-**
Accrued expenses and other current liabilities	**2 168**	**2 168**	**2 168**	**-**	**-**
Derivative financial (liabilities)/assets					
Forward exchange contracts - inflow	**49**	**648**	**510**	**134**	**4**
Futures contracts	**262**	**262**	**262**	**-**	**-**
Forward exchange contracts - outflow	**(956)**	**(1 607)**	**(1 102)**	**(505)**	**-**
Currency devaluation features	**30**	**30**	**30**	**-**	**-**
Interest rate swap	**7**	**7**	**-**	**6**	**1**
	23 018	**26 135**	**10 781**	**9 115**	**6 239**

31 March 2020	**Carrying value**	**Contractual cash flows**	**0-12 months**	**1-5 years**	**5 years+**
Non-derivative financial liabilities					
Interest-bearing: Lease liabilities	18 951	22 830	2 749	10 556	9 525
Interest-bearing: Loans and other liabilities	14	14	-	9	5
Non-interest-bearing: Programme and film rights	4 085	4 458	4 302	156	-
Non-interest-bearing: Loans and other liabilities	64	64	-	27	37
Trade payables	1 163	1 163	1 163	-	-
Accrued expenses and other current liabilities	3 271	3 332	3 332	-	-
Amounts due to related parties	185	185	-	185	-
Derivative financial (liabilities)/assets					
Forward exchange contracts - inflow	2 086	5 030	3 102	1 698	230
Futures contracts - inflow	215	215	215	-	-
Forward exchange contracts - outflow	(119)	(2 984)	(1 734)	(1 238)	(12)
Currency devaluation features	66	66	64	2	-
	29 981	**34 373**	**13 193**	**11 395**	**9 785**

1 Excludes earn-out provisions, to be settled in cash, as a result of the group's acquisition of BetKing.
2 Includes earn-out provisions (note 12), to be settled in cash, as a result of the group's acquisition of BetKing.

PART IV. ASSETS TO SUPPORT OUR OPERATIONS

18. Property, plant and equipment

The group's property, plant and equipment is acquired either as an outright purchase or, in the case of transmission equipment and certain land and buildings, by entering into a lease.

Property, plant and equipment is stated at cost plus any cost to prepare these assets for their intended use, less accumulated depreciation and accumulated impairment losses.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the consolidated income statement.

Right-of-use assets are initially measured at cost. The cost consists of the initial lease liability plus any lease payments made to the lessor at or before the commencement date (less any lease incentives received), plus the initial estimate of the restoration costs and any initial direct costs incurred by the group.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease term on a straight-line basis. Lease payments, under the right-of-use model, are disclosed as depreciation and interest expense.

Land is not depreciated as its deemed to have an indefinite life. All other property, plant and equipment is depreciated to its estimated residual value on a straight-line basis over its expected useful life.

The depreciation methods estimated remaining useful lives and residual values are reviewed at least annually. The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management.

	South Africa	**Rest of Africa**	**Technology**
Buildings - owned	10 to 50 years	5 to 50 years	n/a
Right-of-use – Buildings - leased	5 years	n/a	1 to 10 years
Improvements to buildings - owned	4 to 50 years	5 to 50 years	n/a
Improvements to buildings - leased	5 years	n/a	3 to 10 years
Manufacturing equipment	n/a	n/a	5 years
Office equipment	2 to 10 years	2 to 5 years	3 to 5 years
Computer equipment	1 to 10 years	3 to 5 years	1 to 5 years
Furniture	5 years	2 to 5 years	n/a
Vehicles	2 to 10 years	4 to 5 years	n/a
Transmission equipment - owned	5 to 20 years	5 to 10 years	n/a
Right-of-use – transmission equipment - leased	15 years	3 to 15 years	n/a

The carrying value of work-in-progress primarily comprises digital terrestrial transmission broadcasting equipment and land and buildings that are under construction.

The group recognised reversal of impairment losses of ZAR76m (2020: ZAR28m impairment losses) on property, plant and equipment, primarily relating to Uganda DTT transmission sites due to a better than expected subscriber base on the DTT Platform (2020: primarily relating to Uganda DTT transmission sites due to a lower than expected subscriber base on the DTT Platform). The reversal of impairment losses have been included in "Other gains/(losses) – net" in the consolidated income statement. The recoverable amounts of these assets amounted to ZAR76m (2020: ZARnil).

The group has pledged property, plant and equipment with a carrying value of ZAR10.1bn (2020: ZAR12.1bn) as security against certain assets acquired in terms of leases. The pledge primarily relates to assets acquired in terms of transponder leases. The pledge would come into effect should default on the lease payments occur.

The group's most significant non-financial asset being the right of use transmission equipment remains unaffected by the impact of COVID-19. Broadcast capabilities continue to operate as normal and no modifications to existing agreements have been made.

18. Property, plant and equipment (continued)

	Land and buildings ZAR'm	Right-of-use - buildings ZAR'm	Transmission equipment ZAR'm	Right-of-use for transmission equipment ZAR'm	Vehicles, furniture, computers and office equipment[1] ZAR'm	Total ZAR'm
1 April 2020						
Cost	2 686	1 351	7 491	20 248	2 751	34 527
Accumulated depreciation and impairment	(631)	(596)	(5 717)	(8 187)	(1 956)	(17 087)
Carrying value at 1 April 2020	2 055	755	1 774	12 061	795	17 440
Foreign currency translation effects	(127)	(126)	(223)	(857)	(68)	(1 401)
Transfer from work-in-progress	43	-	5	-	30	78
Acquisitions	46	218	206	273	414	1 157
Disposals/scrappings[2]	(22)	(7)	(13)	-	(80)	(122)
Reversal of impairment	-	-	72	-	4	76
Depreciation	(105)	(194)	(568)	(1 366)	(340)	(2 573)
31 March 2021						
Cost	2 570	1 281	6 770	18 756	2 668	32 045
Accumulated depreciation and impairment	(680)	(635)	(5 517)	(8 645)	(1 913)	(17 390)
Carrying value excluding work-in-progress	1 890	646	1 253	10 111	755	14 655
Work-in-progress[3]						309
Total carrying value at 31 March 2021						14 964

1 Includes leased vehicles, furniture, computers & office equipment with a carrying values of ZAR6.5m as at 31 March 2021.
2 Includes non-cash scrappings of ZAR53m.
3 Movements in work-in-progress during FY21 are not considered to be material.

18. Property, plant and equipment (continued)

	Land and buildings ZAR'm	Right-of-use - buildings ZAR'm	Transmission equipment ZAR'm	Right-of-use for transmission equipment ZAR'm	Vehicles, furniture, computers and office equipment[1] ZAR'm	Total ZAR'm
01 April 2019						
Cost	2 496	316	6 876	18 771	2 674	31 133
Accumulated depreciation and impairment	(496)	(316)	(4 792)	(6 680)	(1 898)	(14 182)
Carrying value at 01 April 2019	2 000	-	2 084	12 091	776	16 951
Adjustment for change in accounting policy	-	719	-	-	9	728
Carrying value at 1 April 2019	2 000	719	2 084	12 091	785	17 679
Foreign currency translation effects	70	30	153	982	47	1 282
Transfer from work-in-progress	38	-	43	-	87	168
Acquisitions	72	222	144	345	229	1 012
Disposals/scrappings	-	(2)	(14)	-	(19)	(35)
Impairment	(25)	-	(1)	-	(2)	(28)
Depreciation	(100)	(214)	(635)	(1 357)	(332)	(2 638)
31 March 2020						
Cost	2 686	1 351	7 491	20 248	2 751	34 527
Accumulated depreciation and impairment	(631)	(596)	(5 717)	(8 187)	(1 956)	(17 087)
	2 055	755	1 774	12 061	795	17 440
Work-in-progress[2]						297
Total carrying value at 31 March 2020						**17 737**

1 Includes leased vehicles, furniture, computers & office equipment with a carrying values of ZAR5.7m as at 31 March 2020.
2 Movements in work-in-progress during FY20 are not considered to be material.

