MultiChoice South Africa Holdings Proprietary Limited

Consolidated annual financial statements
for the year ended 31 March 2022

Statement of responsibility by the board of directors

for the year ended 31 March 2022

The consolidated annual financial statements are the responsibility of the directors of MultiChoice South Africa Holdings Proprietary Limited (MCSAH). In discharging this responsibility, they rely on management to prepare the consolidated annual financial statements presented on pages 1 to 60 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) and the requirements of the South African Companies Act, No 71 of 2008 as amended (the Companies Act). The group's activities are guided by the best practice and governance principles 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 MCSAH 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 9 June 2022.

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 6 to 8.

The consolidated annual financial statements were approved by the board of directors on 9 June 2022 and are signed on its behalf by:

Imtiaz Patel
Non-executive Chair

Calvo Mawela
Chief Executive Officer

Company secretary's certification

for the year ended 31 March 2022

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, in my capacity as group company secretary of MultiChoice South Africa Holdings Proprietary Limited, I confirm that for the year ended 31 March 2022 the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a private 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
9 June 2022

The directors have pleasure in submitting their report on the consolidated annual financial statements of MultiChoice South Africa Holdings Proprietary Limited for the year ended 31 March 2022.

1. Nature of operations

MultiChoice South Africa Holdings Proprietary Limited (MCSAH or the group) was incorporated on 19 May 2006 under the laws of the Republic of South Africa. The principal activities of MCSAH and its operating subsidiaries, joint ventures and associated companies (collectively "the group") is the operation of video-entertainment services via satellite and online platforms. These activities are conducted primarily in South Africa.

2. Operating and financial review

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The group held up well in a tough consumer climate, delivering consolidated revenue of ZAR43.4bn. This was attributed to a ZAR0.8bn recovery in advertising revenue and a 0.4% increase in subscription revenues, driven by subscriber growth in the mass market and the uplift from the annual price increases. The return of live sport and other value adding initiatives contributed to reduced churn of the Premium base relative to the prior year. Although the ongoing change in customer mix resulted in monthly 90-day average revenue per user (ARPU) dropping from ZAR276 to ZAR268, the 3% decline year on year is less than prior years and was underpinned by the improved Premium retention, annual price increases and a partial recovery in commercial subscription revenues.

The group recorded a net profit after tax for the year ended 31 March 2022 of ZAR7.3bn. This year the group's ongoing cost-optimisation programme did not fully offset a normalisation of content costs and sales and marketing expenses. The 19% increase in total content costs is mainly attributed to the acquisition of rights to popular sporting events such as Euro 2020, the British and Irish Lions Rugby Tour and the Tokyo Olympics, a continued ramp up in local content investment and non-recurring content refunds received in the prior year, and foreign exchange movement.

Group cash flows from operating activities increased by 10% from ZAR8.8bn in the prior year to ZAR9.7bn for the year ended 31 March 2022, mainly due to improved working capital (including the amortisation of programme and film rights) management of ZAR1.0bn and lower income tax payments of ZAR0.2bn.

3. Share capital

There has been no change to the group's authorised or issued share capital during the year. Refer to note 23.

4. Directorate

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

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

Mr JA Mabuza, the former lead non-executive director, passed away on 16 June 2021. Mr JJ Volkwyn was appointed as the lead non-executive director with effect from 1 July 2021.

Mr FLN Letele retired with effect from 1 December 2021.

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 61.