19. Programme and film rights

Programme and film rights are recognised at cost when the rights come into licence or the period to which the sports event relates commences. The group may make prepayments for programme and film rights which are recognised as prepayment assets within programme and film rights on the consolidated statement of financial position, until such time as the asset meets the criteria for initial recognition as a programme and film right.

The operating cycle for content is 18-24 months, as this is the average period it takes to generate new content. Therefore, unless cash flows are only expected to be paid beyond 24 months, programme and film rights are classified as current on the consolidated statement of financial position.

The group often contracts for programme and film rights in advance. These non-cancellable contracts are disclosed as commitments (refer note 14), unless a prepayment has been made.

The table below reflects the accounting policies applicable to programme and film rights, split between general entertainment programming (it should be noted that local sports productions follow the same accounting policy) and sports events rights:

	General entertainment	**Sports events rights**
Nature	Rights to broadcast programmes, series and films including local productions (including co-productions).	Rights to broadcast sports events.
Initial recognition and measurement		
Date recognised as an asset	*Purchased:* Date the rights come into license. *Produced:* Capitalised as incurred.	Start of the period to which the events relate.
Measurement on initial recognition	*Purchased (no prepayment):* Purchase price translated at spot rate on the purchase date. *Purchased (prepayment):* The right will be recorded at the spot rate on prepayment date for the portion of the right prepaid and at the spot rate on licence date for the portion of the licence not prepaid. *Produced:* All costs necessary to produce and complete a programme. Costs in excess of the expected net realisable value of the production are assessed on an ongoing basis and expensed accordingly.	*Purchased (no prepayment):* Purchase price translated at spot rate on the date of initial recognition. *Purchased (prepayment):* Any amounts prepaid are recognised at the spot rate on the date of each payment transaction. A blended rate results on initial recognition based on the weighting and timing of advance payments made. Payments made to negotiate and secure the broadcasting of sports events are expensed as incurred.
	Gains and losses recognised on foreign exchange contracts entered into to hedge foreign currency cash flows are capitalised to the asset on the date of initial recognition.	
Subsequent measurement		
Pattern of recognition as an expense	Based on contractual screenings or expensed where management have confirmed that it is their intention that no further screenings will occur.	Based on the period to which the events relate.
Average period over which expense is recognised	Programme and film rights are on average expensed over 5-7 television screenings.	Sports rights are expensed on a straight-line basis over the period to which the events relate.
Impairment	Unscreened content is assessed and any unscheduled content or content that will not be screened is written off immediately.	Sports rights are assessed for impairment by assessing the likelihood of the sporting event being cancelled based on facts and circumstances available as well as contractual rights to recover these rights through cash.

	2021 ZAR'm	2020 ZAR'm

19. Programme and film rights (continued)

Cost price	**11 153**	15 619
Accumulated amortisation and impairment	**(8 448)**	(12 642)
Carrying value of programme and film rights assets	**2 705**	2 977
Prepayments for programme and film rights[1]	**2 928**	1 773
Total programme and film rights	**5 633**	**4 750**

1 Includes work-in-progress amounts related to co-productions amounting to ZAR67m (2020: ZAR20m).

The movement in programme and film right assets for the year is set out below:

Cost	**15 619**	15 097
Accumulated amortisation and impairment	**(12 642)**	(12 401)
Opening carrying value at 1 April	**2 977**	2 696
Acquisitions	**11 377**	13 061
Amortisation and impairment[1]	**(11 649)**	(12 780)
Closing carrying value at 31 March	**2 705**	2 977
Cost	**11 153**	15 619
Accumulated amortisation and impairment	**(8 448)**	(12 642)

1 Includes impairment of ZAR69m (FY20: ZARnil) primarily relating to rights which lacked commercial value and/or were older than 3 years. Impairment of programme and film rights has been recognised in COPS in the consolidated income statement.

20. Inventory

Inventory is stated at the lower of cost and net realisable value (NRV). The cost of inventory is determined by means of the weighted average method.

Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

Net realisable value write-downs relate primarily to set-top box subsidies. The group sells set-top boxes below cost as part of its marketing strategy to acquire subscribers. However, set-top boxes are not necessarily sold at the same time as a customer signs up for a subscription service, therefore the two events are considered as separate transactions.

The group has reviewed costing of inventories (decoders and associated components) and is satisfied that the appropriate considerations have been taken into account in measuring inventories.

Decoders and associated components	**1 076**	1 497
Allowance for slow-moving and obsolete inventories	**(417)**	(623)
	659	**874**

The total allowance charged to the consolidated income statement to write inventory down to net realisable value amounted to ZAR326m (2020:ZAR 174m). The total reversal of allowances credited to the consolidated income statement amounted to ZAR467m (2020: ZARnil).

	2021 ZAR'm	2020 ZAR'm

21. Trade and other receivables

Trade and other receivables consist primarily of invoiced amounts from normal trading activities. The group has a relatively homogenous customer base, which is primarily residential in nature and is dispersed across many geographical areas. Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method, less expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The group always recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience over a minimum period of 19 months, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The group has identified inflation, GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Once a debt is considered irrecoverable it is written off as a bad debt.

The group has based the measurement of the expected credit losses on an unbiased, probability-weighted amount that is determined by evaluating a range of possible outcomes and reflecting the time value of money. The group operates a prepaid business model which limits exposure to credit losses on subscriptions revenues, the group's major revenue stream.

Expected credit losses

Trade receivables from commercial subscriptions and hardware

The group applies the *IFRS 9* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables from the sales of commercial subscriptions and hardware have been grouped based on shared credit risk characteristics and the days past due.

Commercial receivables entail subscription fees charged to non-residential customers which primarily comprises hospitality customers. Hardware receivables relate to set-top box sales to distributors and retailers who retail the group's product. Both commercial and hardware customers are primarily extended 30 day payment terms.

The impact of COVID-19 has been factored into expected credit losses recognised, which is most relevant to commercial customers effected by lockdown regulations.

The majority of these hardware receivables relates to retailers with low credit risk as they have a low risk of default and a strong capacity to meet contractual cash flow obligations as and when they become due. The group identifies specific credit loss allowances if these receivables are greater than 90 days.

Receivables are written-off after 365 days. No specific write-offs were recognised by the group during the current or prior year.

Trade receivables from technology customers

The majority of technology contract assets are subject to *IFRS 9* impairment tests. The group has applied the full lifetime expected credit loss method on a similar basis to trade receivables of commercial subscriptions and hardware sales. Defaults are considered based on contractual terms which are determined on a contract by contract basis.

Other receivables relating to sundry services and sales

The group applies an internal expected credit loss model on a similar basis to trade receivables of commercial subscriptions and hardware sales to measure the expected credit losses which uses a lifetime expected loss allowance for other receivables. Defaults are considered based on contractual terms which are determined on a contract by contract basis. After IFRS 9 assessments were conducted by the group, the expected credit loss was not determined to be material.