4. Directorate (continued)

Directors and attendance at meetings in the 2022 financial year:

Name of Director	Date first appointed	Board Attendance	Classification
MI Patel	12 November 2019	4/4	Non-Executive Chair
JJ Volkwyn[1]	8 March 2007	4/4	Lead Non-Executive
JA Mabuza[2]	5 July 2019	0/1	Lead Non-Executive
CP Mawela	1 November 2018	4/4	Executive - CEO
TN Jacobs	1 November 2018	4/4	Executive - CFO
FLN Letele[3]	14 September 2006	3/3	Non-Executive
KD Moroka	8 March 2007	4/4	Non-Executive
E Masilela	1 April 2015	4/4	Non-Executive
L Stephens	6 August 2018	4/4	Non-Executive
FA Sanusi	11 June 2020	4/4	Non-Executive
CM Sabwa	11 June 2020	4/4	Non-Executive
JH du Preez	1 April 2021	4/4	Non-Executive
SJZ Pacak[4]	1 April 2009	0/0	Non-Executive

1 Appointed as lead non-executive director of the board with effect from 1 July 2021.
2 Passed away on 16 June 2021.
3 Retired with effect from 1 December 2021.
4 Retired with effect from 1 April 2021.

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the group or in the policy regarding their use.

At 31 March 2022, the group's investment in property, plant and equipment amounted to ZAR8.0bn (FY21: ZAR8.8bn). Details are reflected in note 15 of the consolidated annual financial statements.

Capital commitments at 31 March 2022 amounted to ZAR273.6m (FY21: ZAR2.0m).

6. Dividends

An ordinary dividend of ZAR6.0bn (FY21: ZAR6.0bn) was paid in the current year. The ordinary dividend paid was 1 666.67 cents per share (FY21: 1 666.67 cents per share). The board has declared a gross dividend of 1 666.67 cents per share (ZAR6.0bn). This dividend declaration is subject to approval of the MultiChoice South Africa Proprietary Limited (MCSA) dividend at its annual general meeting on Wednesday, 24 August 2022.

7. Group

MCSAH's principal shareholders are MultiChoice Group Limited (75%) and Phuthuma Nathi Investments (RF) Limited (25%). MCSAH's ultimate controlling party is MultiChoice Group Limited, a company listed on the Johannesburg Stock Exchange (JSE) in South Africa. All subsidiaries, joint ventures and associates share the same financial year-end as MCSAH.

The name, country of incorporation and effective financial percentage interest in each of the group's principal subsidiaries, joint ventures and associates are disclosed in notes 21 & 22.

8. Auditors

PricewaterhouseCoopers Inc. continued in office as auditors for the company for 2022.

At the AGM, the shareholders will be requested to reappoint PricewaterhouseCoopers Inc. as the independent external auditors of the group and to confirm Mr DH Höll as the designated lead audit partner for the 2023 financial year.

9. Mandatory audit firm rotation and external auditor for FY24

During FY21, the group commenced its process in line with IRBA’s mandatory audit firm rotation regulations, which requires the company to rotate auditors at the latest by FY24 (the period from 1 April 2023 to 31 March 2024). After a formal selection process concluded during FY22, the audit committee has selected EY as the recommended external auditors from FY24.

10. Group company secretary

Carmen Miller is the appointed group company secretary since 11 June 2020.

11. Borrowing

The group has unlimited borrowing powers in terms of its Memorandum of Incorporation.

12. Subsequent events

Other than the declaration of the dividend after the reporting date, as explained in number 6 above, there have been no other events that occurred after the reporting date that could have a material impact on the annual financial statements.

Independent auditor's report

To the Shareholders of MultiChoice South Africa Holdings Proprietary Limited

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of MultiChoice South Africa Holdings Proprietary Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

MultiChoice South Africa Holdings Proprietary Limited's consolidated financial statements set out on pages 9 to 60 comprise:

- the consolidated statement of financial position as at 31 March 2022;
- 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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Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "MultiChoice South Africa Holdings Proprietary Limited Consolidated Annual Financial Statements for the year ended 31 March 2022" and the document titled "MultiChoice South Africa Holdings Proprietary Limited Separate Annual Financial Statements for the year ended 31 March 2022", which includes the Company secretary's certification and Directors' Report to shareholders as required by the Companies Act of South Africa. The other information does not include the consolidated and 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 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, 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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[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 their 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated 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.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: D.H. Höll
Registered Auditor
Johannesburg, South Africa
09 June 2022

Consolidated statement of financial position

as at 31 March 2022

	Note	2022 ZAR'm	2021 ZAR'm
Assets			
Non-current assets		**13 835**	**14 706**
Property, plant and equipment	15	**7 990**	8 813
Goodwill and other intangible assets	20	**4 516**	4 492
Investments and loans	22	**44**	54
Deferred taxation	7	**1 285**	1 347
Current assets		**18 573**	**17 688**
Inventory	17	**206**	211
Programme and film rights	16	**2 747**	2 838
Trade and other receivables	18	**4 623**	4 503
Amounts due from related parties	25	**9 609**	8 632
Derivative financial instruments	9	**12**	15
Cash and cash equivalents	19	**1 376**	1 489
TOTAL ASSETS		**32 408**	**32 394**
Equity and Liabilities			
Equity reserves attributable to the group's equity holders		**12 697**	**11 534**
Share capital	23	**17 216**	17 216
Other reserves	24	**(13 867)**	(13 632)
Retained earnings		**9 348**	7 950
Non-controlling interest		**-**	5
TOTAL EQUITY		**12 697**	**11 539**
Non-current liabilities		**7 771**	**9 658**
Lease liabilities	9	**7 102**	8 080
Long-term loans	9	**5**	2
Amounts due to related parties	25	**375**	875
Derivative financial instruments	9	**149**	473
Deferred taxation	7	**140**	228
Current liabilities		**11 940**	**11 197**
Lease liabilities	9	**947**	921
Programme and film rights	9	**3 484**	3 821
Provisions	13	**286**	228
Accrued expenses and other current liabilities	12	**4 917**	4 408
Amounts due to related parties	25	**1 010**	771
Derivative financial instruments	9	**1 088**	990
Taxation liabilities		**208**	58
TOTAL EQUITY AND LIABILITIES		**32 408**	**32 394**

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

Consolidated income statement
for the year ended 31 March 2022

	Note	2022 ZAR'm	2021 ZAR'm
Revenue	3	**43 350**	41 034
Cost of providing services and sale of goods	4	**(23 218)**	(20 247)
Selling, general and administration expenses	4	**(9 116)**	(8 683)
Net impairment loss on trade receivables	18	**(88)**	(121)
Other operating (losses)/gains - net	5	**(277)**	41
Operating profit	4	**10 651**	**12 024**
Interest income	10	**393**	330
Interest expense	10	**(603)**	(649)
Net foreign exchange translation (losses)/gains	10	**(275)**	701
Share of equity-accounted results		**8**	(18)
Reversal of impairment of equity - accounted investments		**8**	-
Profit before taxation		**10 182**	**12 388**
Taxation	6	**(2 930)**	(3 536)
Profit for the year		**7 252**	**8 852**
Attributable to:			
Equity holders of the group		**7 272**	8 847
Non-controlling interest		**(20)**	5
		7 252	**8 852**
Earnings per share			
Basic and diluted earnings for the year (ZAR’m)		**7 272**	8 847
Basic and diluted earnings per ordinary share (SA cents)		**2 020**	2 458

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

Consolidated statement of comprehensive income

for the year ended 31 March 2022

	Note	2022 ZAR'm	2021 ZAR'm
Profit for the year		**7 252**	**8 852**
Total other comprehensive income for the year:			
Fair value losses on investments held at fair value		-	(102)
Hedging reserve[1]		**(449)**	(2 632)
- Net fair value losses[2]		**(583)**	(3 483)
- Hedging reserve recycled to the income statement[2]		**(12)**	25
- Net tax effect of movements on hedging reserve[3]		**146**	826
Total comprehensive income for the year		**6 803**	**6 118**
Attributable to:			
Equity holders of the group		**6 823**	6 113
Non-controlling interest		**(20)**	5
		6 803	**6 118**

1 These components of other comprehensive income may subsequently be reclassified to the consolidated income statement during future reporting periods.
2 The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR14.78 in FY21 to ZAR14.61 in FY22 and additional forward exchange contracts executed during FY22 which resulted in a decrease in the achieved average hedge rate on cash flow hedges from ZAR16.40 in FY21 to ZAR15.89 in FY22.
3 The movement relates to tax at 28% on net fair value losses recognised.