	2021 ZAR'm	2020 ZAR'm

21. Trade and other receivables (continued)

Related party receivables

In assessing the expected credit loss on related party receivable balances, the following was considered:

- Whether the borrower has sufficient available highly liquid current assets (which can be accessed immediately after taking into consideration any more senior external or internal loans which would need to be repaid) to repay the outstanding related party if the loan was demanded at reporting date. If sufficient highly liquid current assets could be accessed the probability of default would approximate 0%.
- If it was determined that the borrower does not have sufficient highly liquid current assets, the group would allow the borrower to continue trading or to sell assets over a period of time. A review of a cash flow forecast is performed to give an indication of the expected trading cash flows and/or liquid assets expected to be generated during the recovery period. The expected credit losses is limited to the effect of discounting the amount due on the loan over the period until cash is realised and repaid to the group. *IFRS 9* requires the discount rate to be the loan's effective interest rate. The related party receivables are interest free and repayable on demand and such have an effective interest rate of 0%. Accordingly, for such loans, discounting over the recovery period has no effect.

Upon assessment the expected credit loss was determined as immaterial.

As at 31 March 2021, the directors were unaware of any significant unprovided and/or uninsured concentrations of credit risk.

	2021 ZAR'm	2020 ZAR'm
Trade receivables	**2 289**	2 284
Expected credit losses	**(747)**	(820)
Net trade receivables	**1 542**	1 464
Other receivables	**1 760**	**2 424**
Prepayments[1]	**624**	1 050
Staff debtors	**18**	24
VAT and related taxes receivable	**352**	305
Sundry deposits	**14**	27
Other receivables[2]	**752**	1 018
Total trade and other receivables	**3 302**	**3 888**

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

	2021 ZAR'm	2020 ZAR'm
Opening balance at 1 April	**(820)**	(645)
Additional allowances charged to the income statement	**(215)**	(199)
Allowances reversed through the income statement	**63**	24
Allowances utilised	**168**	47
Foreign currency translation effects	**57**	(47)
	(747)	**(820)**

1 Primarily relates to prepayments for software licenses, transponder leases and inventory.

2 Primarily includes transmission debtors, accrued income and clearing receipts. Decrease due to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21.

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

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables.

Write offs mainly relate to residential customers with debt exceeding a 3 year period, where the debt has prescribed. Once a debtor has been written off, the group no longer pursues the collection of the debtor.

	2021 ZAR'm	2020 ZAR'm

21. Trade and other receivables (continued)

The ageing of trade receivables as well as the expected credit loss per age class is presented below:

	2021			2020		
	Carrying value ZAR'm	Impairment ZAR'm	Loss rate (%)[1]	Carrying value ZAR'm	Impairment ZAR'm	Loss rate (%)[1]
Current	**1 031**	**(50)**	**5**	**946**	**(74)**	**8**
Commercial subscriptions and hardware	***764***	***(48)***	***6***	*762*	*(73)*	*10*
Technology customers	***267***	***(2)***	***1***	*184*	*(1)*	*1*
Past due 30 to 59 days	**451**	**(30)**	**7**	**484**	**(80)**	**17**
Commercial subscriptions and hardware	***418***	***(30)***	***7***	*465*	*(80)*	*17*
Technology customers	***33***	***-***	***-***	*19*	*-*	*-*
Past due 60 to 89 days	**106**	**(26)**	**25**	**96**	**(39)**	**41**
Commercial subscriptions and hardware	***101***	***(26)***	***26***	*90*	*(39)*	*43*
Technology customers	***5***	***-***	***-***	*6*	*-*	*-*
Past due 90 to 119 days	**71**	**(31)**	**44**	**111**	**(89)**	**80**
Commercial subscriptions and hardware	***62***	***(31)***	***50***	*102*	*(89)*	*87*
Technology customers	***9***	***-***	***-***	*9*	*-*	*-*
Past due 120 days and older	**630**	**(610)**	**97**	**647**	**(538)**	**83**
Commercial subscriptions and hardware	***540***	***(540)***	***100***	*576*	*(484)*	*84*
Technology customers	***90***	***(70)***	***78***	*71*	*(54)*	*76*
	2 289	**(747)**	**33**	**2 284**	**(820)**	**36**

1 The total expected loss rate (%) represents an average percentage.

22. Cash and cash equivalents and Restricted cash

22.1 Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and comprise cash on hand and deposits held on call, all of which are available for use by the group.

Cash and cash equivalents consist of:

	2021	2020
Cash at bank and on hand	**8 537**	9 145

Cash and cash equivalents consists of South African accounts denominated in Rands and foreign bank accounts. Foreign accounts are translated to South African Rands using the closing spot rate at year-end. All foreign accounts translated at year-end amounted to ZAR5.0bn (2020: ZAR4.8bn). Of the ZAR5.0bn, ZAR1.7bn (2020: ZAR2.7bn) is held by entities with a different functional currency to the related cash and cash equivalents balances which exposes the group to foreign currency risk. Foreign accounts include US dollar accounts amounting to ZAR2.1bn (2020: ZAR2.7bn) and Nigerian naira accounts of ZAR1.8bn (2020: ZAR1.0bn).

Included in cash and cash equivalents are cash balances amounting to ZAR93m (2020: ZAR221m) that primarily relate to fixed deposits with maturity dates shorter than 3 months and cash held in a trust, in terms of insurance regulations in South Africa, relating to the group's decoder insurance business.

Included in cash and cash equivalents is an amount of ZAR2.1bn (2020: ZAR222m) relating to cash balances held by subsidiaries where lack of in-country foreign exchange liquidity restricts the ability of subsidiaries to remit cash to intermediate holding companies in US dollars. Local currency can still be utilised in-country and is therefore not considered restricted.

	2021 ZAR'm	2020 ZAR'm

22. Cash and cash equivalents and Restricted cash (continued)

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents in the Rest of Africa. It places its cash and cash equivalents, where possible, with major banking groups and high-quality institutions with relatively high credit ratings in that country. The group's treasury policy is designed to limit exposure to any one institution and the group invests its excess cash and cash equivalents in low-risk investment accounts. The counterparties that are used by the group are evaluated on a continuous basis. At the reporting date cash and cash equivalents were held with numerous financial institutions. As required by *IFRS 9*, cash balances have been assessed for expected credit losses. This has been performed through assessment of the counterparty risk of the related financial institutions where the cash is held, through adjusted credit risk factors (including the impact of COVID-19 on these institutions). No expected credit losses have been provided for in the current or previous financial year as these were immaterial.

The risk rating grade of cash and cash equivalents and restricted cash are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

2021	**External credit ratings**	**Cash and cash equivalents ZAR'm**	**Restricted Cash ZAR'm**
South Africa	BB- to AA+	**4 717**	**-**
Offshore USD Reporting Entities	BBB+ to A+	**463**	**-**
Rest of Africa	CCC/C to AA	**3 357**	**427**
		8 537	**427**
2020			
South Africa	AA- to AA+	6 679	-
Offshore USD Reporting Entities	BBB+ to AA-	543	-
Rest of Africa	SG to AA+	1 923	459
		9 145	**459**

22.2 Restricted cash

Restricted cash comprises initial margin deposits on Nigerian futures hedging instruments that are not highly liquid and have maturities of greater than 3 months. These margin deposits are accounted for at amortised cost and are denominated in Nigerian naira.

As required by *IFRS 9*, this balance has been assessed for expected credit losses. This has been performed through assessment of the counterparty risk of the related financial institutions where the cash is held, through adjusted credit risk factors (including the impact of COVID-19 on these institutions). No expected credit losses have been provided for in the current or prior financial year as these were immaterial.

	2021	2020
Restricted cash	**427**	459

23. Goodwill and other intangible assets

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred, and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Goodwill is tested for impairment annually or more frequently if there is an indicator of impairment.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the expected benefits that are to be derived, but are subject to the following maximum limits:

Patents	5 years
Title rights	10 years
Brand names and trademarks	30 years
Software	10 years
Intellectual property rights	30 years
Customer-related assets	11 years

23. Goodwill and other intangible assets (continued)

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains – net" in the consolidated income statement.

	Goodwill ZAR'm	Software ZAR'm	Other ZAR'm	Total ZAR'm
1 April 2020				
Cost	**4 806**	**1 788**	**4 173**	**10 767**
Accumulated amortisation and impairment	**(1 297)**	**(1 327)**	**(3 989)**	**(6 613)**
Carrying value at 1 April 2020	**3 509**	**461**	**184**	**4 154**
Foreign currency translation effects	**(23)**	**(25)**	**(25)**	**(73)**
Acquisitions	**-**	**166**	**60**	**226**
Transfers from work-in-progress	**-**	**60**	**-**	**60**
Disposals	**-**	**-**	**(9)**	**(9)**
Amortisation	**-**	**(171)**	**(65)**	**(236)**
31 March 2021				
Cost	**4 558**	**1 690**	**3 725**	**9 973**
Accumulated amortisation and impairment	**(1 072)**	**(1 199)**	**(3 580)**	**(5 851)**
Carrying value excluding work-in-progress	**3 486**	**491**	**145**	**4 122**
Work-in-progress[1]				**886**
Total carrying value at 31 March 2021				**5 008**

1 Movements in work-in-progress during FY21 relate to transfers out of work-in-progress to software amounting to ZAR60m and acquisitions of ZAR763m primarily related to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.

	Goodwill ZAR'm	Software ZAR'm	Other ZAR'm	Total ZAR'm
1 April 2019				
Cost	4 557	1 646	3 657	9 860
Accumulated amortisation and impairment	(1 044)	(1 110)	(3 451)	(5 605)
Carrying value at 1 April 2019	3 513	536	206	4 255
Foreign currency translation effects	(4)	35	25	56
Acquisitions	-	42	24	66
Transfers from work-in-progress	-	28	-	28
Disposals	-	(5)	-	(5)
Amortisation	-	(175)	(71)	(246)
31 March 2020				
Cost	4 806	1 788	4 173	10 767
Accumulated amortisation and impairment	(1 297)	(1 327)	(3 989)	(6 613)
Carrying value excluding work-in-progress	3 509	461	184	4 154
Work-in-progress[1]				183
Total carrying value at 31 March 2020				**4 337**

1 Movements in work-in-progress during FY20 are not considered to be material.

23. Goodwill and other intangible assets (continued)

Impairment testing of goodwill

The group recognised impairment losses on goodwill of ZARnil (2020: ZARnil).

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three year budgeted and forecast information approved by the board of directors. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions are closely linked to entity-specific key performance indicators. Scenarios associated with the potential impact of COVID-19 on future cash flow projections have been considered, given the evidence available at the time of finalising the consolidated annual financial statements. These scenarios still supported value in use calculations exceeding the carrying value of goodwill.

The group allocated goodwill to the following segments of cash-generating units:

31 March 2021 **Segments of cash-generating units**	**Carrying value** **ZAR'm**	**Basis of determination of recoverable amount**	**Pre-tax discount rate** **%**	**Perpetual growth rate** **%**
Technology	225	Value in use	12.0	1.0
South Africa	3 261	Value in use	21.7	5.0
	3 486			

31 March 2020 **Segments of cash-generating units**	**Carrying value** **ZAR'm**	**Basis of determination of recoverable amount**	**Pre-tax discount rate** **%**	**Perpetual growth rate** **%**
Technology	268	Value in use	13.0	1.0
South Africa	3 241	Value in use	17.0	5.0
	3 509			

The discount rate calculation is based on the specific circumstances of the group and its operating segments and is derived from its weighted average cost of capital, as a starting point. Pre-tax discount rates have been applied as value in use was determined using pre-tax cash flows. Impairment testing is performed using the appropriate local currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

The group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The growth rates were consistent with publicly available information relating to long-term average growth rates for each of the markets in which the respective CGU operated.

If either the discount rate applied to cash flows were to increase by 5% or the growth rate used to extrapolate cash flows were to decrease by 5%, or if both the discount rate and the growth rate were to increase and decrease by 5% respectively, there would be no further impairments that would have to be recognised.

24. Investments in subsidiaries

All subsidiaries (except MultiChoice Angola Limitada which has a 31 December financial year-end) have the same financial year-end as MultiChoice Group Limited.

The following information relates to the group's interest in its significant subsidiaries:

Name of subsidiary	Effective % interest 2021	Effective % interest 2020	Nature of business	Country of incorporation	Functional currency	Direct/ indirect
South Africa						
MultiChoice South Africa Holdings Proprietary Limited	**76.8**	76.4	Investment holding	South Africa	ZAR	Direct
Electronic Media Network Proprietary Limited (M-Net)	**76.8**	76.4	Video-entertainment content provider	South Africa	ZAR	Indirect
SuperSport International Holdings Proprietary Limited	**76.8**	76.4	Video-entertainment content provider	South Africa	ZAR	Indirect
DStv Media Sales Proprietary Limited	**76.8**	76.4	Commercial airtime sales	South Africa	ZAR	Indirect
MultiChoice Proprietary Limited	**76.8**	76.4	Subscription television	South Africa	ZAR	Indirect
MultiChoice South Africa Proprietary Limited	**76.8**	76.4	Investment holding	South Africa	ZAR	Indirect
MultiChoice Support Services Proprietary Limited	**76.8**	76.4	Subscriber management, subscription video on demand and technical support services	South Africa	ZAR	Indirect
MultiChoice Group Treasury Services Proprietary Limited	**100.0**	100.0	Treasury services	South Africa	ZAR	Direct
MultiChoice Group Services Proprietary Limited	**100.0**	100.0	Support services	South Africa	ZAR	Direct
MultiChoice Group Holdings B.V.	**100.0**	100.0	Investment holding company for Dutch fiscal unity	The Netherlands	USD	Indirect
Mwendo Holdings B.V.	**100.0**	-	Foreign investment holding company	The Netherlands	USD	Indirect
Rest of Africa						
MultiChoice Africa Holdings B.V. Group	**100.0**	100.0	Investment holding	The Netherlands	USD	Indirect
MultiChoice Nigeria Limited	**79.0**	79.0	Subscription television	Nigeria	NGN	Indirect
MultiChoice Uganda Limited	**100.0**	100.0	Subscription television	Uganda	UGX	Indirect
MultiChoice Angola Limitada	**100.0**	100.0	Subscription television	Angola	AOA	Indirect
MultiChoice Zambia Limited	**51.0**	51.0	Subscription television	Zambia	ZMK	Indirect
MultiChoice Kenya Limited	**60.0**	60.0	Subscription television	Kenya	KSH	Indirect
MultiChoice Tanzania Limited	**85.0**	85.0	Subscription television	Tanzania	TSH	Indirect
Technology						
Irdeto B.V.	**100.0**	100.0	Technology development	The Netherlands	USD	Indirect