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 2022

	Share capital[1] ZAR'm	Other reserves[2] ZAR'm	Retained earnings ZAR'm	Non-controlling interest ZAR'm	Total equity ZAR'm
Balance as at 1 April 2020	**17 216**	**(10 073)**	**5 069**	**-**	**12 212**
Profit for the year	-	-	8 847	5	8 852
Other comprehensive loss	-	(2 734)	-	-	(2 734)
Total comprehensive income for the year	**-**	**(2 734)**	**8 847**	**5**	**6 118**
Hedging reserve basis adjustment[3]	-	(775)	-	-	(775)
Share-based compensation movement	-	(50)	13	-	(37)
Dividends declared[4]	-	-	(5 979)	-	(5 979)
Balance at 1 April 2021	**17 216**	**(13 632)**	**7 950**	**5**	**11 539**
Profit for the year	**-**	**-**	**7 272**	**(20)**	**7 252**
Other comprehensive loss	**-**	**(449)**	**-**	**-**	**(449)**
Total comprehensive income for the year	**-**	**(449)**	**7 272**	**(20)**	**6 803**
Hedging reserve basis adjustment[3]	**-**	**402**	**-**	**-**	**402**
Share-based compensation movement	**-**	**(160)**	**105**	**-**	**(55)**
Transactions with non-controlling shareholders[5]	**-**	**(28)**	**-**	**15**	**(13)**
Dividends declared[4]	**-**	**-**	**(5 979)**	**-**	**(5 979)**
Balance at 31 March 2022	**17 216**	**(13 867)**	**9 348**	**-**	**12 697**

1 Share capital includes share premium.
2 Other reserves include the hedging reserve, fair value reserve, share-based payment reserve, existing control business combination reserve and foreign currency translation reserve (note 24).
3 Relates to the basis adjustment (net of tax losses of ZAR120m) (FY21: R270m tax gains) on programme and film right assets as content comes into licence.
4 Relates to dividends declared to MultiChoice Group Limited (ZAR4.5bn) and Phuthuma Nathi Investments (RF) Limited (ZAR1.5bn).
5 Relates to the group acquiring the remaining 49% interest in SuperSport Schools Proprietary Limited in March 2022. SuperSport Schools Proprietary Limited is now 100% owned by the group. The carrying value of the non-controlling interest prior to this transaction was negative ZAR15.7m. Cash consideration paid amounted to ZAR8.75m with a further ZAR3.75m payable during FY23 based on the achievement of service conditions attached to the transaction.