24. Investments in subsidiaries (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests:

	MultiChoice Nigeria Limited	MultiChoice Nigeria Limited	MultiChoice South Africa Holdings Proprietary Limited	MultiChoice South Africa Holdings Proprietary Limited
	31 March 2021 ZAR'm	31 March 2020 ZAR'm	31 March 2021 ZAR'm	31 March 2020 ZAR'm
Summarised statement of financial position				
Non-current assets	**1 152**	1 602	**14 706**	17 452
Current assets	**3 029**	2 458	**17 688**	17 787
Total assets	**4 181**	**4 060**	**32 394**	**35 239**
Non-current liabilities	**2 949**	4 596	**9 658**	12 195
Current liabilities	**20 492**	21 871	**11 197**	10 832
Total liabilities	**23 441**	**26 467**	**20 855**	**23 027**
Accumulated non-controlling interests	**(4 045)**	(4 706)	**2 126**	2 283
Summarised income statement				
Revenue	**7 708**	6 505	**41 034**	40 962
Net (loss)/profit for the year	**(1 863)**	(2 017)	**8 852**	6 521
Other comprehensive income	**-**	-	**(2 734)**	1 787
Total comprehensive (loss)/income	**(1 863)**	**(2 017)**	**6 118**	**8 308**
Total comprehensive (loss)/income attributable to non-controlling interests	**(292)**	(285)	**1 444**	2 017
Dividends paid to non-controlling interests	**-**	-	**1 394**	1 500
Non-controlling interest movements directly through equity	**-**	-	**(207)**	-
Summarised statement of cash flows				
Cash flows generated from operating activities	**3 187**	1 743	**8 790**	10 052
Cash flows utilised in investing activities	**(96)**	(109)	**(1 171)**	(664)
Cash flows utilised in financing activities	**(1 018)**	(926)	**(7 856)**	(9 865)

		2021 ZAR'm	2020 ZAR'm

25. Investment in associates and joint ventures

	Notes	2021 ZAR'm	2020 ZAR'm
Investment in associates	(a)	**1 734**	150
Investment in joint ventures	(b)	**11**	16
		1 745	**166**

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for in terms of the equity method. The acquired share in the investee's identifiable net assets, as well as goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture

Where the reporting periods of associates and joint ventures (equity accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March, the group applies an appropriate lag period of not more than three months in reporting the results of the equity accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises judgement when determining the transactions and events for which adjustments are made.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the consolidated statement of comprehensive income.

a) Investment in associates

The fair values of the group's investments in its unlisted associates are detailed below:

	2021 ZAR'm	2020 ZAR'm
SafeRide Technologies Limited	**106**	150
Blue Lake Ventures Limited[1]	**1 628**	-
	1 734	**150**

1 The group considers Blue Lake Ventures Limited as its only material associate.

Name of company	Effective interest 2021 %	Effective interest 2020 %	Nature of the business	Country of incorporation	Functional currency	Year end
SafeRide Technologies Limited	**22.4**	22.8	Technology	Israel	USD	December
Blue Lake Ventures Limited[1]	**20.0**	-	Investment holding	Mauritius	USD	December

1 The associate's principle place of business is in Mauritius.

SafeRide is a leading provider of multi-layer cybersecurity and data analytics solutions for connected and autonomous vehicles. The group's interest in SafeRide decreased in the current financial year as a result of an increase in the SafeRide share option plan. This dilution of interest did not have a material impact on the group's equity accounted results.

In FY21, the group acquired a 20% investment in Blue Lake Ventures Limited, a sports betting business (operating as BetKing). The transaction was structured with an upfront investment of USD81m (ZAR1.4bn) paid in cash and the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation paid being supported by future equity transactions. As the group exercises significant influence through its shareholding and board representation, the business has been equity accounted as an associate from 1 October 2020.

	2021 ZAR'm	2020 ZAR'm

25. Investment in associates and joint ventures (continued)

Movement in carrying value of BetKing investment:

	2021 ZAR'm	2020 ZAR'm
At 1 April 2020	-	
Associates acquired - gross consideration	1 861	
Net assets acquired - including intangible assets identified[1]	505	
Goodwill	1 356	
Share of net loss since acquisition	(12)	
Post acquisition purchase price adjustment[2]	(10)	
Foreign exchange translation adjustment	(211)	
At 31 March 2021	**1 628**	

1 Based on the final purchase price allocation fair values wherein the separately identifiable intangible assets included the BetKing brand (ZAR174m), customer relationships (ZAR169m) as well as internally developed software (ZAR8m). Significant judgement was exercised on the identification and valuation of these assets acquired within BetKing. The significant assumptions taken into account to value these intangibles included the forecasted cashflows, tax amortisation benefit, discount rate, growth rates, EBITDA margins, royalty rates, contributory asset charges and terminal growth rates.
2 Relates to amortisation on intangible assets identified on acquisition as stipulated in footnote 1 above.

Summarised financial information of BetKing:

The summarised financial information presented below represents the financial information of BetKing for the three month period since acquisition.

Statement of comprehensive income since acquisition:

	2021 ZAR'm	2020 ZAR'm
Revenue	370	
Cost of providing services and sale of goods	(286)	
Gross profit	84	
Other operating expenses	(175)	
Operating loss	(91)	
Finance costs	(1)	
Loss before taxation	(92)	
Taxation	(15)	
Net loss for the period	(107)	
Other comprehensive income	(5)	
Total comprehensive loss for the period[1]	(112)	

1 Although BetKing recorded a loss for the period since acquisition, a profit was recorded for the full financial year ended 31 December 2020. The primary reason for the loss since acquisition relates to the seasonality of payouts in the betting industry.

Statement of financial position as at 31 December 2020:

	2021 ZAR'm	2020 ZAR'm
Non-current assets	1 862	
Current assets	1 469	
Total assets	3 331	
Non-current liabilities	555	
Current liabilities	577	
Total liabilities	1 132	

	2021 ZAR'm	2020 ZAR'm

25. Investment in associates and joint ventures (continued)

Reconciliation of summarised financial information to carrying value of BetKing investment:

Group's share in the net assets	**440**
Goodwill at year end	**1 258**
Foreign currency translation reserve	**(70)**
Carrying amount of the investment	**1 628**

No dividends have been declared by the associate since acquisition.

There have been no significant transactions in the three month lag period ended 31 March 2021.

As at 31 March 2021 the group's associates had no contingent liabilities.

The group has considered whether there were any impairment indicators in the current year, and none were noted.

b) Investment in joint ventures

All of these entities are unlisted. They are all incorporated and have their principal place of business in South Africa. All these entities have the same year-end and all have the South African Rand as their functional currency:

Name of company	Effective interest 2021 %	Effective interest 2020 %	Carrying value 2021 ZAR'm	Carrying value 2020 ZAR'm
Kwazulu Natal Cricket Proprietary Limited	**50**	50	**(2)**	(2)
Western Province Professional Cricket Proprietary Limited	**50**	50	**(3)**	(1)
Titans Cricket Proprietary Limited	**50**	50	**15**	19
SuperSportSAS (Pty) Ltd	**50**	-	**1**	-
			11	**16**

The group continues to recognise losses in these investments as the group guarantees the obligations related to these companies.

	2021 ZAR'm	2020 ZAR'm

PART V. OTHER DISCLOSURES

26. Share capital

Authorised
1 000 000 000 ordinary no par value shares

	2021 ZAR'm	2020 ZAR'm
Issued		
442 512 678 (FY20: 442 512 678) ordinary shares	**454**	454

	Number of shares	ZAR'm
Authorised and issued at 31 March 2021	442 512 678	454
Authorised and issued at 01 April 2019	438 837 468	[1]
Phuthuma Nathi share swap	3 675 210	454
Authorised and issued at 31 March 2020	**442 512 678**	**454**

1 439m ordinary shares were issued at a nominal value.

Capital management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

The group relies upon distributions, including dividends, from its subsidiaries to generate the funds necessary to meet the obligations and other cash flow requirements of the group, in particular the Rest of Africa segment.

The group optimises the management of its capital through a centralised treasury holding company structure. This structure is approved by the South African Reserve Bank and is managed by the group treasury function, under the supervision of the group chief financial officer. Key responsibilities of the group treasury include:

- Centralised cash management and yield maximisation;
- Foreign currency risk management (including the group hedging programme) on behalf of operating entities;
- Treasury policy compliance; and
- Group funding requirements.

Funding to subsidiaries is provided through a combination of loans and share capital, depending on country-specific requirements including regulatory legislation. Intergroup loan funding is generally considered to be part of the capital structure.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders through share buy backs, issue new shares or sell assets to reduce debt.

The group does not have a formally targeted leverage policy. The group has specific financial covenants in place with certain financial institutions to govern its undrawn debt. The leverage ratio should be below or equal to 2.5 and the interest cover ratio should be above or equal to 4. As at 31 March 2021 and 31 March 2020 and throughout the current and prior reporting periods, the financial covenants relating to leverage and interest cover were met.

South African exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of Swaziland and the Republic of Namibia, and restrict the export of capital from the common monetary area. Approval by the South African Reserve Bank is required for any acquisitions outside of the common monetary area if the acquisition is funded from within the common monetary area.

		2021 ZAR'm	2020 ZAR'm

27. Related parties

(a) Related party balances

	Notes	2021 ZAR'm	2020 ZAR'm
Amounts due to related parties: Non-current	12	-	(185)
Amounts due from related parties: Non-current	(i)	**17**	224
Amounts due from related parties: Current	(ii)	**51**	-
		68	**39**

(i) Amounts due from related parties: Non-current	**Nature of relationship**		
Other	Equity investees	**17**	224

(ii) Amounts due from related parties: Current	**Nature of relationship**		
Other	Equity investees	**51**	-

These balances are unsecured, have fixed terms of repayment and carry interest at 1 year LIBOR plus 2.25%.

(b) Related party transactions

The group did not enter into any material related party transactions during FY21 other than key management remuneration and directors remuneration as disclosed below.

Key management remuneration

Consolidated	2021 ZAR'm	2020 ZAR'm
Short-term employee benefits	411	210
Long-term post-employment benefits	16	15
Share-based payment charge	106	85
Fees paid to key management	**533**	**310**

Non-executive directors		
Directors' fees	**77**	**21**

Key management remuneration and participation in share-based incentive plans

For shares listed on a recognised stock exchange as follows:

2 499 311 (2020: 1 556 851) MCG shares were allocated during the 2021 financial year and an aggregate of 4 017 459 (2020: 1 556 851) MCG shares were allocated as at 31 March 2021.

For share appreciation rights (SARs) and other schemes in unlisted companies as follows:

Nil (2020: Nil) Irdeto SARs were allocated during the 2021 financial year and an aggregate of 18 338 (2020: 49 430) Irdeto SARs were allocated as at 31 March 2021.

19 419 (2020: Nil) Irdeto RSUs were allocated during the 2021 financial year and an aggregate of 19 419 (2020: Nil) Irdeto RSUs were allocated as at 31 March 2021.

295 206 (2020: Nil) Phantom Performance Shares were allocated during the 2021 financial year and an aggregate of 295 206 (2020: Nil) Phantom Performance Shares were allocated as at 31 March 2021.

28. Fair value of financial instruments

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with *IFRS 13 – Fair value measurement*, as shown below.

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3: Inputs for the asset or liability that are unobservable.

(a) Fair value of instruments measured at fair value

The fair values of the group's financial instruments that are measured at fair value are categorised as follows:

Financial instrument	Fair value 2021 ZAR'm	Fair value 2020 ZAR'm	Valuation method	Level in fair value hierarchy
Financial assets				
Investments held at fair value through other comprehensive income	**-**	101	Quoted prices in a public market	Level 1
Forward exchange contracts	**49**	2 086	Fair value derived from forward exchange rates that are publicly available	Level 2
Futures contracts	**262**	215	Quoted prices in a public market	Level 1
Currency depreciation features	**30**	66	The fair value is calculated based on the LIBOR rate of 0.11%	Level 3
Interest rate swap	**7**	-	Present value of the estimated future cash flows based on observable yield curves	Level 2
Financial liabilities				
Forward exchange contracts	**956**	119	Fair value derived from forward exchange rates that are publicly available	Level 2
Contingent consideration	**458**	-	Fair value derived from using present value of estimated future payments valuation technique	Level 3

Currency depreciation features relate to clauses in content acquisition agreements that provide the group with protection in the event of significant depreciation of the group's functional currency relative to the currency of the content acquisition agreement. The fair value of currency depreciation features is measured through the use of discounted cash flow techniques. Key inputs used in measuring fair value include the terms and benchmark rates contained in content acquisition agreements and average spot exchange rates prevailing at the relevant measurement dates.

Contingent consideration relates to earn-out provisions, to be settled in cash, as a result of the group's acquisition of BetKing. The fair value measurement of the contingent consideration considers the most current probability estimates and assumptions, including changes due to the time value of money determined based on budget and forecast information related to BetKing. Consideration was provided for a market related discount rate in determining the fair value of the contingent consideration.

Based on the current assessment of BetKing budgets and forecasts relating to gross gaming revenue, the group assessed probability of payment to be 100%. The effect of discounting was considered to be immaterial. Post initial recognition, the contingent consideration had no movement impacting profit or loss. In the absence of an equity transaction which supports the valuation paid, if the expected cumulative gross gaming revenues over the next 3 years were 10% lower, the fair value would decrease by ZAR183m.

The carrying values of all other financial instruments are considered to be a reasonable approximation of their fair values.

29. Subsequent events

Additional investment in BetKing

On 10 June 2021, the board approved the formal offer for MCG to increase its equity investment in Blue Lake Ventures Limited ("BetKing") from 20% to 49% for a consideration of USD281.5m (approximately ZAR4.0bn), subject to the below substantive conditions being met and the transaction becoming effective:

- finalisation of debt funding,
- regulatory approvals,
- approval of the BetKing equity share option plan, and
- agreement and signature of all long form legal agreements.

The equity investment will also result in payment of the contingent consideration of USD31m (ZAR0.5bn) (refer to note 25) relating to the acquisition of the first 20% in BetKing.

Dividend

The board declares a gross dividend of 565 SA cents per listed ordinary share (ZAR2.5bn). It will be subject to the dividend tax rate of 20%, yielding a net dividend of 452 SA cents per listed ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 113 SA cents per listed ordinary share. This dividend declaration is subject to approval of the MultiChoice South Africa Holdings Proprietary Limited (MCSAH) dividend at its annual general meeting on Wednesday, 25 August 2021. The finalization date for the dividend declaration by the company will be Thursday, 26 August 2021. Subject to the aforementioned MCSAH approval, dividends will be payable to the company's shareholders recorded in the register on the record date, being Friday, 10 September 2021.

There have been no other events that occurred after the reporting date, including events associated with COVID-19, that could have a material impact on the consolidated annual financial statements.

30. Recently issued accounting standards

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2021. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted.