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

Consolidated statement of cash flows

for the year ended 31 March 2022

	Note	2022 ZAR'm	2021 ZAR'm
Cash generated from operating activities	8	**12 543**	12 154
Interest income received		**392**	338
Interest costs paid		**(394)**	(465)
Taxation paid[1]		**(2 798)**	(3 023)
Settlement of share-based compensation awards[2]		**-**	(214)
Net cash generated from operating activities		**9 743**	**8 790**
Cash flows from investing activities			
Property, plant and equipment acquired		**(378)**	(487)
Proceeds from sale of property, plant and equipment		**-**	88
Intangible assets acquired		**(460)**	(754)
Proceeds from sale of intangible assets		**15**	9
Insurance proceeds on property, plant and equipment		**-**	35
Cash received from other investments and loans		**38**	29
Cash paid for other investments and loans		**(59)**	(91)
Net cash utilised in investing activities		**(844)**	**(1 171)**
Cash flows from financing activities			
Proceeds from long- and short-term loans raised	9	**3**	-
Proceeds from related party funding	9	**3 448**	2 089
Repayments of related party funding	9	**(5 258)**	(2 899)
Repayments of lease liabilities	9	**(1 087)**	(998)
Gain on matured foreign exchange contracts related to lease liabilities	9	**81**	66
Purchases of shares for group share schemes[3]		**(224)**	(135)
Additional investment in existing subsidiary[4]		**(9)**	-
Dividends paid		**(5 979)**	(5 979)
Net cash utilised in financing activities		**(9 025)**	**(7 856)**
Net movement in cash and cash equivalents		**(126)**	(237)
Foreign exchange translation adjustments on cash and cash equivalents		**13**	(9)
Cash and cash equivalents at the beginning of the year		**1 489**	1 735
Cash and cash equivalents at the end of the year	19	**1 376**	**1 489**

1 Decrease relates to a lower third top-up payment and reduced profitability.
2 Relates to the settlement paid to employees due to the closure of the MultiChoice 2008 SAR scheme in the prior year.
3 Relates to the purchase of group shares which were used to settle the group's share-based compensation awards.
4 In March 2022, the group acquired the remaining 49% of shares in SuperSport Schools Proprietary Limited. SuperSport Schools Proprietary Limited is now 100% owned by the group.

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

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) and the requirements of the South African Companies Act No 71 of 2008 as amended (the 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™).

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, unless otherwise indicated.

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 2021. A number of these amendments are effective from 1 January 2021, but they do not have a material effect on the group's consolidated annual financial statements based on the assessment that has been provided in note 2.

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.

The group adopted the following new accounting pronouncements during the current year.

Accounting pronouncement	Adoption impact
COVID-19-Related Rent Concession – Amendment to IFRS 16 Leases	In May 2020, the IASB amended *IFRS 16 Leases* to provide lessees with a practical expedient that relieves a lessee from assessing whether a COVID-19-related rent concession is a lease modification. In March 2021, the IASB issued COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to *IFRS 16*). This amendment extends the date a lessee is permitted to apply the practical expedient by a year from payments due on or before 30 June 2021 to payments due on or before 30 June 2022. The amendments did not have a material impact for the group.
IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 1 January 2021)	These amendments defer the date of application of *IFRS 17* by two years to 1 January 2023 and change the fixed date of the temporary exemption in *IFRS 4* from applying *IFRS 9, Financial instrument* until 1 January 2023. The amendments did not have a material impact for the group.
Interest Rate Benchmark Reform Phase 2 – The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Amendment requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to *IFRS 16* enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform. The amendments to *IAS 39* enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform by requiring companies to amend their hedging relationships to reflect: • designating an alternative benchmark rate as the hedged risk; • changing the description of the hedged item, including the designated portion, or of the hedging instrument; or • changing the description of how the entity would assess hedge effectiveness The amendments did not have a material impact for the group.

2. Principal accounting policies (continued)

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	4	Valuation/estimates of vesting	Estimate
Taxation liabilities	6	Uncertainties around timing, quantum and amount	Judgement
Deferred taxation assets	7	Uncertainties around future financial performance	Judgement
Lease liabilities	9	Determination of the incremental borrowing rate	Estimate
Property, plant and equipment	15	Residual values and useful lives	Estimate
Programme and film rights	16	Amortisation period	Estimate
Goodwill and other intangible assets	20	Impairment	Estimate

COVID-19 considerations

Management has conducted an updated review of all possible financial effects that COVID-19 could have on the measurement, presentation and disclosure provided in the consolidated annual financial statements. The conclusion reached was that the potential impact is not material to the consolidated annual financial statements. Management will continue to monitor COVID-19 developments.

Russian invasion of Ukraine

The Russian invasion of Ukraine, alongside the imposition of international sanctions, have a pervasive economic impact, not only on businesses within Russia and Ukraine, but also globally where businesses engage in economic activities that might be affected. The group has assessed the potential impact of the above and concluded that the potential impact is not material to the consolidated annual financial statements.

PART I. INCOME STATEMENT

3. Revenue

The group recognises revenue from the following major sources:

- Subscription fees
- Set-top box sales
- Installation revenue
- Advertising revenue
- Programming and sub-licensing revenue
- Management fee income

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 advanced billing of subscribers for pay-television and online services provided by the group. Subscribers are required to pay subscription fees in advance. 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 mainly 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.

Programming and sub-licensing revenue

Programming revenue is generated by packaging content into dedicated channels for broadcast. Revenue is recognised in the month the service is rendered. Any programming revenue received in advance of the service being provided is recorded as deferred revenue and recognised in the month the service is provided.

Sub-licensing revenue is recognised over time as content and services are delivered. Amounts received in advance are recorded as contract liabilities and recognised in the month the content is provided. Contract assets are raised for services performed in advance. Sub-licensing revenue is recognised using the output method based on the value of the programming services and content provided.

3. Revenue (continued)

Management fee income

Management fee income primarily relates to fees charged to companies within the MultiChoice Group for subscriber management support services. These fees are earned over the period to which they relate.

Other revenue

Other revenue primarily comprises of decoder insurance premiums relating to the decoders of the pay-television subscribers 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 for the reconnection fees is recognised at a point in time when the customer has been reconnected

	2022 ZAR'm	2021 ZAR'm
Subscription fees	**28 853**	28 730
Advertising	**3 258**	2 443
Set-top boxes	**1 069**	987
Installation fees	**321**	324
Programming and sub-licensing	**6 532**	5 625
Management fee income	**1 686**	1 491
Other revenue[1]	**1 631**	1 434
	43 350	**41 034**

1 Other revenue primarily includes reconnection fees, insurance premiums and barter revenue.

4. Expenses by nature

Operating profit includes the following items:

	2022 ZAR'm	2021 ZAR'm
(a) Cost of providing services and sale of goods		
Content[1]	**17 971**	15 046
Set-top box purchases	**2 745**	2 605
Depreciation: Owned assets (Note 15)	**270**	286
Depreciation: Right of use asset for transmission equipment (Note 15)	**668**	668
Amortisation (Note 20)	**21**	6
Subscriber transaction fees[2]	**553**	543
Licence Fees[2]	**190**	183
Other[2,3]	**800**	910
	23 218	**20 247**

1 Includes amortisation of programme and film rights of ZAR14.1bn in FY22 (FY21: ZAR11.6bn), refer to note 16.
2 The comparatives (FY21) have been reclassified to disclose additional line items separately. These changes did not impact any of the primary statements nor did it impact any other financial information previously presented.
3 Includes various cost items such as related party costs (note 24) and transmission costs.

	2022 ZAR'm	2021 ZAR'm

4. Expenses by nature (continued)

(b) Selling, general and administration expenses

	2022 ZAR'm	2021 ZAR'm
Employee costs	**3 346**	3 096
Sales and marketing	**1 650**	1 519
Depreciation: Right of use asset for buildings (Note 15)	**24**	26
Depreciation: Right of use asset for vehicles (Note 15)	**1**	1
Depreciation: Owned assets (Note 15)	**216**	238
Amortisation (Note 20)	**136**	161
Consulting costs[1]	**151**	143
Management fees[1]	**149**	151
Low-value lease liabilities	**2**	1
Auditors remuneration	**21**	17
Maintenance	**1 889**	1 986
Other[1,2]	**1 531**	1 344
	9 116	**8 683**

1 The comparatives (FY21) have been reclassified to disclose additional line items separately. These changes did not impact any of the primary statements nor did it impact any other financial information previously presented.
2 Includes various cost items such as administration, general overheads, communication costs and project costs.