Standard/Interpretation	Title	Effective date
IAS 1 Presentation of Financial Statements	*Classification of liabilities as current or non-current*	Effective 1 January 2022/23
IFRS 17 Insurance contracts	*IFRS 17 replaces IFRS 4*	Effective 1 January 2023
IFRS 4 Insurance Contracts	*Extension of the temporary Exemption*	Effective 1 January 2023
IFRS 3 Business Combinations	*Referencing update*	Effective 1 January 2022
Annual Improvements to IFRS Standards 2018–2020	*IAS 41, IFRS 9 and IFRS 1*	Effective 1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	*Onerous Contracts— Cost of Fulfilling a Contract*	Effective 1 January 2022
IAS 16 Property, Plant and Equipment	*Proceeds before intended use*	Effective 1 January 2022
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associate and Joint Ventures	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Effective date deferred indefinitely
IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IIFRS 7 Financial Instrument: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases	*Interest Rate Benchmark Reform Phase 2*	Effective 1 January 2021
IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making materiality judgements	*Disclosure of accounting policies*	Effective 1 January 2023
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	*Disclosure of accounting policies*	Effective 1 January 2023
IFRS 16 Leases	*COVID-19-Related Rent Concession*	Effective 1 June 2020 and 1 April 2021
IAS 12 Taxation	*Deferred tax relate to-assets and liabilities arising from a single transaction*	Effective 1 January 2023

	2021 ZAR'm	2020 ZAR'm

31. Directors' emoluments

	2021 ZAR'm	2020 ZAR'm
Executive directors and prescribed officers emoluments	**61**	**69**
Non-executive directors		
Fees for services as directors of the group	**13**	10
Remuneration for services to other group companies	**61**	6
Fees for services as directors of other group companies	**3**	5
	77	21
	138	**90**

No director has a notice period of more than one year.

The company directors' service contracts do not include predetermined compensation as a result of termination that would exceed one year's salary and benefits.

The individual directors received the following remuneration and emoluments:

2021	**Salary and other allowances**	**Annual cash bonuses and performance related payments**	**Pension contributions paid on behalf of the director**	**Total**
Executive directors	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**
CP Mawela[(1)(3)]	13.48	20.13	1.26	34.87
TN Jacobs[(1)(4)]	6.31	18.89	0.98	26.18
	19.79	**39.02**	**2.24**	**61.05**

2020	**Salary and other allowances**	**Annual cash bonuses and performance related payments**	**Pension contributions paid on behalf of the director**	**Total**
Executive directors	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**
MI Patel	18.99	6.11	0.69	25.79
CP Mawela	11.71	8.92	1.02	21.65
TN Jacobs	5.44	2.00	0.76	8.20
B De Villiers[(1)(2)]	4.76	8.04	0.46	13.26
	40.90	**25.07**	**2.93**	**68.90**

(1) Prescribed officer
(2) Resigned as prescribed officer on 22 October 2019 when he changed role from group Chief Operating Officer to Chief Executive Officer for the Rest of Africa segment. The group Chief Operating Officer role has not been replaced.
(3) The annual cash bonuses and performance related payments includes a SARs payment of ZAR3.14m received as a result of the closure of the MCA SAR plan.
(4) The annual cash bonuses and performance related payments includes a SARs payment of ZAR14.88m received as a result of the closure of the MCA SAR plan.

Executive directors' annual performance payment is based on financial, operational and discrete objectives, which were approved by the human resources and remuneration committee in advance. The on-target percentage of the bonus is 80% of annual total cost to company. With exceptional company and individual performance, an executive can earn in excess of this, however this is capped at 96% of total annual cost to company. Remuneration is earned for services rendered in connection with the carrying on of the affairs of the company.

31. Directors' emoluments (continued)

2021	Directors' remuneration		Directors' fees		Committee and trustee fees[1][2]		
Non-executive directors	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Total ZAR'm
DG Eriksson[3]	-	-	0.14	0.13	0.08	0.76	1.11
FLN Letele[4]	-	3.00	0.68	0.13	0.12	0.14	4.07
E Masilela	-	-	0.68	0.13	0.34	-	1.15
KD Moroka[5]	1.50	-	0.68	0.13	0.46	0.28	3.05
SJZ Pacak	-	-	0.68	0.13	-	-	0.81
L Stephens	-	-	0.68	0.13	0.77	0.33	1.91
JJ Volkwyn[6]	3.00	-	-	-	-	-	3.00
CM Sabwa	-	-	0.68	-	0.57	-	1.25
JA Mabuza	-	-	0.95	0.13	0.40	-	1.48
FA Sanusi	-	-	0.68	-	0.12	-	0.80
MI Patel[7][8]	-	58.29	-	-	-	-	58.29
	4.50	**61.29**	**5.85**	**0.91**	**2.86**	**1.51**	**76.92**

(1) Committee fees include fees for the attendance of the audit committee, risk committee, human resources and remuneration committee, the nomination committee and the social and ethics committee meetings of the board.
(2) Trustee fees include fees for the attendance of the various trustee meetings of the group. An additional fee may be paid to directors for work done as directors with specific expertise.
(3) Resigned 11 June 2020.
(4) Final payment related to previous role as MCSA Executive.
(5) Director remuneration based on consultancy agreement for professional advisory services to the group and its subsidiaries.
(6) Director remuneration based on agreement whereby JJ Volkwyn provides consultancy services to MultiChoice Group.
(7) MI Patel changed from MCG executive Chairman to non-executive Chairman on 1 October 2020. Disclosure includes payment as an executive and, with effect from 1 October, has a service and restraint agreement with the group.
(8) Includes the following amounts earned as an executive director: salary and other allowances of ZAR10.84m, annual cash bonuses and performance related payments of ZAR39.17m (includes a SARs payment of ZAR15.55m received as a result of the closure of the MCA SAR plan) and pension contributions paid on behalf of the director of ZAR0.6m.

2020	Directors' remuneration		Directors' fees		Committee and trustee fees [1][2]		
Non-executive directors	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Total ZAR'm
DG Eriksson	-	-	0.54	0.51	0.34	0.51	1.90
FLN Letele[3]	-	5.69	0.18	0.17	0.03	0.03	6.10
E Masilela	-	-	0.54	0.51	-	0.30	1.35
KD Moroka[4]	0.54	-	0.54	0.51	0.73	0.48	2.80
SJZ Pacak	-	-	0.54	0.51	0.93	0.21	2.19
L Stephens	-	-	0.54	0.51	0.44	0.53	2.02
JJ Volkwyn[5]	2.89	-	-	-	-	-	2.89
CM Sabwa[6]	-	-	0.54	-	0.25	-	0.79
JA Mabuza[7]	-	-	0.41	0.38	0.06	-	0.85
FA Sanusi[7]	-	-	0.41	-	0.03	-	0.44
	3.43	**5.69**	**4.24**	**3.10**	**2.81**	**2.06**	**21.33**

(1) Committee fees include fees for the attendance of the audit committee, risk committee, human resources and remuneration committee, the nomination committee and the social and ethics committee meetings of the board.
(2) Trustee fees include fees for the attendance of the various trustee meetings of the group. An additional fee may be paid to directors for work done as directors with specific expertise.
(3) Effective 1 October 2019, FLN Letele changed roles from MultiChoice South Africa executive chairman to a non-executive director.
(4) In addition to Director's fees, emoluments shown are based on a consultancy agreement whereby KD Moroka provides professional advisory services to the company and its subsidiaries.
(5) Emoluments shown are based on a consultancy agreement whereby JJ Volkwyn provides consultancy services to the group.
(6) Appointed 14 May 2019.
(7) Appointed 5 July 2019.

31. Directors' emoluments (continued)

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

Directors' interest in the group's share incentive schemes

For details of the various share plans within the group refer to note 6.