Impairment and profit on the sale of property, plant and equipment and intangible assets are included in other operating (losses)/gains - net (note 5).

(c) Employee-related expenditure

Employee remuneration is charged to the consolidated 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.

	2022 ZAR'm	2021 ZAR'm

4. Expenses by nature (continued)

Equity-settled share-based compensation benefits

MultiChoice South Africa Holdings Proprietary Limited (MCSAH) operates a number of equity-settled compensation plans which allow certain employees the right to receive ordinary shares in MultiChoice Group Limited (MCG) after a prescribed period. For certain participants (largely senior management) these awards are subject to performance conditions. In terms of these plans, employees are offered awards in the form of restricted stock units (RSUs). As MCG grants these awards and has the obligation to settle the awards, 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 MultiChoice Group Limited (MCG) equity instruments on the vesting date.

Cash-settled share-based compensation benefits

The group has granted Phantom Performance Shares (PPS), 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 to the date the employee exercises their right. In respect of the share options on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of MCG in cash or other assets for cash-settled plans.

Staff costs

The group had 3 620 permanent employees in FY22 (FY21: 3 683).

The total cost of employment of all employees, including subsidiary executive directors, was as follows:	**Note**		
Salaries, wages and bonuses		**3 140**	2 885
Share-based compensation		**168**	47
Cash-settled: SARs and PPS	4.1	**2**	(50)
Equity-settled: RSUs	4.2	**166**	97
Retirement benefit costs		**185**	194
Medical aid fund contributions		**137**	142
Other costs[1]		**102**	83
Total staff costs		**3 732**	**3 351**
Included in cost of providing services and sale of goods[2]		**386**	255
Included in selling, general and administration expenses		**3 346**	3 096
		3 732	**3 351**

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

4. Expenses by nature (continued)

4.1. SARs

In previous years the group had operated one cash-settled SAR plan, the MultiChoice 2008 SAR Scheme, which is disclosed in the table below.

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

In FY21, 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 greater than 75% vote from participants on 23 November 2020 (the effective date on which the closing down of the scheme was approved). This simplified the group's share scheme profile with future awards being made through the existing RSU plan, and the new PPS plan explained further in 4.3 below.

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.

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

SAR Grants	**MCA 2008 SAR Plan**	
Weighted average	**Number of options**	**Average exercise price per option (ZAR)**
Outstanding at 31 March 2020	18 294 433	99.61
Movements out	(376 238)	92.66
Exercised during the year[1]	(9 546 347)	86.06
Forfeited during the year[1]	(809 218)	100.76
Expired during the year	(3 421)	91.74
Cancelled during the year	(7 559 209)	116.88
Outstanding at 31 March 2021	-	-
Outstanding at 31 March 2022	**-**	**-**

1 The weighted average share price at the date of exercise of the options exercised during the year for the MCA 2008 scheme was ZARNil (FY21: ZAR108.24).

4.2. 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.

Award date	**Staff level**	**Split of award**	**Vesting period**	**Vesting split**
Before 27 Aug 2020	Executive committee	50% RSU 50% PSU	4 years	50% equally from year 3
Before 27 Aug 2020	Rest of organisation	100% RSU	5 years	25% equally from year 2
After 27 Aug 2020	Rest of organisation (excluding executive committee/certain senior managers)	100% RSU	4 years	50% equally from year 3
Nov 2020	Executive committee/certain senior managers	25% RSU 75% PSU	RSU: 4 years PSU: 3 years	RSU: 50% equally from year 3 PSU: 100% in year 3
Mar 2021 onwards	Executive committee/certain senior managers	100% PSU	3 years	100% in year 3

4. Expenses by nature (continued)

4.2 RSU's (continued)

Performance conditions include budgeted core headline earnings per share, return on capital employed 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 are 0%, 50%, 75% and 100% respectively, with linear interpolation between these levels.