2021

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
TN Jacobs	MultiChoice Group RSU[1]	18-Jun-19	15 768	0.00	18-Jun-21	130.80
		18-Jun-19	15 768	0.00	18-Jun-22	130.80
		18-Jun-19	15 768	0.00	18-Jun-23	130.80
		18-Jun-19	15 769	0.00	18-Jun-24	130.80
		10-Jun-20	21 207	0.00	10-Jun-22	91.71
		10-Jun-20	21 207	0.00	10-Jun-23	86.80
		10-Jun-20	21 207	0.00	10-Jun-24	82.06
		10-Jun-20	21 207	0.00	10-Jun-25	77.66
		17-Nov-20	59 652	0.00	17-Nov-23	109.79
		31-Mar-21	80 732	0.00	31-Mar-24	113.06
			288 285			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	28 579	0.00	31-Mar-25	100.84
		31-Mar-21	28 580	0.00	31-Mar-26	97.53
			57 159			

2021

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
CP Mawela	MultiChoice Group RSU[1]	18-Jun-19	61 162	0.00	18-Jun-21	130.80
		18-Jun-19	61 162	0.00	18-Jun-22	130.80
		18-Jun-19	61 162	0.00	18-Jun-23	130.80
		18-Jun-19	61 162	0.00	18-Jun-24	130.80
		10-Jun-20	51 147	0.00	10-Jun-22	91.71
		10-Jun-20	51 147	0.00	10-Jun-23	86.80
		10-Jun-20	51 147	0.00	10-Jun-24	82.06
		10-Jun-20	51 149	0.00	10-Jun-25	77.66
		17-Nov-20	80 820	0.00	17-Nov-23	109.79
		31-Mar-21	120 809	0.00	31-Mar-24	113.06
			650 867			
	Phantom Performance Share Plan 2021[2]		42 767	0.00	31-Mar-25	100.84
			42 767	0.00	31-Mar-26	97.53
			85 534			

31. Directors' emoluments (continued)

2021

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
MI Patel	MultiChoice Group RSU[1]	18-Jun-19	25 774	0.00	18-Jun-21	130.80
		18-Jun-19	25 774	0.00	18-Jun-22	130.80
		18-Jun-19	25 774	0.00	18-Jun-23	130.80
		18-Jun-19	25 774	0.00	18-Jun-24	130.80
			103 096			

2020

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
TN Jacobs	MCA 2008 SAR Plan	03-Dec-18	151 142	77.19	03-Dec-21	35.15
		03-Dec-18	151 142	77.19	03-Dec-22	39.48
		03-Dec-18	151 143	77.19	03-Dec-23	43.19
			453 427			
	MultiChoice Group RSU[1]	18-Jun-19	15 768	0.00	18-Jun-21	130.80
		18-Jun-19	15 768	0.00	18-Jun-22	130.80
		18-Jun-19	15 768	0.00	18-Jun-23	130.80
		18-Jun-19	15 769	0.00	18-Jun-24	130.80
			63 073			

2020

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
CP Mawela	MCA 2008 SAR Plan	15-Sep-15	16 242	113.19	15-Sep-20	17.19
		01-Sep-16	13 958	116.30	01-Sep-20	18.18
		01-Sep-16	13 958	116.30	01-Sep-21	20.40
		28-Jun-17	10 594	94.39	28-Jun-20	22.06
		28-Jun-17	10 594	94.39	28-Jun-21	26.07
		28-Jun-17	10 595	94.39	28-Jun-22	30.01
		27-Jun-18	26 119	77.19	27-Jun-21	32.80
		27-Jun-18	26 119	77.19	27-Jun-22	37.80
		27-Jun-18	26 119	77.19	27-Jun-23	41.16
			154 298			
	MultiChoice Group RSU[1]	18-Jun-19	61 162	0.00	18-Jun-21	130.80
		18-Jun-19	61 162	0.00	18-Jun-22	130.80
		18-Jun-19	61 162	0.00	18-Jun-23	130.80
		18-Jun-19	61 162	0.00	18-Jun-24	130.80
			244 648			

31. Directors' emoluments (continued)

2020

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
MI Patel	MCA 2008 SAR Plan	15-Sep-15	82 276	113.19	15-Sep-20	17.19
		01-Sep-16	58 369	116.30	01-Sep-20	18.18
		01-Sep-16	58 370	116.30	01-Sep-21	20.40
		28-Jun-17	67 996	94.39	28-Jun-20	22.06
		28-Jun-17	67 996	94.39	28-Jun-21	26.07
		28-Jun-17	67 996	94.39	28-Jun-22	30.01
		27-Jun-18	119 527	77.19	27-Jun-21	32.80
		27-Jun-18	119 527	77.19	27-Jun-22	37.30
		27-Jun-18	119 529	77.19	27-Jun-23	41.16
			761 586			
	MultiChoice Group RSU[1]	18-Jun-19	51 548	0.00	18-Jun-21	130.80
		18-Jun-19	51 548	0.00	18-Jun-22	130.80
		18-Jun-19	51 548	0.00	18-Jun-23	130.80
		18-Jun-19	51 549	0.00	18-Jun-24	130.80
			206 193			

1 50% of RSUs awarded between June 2019 and September 2020, 75% of RSUs awarded in November 2020, and 100% of RSUs awarded in March 2021 are subject to performance conditions.
2 100% of Phantom Performance Share Scheme awards issued are subject to performance conditions.

Directors' interest in MultiChoice Group Limited shares

The directors of MultiChoice Group Limited (and their associates) had the following beneficial interest in MultiChoice Group Limited ordinary shares at 31 March:

2021
MultiChoice Group Limited - Ordinary shares

Name	Direct	Indirect	Total
MI Patel	1 412	-	1 412
FLN Letele	88 836	-	88 836
SJZ Pacak[1]	376 635	254 000	630 635
JJ Volkwyn	5 000	-	5 000
TN Jacobs	2 731	-	2 731
JA Mabuza	9 850	-	9 850
	484 464	**254 000**	**738 464**

1 37 548 shares of SJZ Pacak's indirect beneficial holding was sold on market on 7 July 2020.

2020
MultiChoice Group Limited - Ordinary shares

Name	Direct	Indirect	Total
MI Patel	1 412	-	1 412
FLN Letele	88 836	-	88 836
SJZ Pacak	376 635	291 548	668 183
JJ Volkwyn	5 000	-	5 000
TN Jacobs	2 731	-	2 731
JA Mabuza	9 850	-	9 850
	484 464	**291 548**	**776 012**

There have been no further changes to the directors' interests in the table above between the end of the financial year and 10 June 2021.

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Registration number

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Incorporated in South Africa

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Analysis of shareholders

for the year ended 31 March 2021

Size of holdings	Number of shareholders	Ordinary shares
1 – 1000 shares	48 017	21 588 176
1001 – 10 000 shares	3 698	9 740 149
10 001 – 100 000 shares	104	4 832 047
100 001 – 1 000 000 shares	101	35 659 802
More than 1 000 000 shares	49	370 692 504

The following shareholders hold 5% and more of the ordinary issued share capital of the group:

Name	% held	Ordinary shares
Government Employees Pension Fund	13.91 %	61 543 097
Groupe Canal+ SA	12.00 %	53 100 000
Allan Gray	8.49 %	37 584 537
Prudential Portfolio Managers	7.87 %	34 836 122

Public shareholder spread

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2021 was 70.39%, represented by 51 959 shareholders holding 311 533 460 ordinary shares in the group. The non-public shareholders of the group comprising 10 shareholders representing 130 979 218 ordinary shares or 29.61% are analysed as follows:

Category	Ordinary shares	% of ordinary issued share capital
Share schemes	9 099 444	2.06 %
Treasury shares	6 498 213	1.47 %
Directors	738 464	0.17 %
Beneficial holders > 10%	114 643 097	25.91 %