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 MultiChoice 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 FY22: ZAR118.86) (FY21: 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 1 April 2020	2 459 373
Movements out	(253 933)
Granted during the year	2 145 692
Exercised during the year	(24 930)
Forfeited during the year	(372 845)
Outstanding at 31 March 2021	3 953 357
Movements out	(162 612)
Granted during the year	2 403 237
Exercised during the year	(512 247)
Forfeited during the year	(460 510)
Outstanding at 31 March 2022	**5 221 225**
Weighted average remaining contractual life (years)	3.23

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**
2021	
Expected dividend yield (%)	5.1
Expiry date (years)	4.0
2022	
Expected dividend yield (%)	4.7
Expiry date (years)	4.0

	2022 ZAR'm	2021 ZAR'm

4. Expenses by nature (continued)

4.3. 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. The PPS awards are 100% linked to performance conditions 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 is settled with MCG shares and the responsibility for sourcing and settlement of shares remain with the employer company. Hence, the scheme is classified as cash-settled.

Weighted average	**Number of units**
Outstanding at 31 March 2020	-
Granted during the year	50 314
Outstanding at 31 March 2021	50 314
Movements out	(26 159)
Outstanding at 31 March 2022	**24 155**
Weighted average remaining contractual life (years)	9.01

Weighted average	**2022**	**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

** No PPS grants were made during the current year.*
1 Prior year based on the zero rate bond yield.
2 Prior year based on the portion of vested options that were exercised annually.
3 Prior year determined using historical daily share prices of MCG.

5. Other operating (losses)/gains - net

Other operating (losses)/gains - net	Note		
Loss on sale of property, plant and equipment	8	**(7)**	(9)
Profit on sale of Intangible assets	8	**13**	15
Derecognition of intangible assets[1]		**(287)**	-
Reversal of impairment of equity - accounted investments		**4**	-
Insurance proceeds		**-**	35
		(277)	**41**

1 Relates to the derecognition of information technology assets in the current year as part of the group's periodic asset review process, and in line with its conservative accounting policies.

	2022 ZAR'm	2021 ZAR'm

6. 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, associates 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.

The group has not recognised any deferred tax assets for carry forward unused tax losses in any of the years presented.

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.

The groups corporate income tax rate is 28% for all financial years presented. During the 2022 budget speech by the South African minister of finance on 23 February 2022, a rate change from 28% to 27% was announced, which was considered to be substantively enacted from this date. On this basis, deferred taxation was raised at the reduced tax rate of 27%. Current income tax for the current year remained unchanged at 28%.

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.

Major components of the South African normal tax expense

	2022 ZAR'm	2021 ZAR'm
Normal	**2 935**	2 587
Current year	**2 949**	2 452
Prior year	**(14)**	135
Deferred	**(5)**	949
Current year	**(73)**	1 020
Prior year	**34**	(71)
Change in rate	**34**	-
Total taxation per income statement	**2 930**	**3 536**

Reconciliation of taxation

	2022 ZAR'm	2021 ZAR'm
Taxation at statutory rate of 28%	**2 851**	3 469
Adjusted for:		
Non-deductible expenses	**74**	15
Initial recognition of prior year taxes	**20**	64
Non-taxable income	**(43)**	(21)
Temporary differences not provided for	**(4)**	4
Tax attributable to equity-accounted earnings	**(2)**	5
Change in rate	**34**	-
Taxation provided in income statement	**2 930**	**3 536**

7. Deferred taxation

	2022 ZAR'm	2021 ZAR'm
Reconciliation of deferred tax asset - net		
Deferred tax asset	**1 285**	1 347
Deferred tax liability	**(140)**	(228)
Deferred tax asset - net	**1 145**	**1 119**
Reconciliation of deferred tax asset - net		
At beginning of year	**1 119**	972
Credited/(debited) to income statement	**5**	(949)
Credited to other comprehensive income	**21**	1 096
	1 145	**1 119**
Deferred tax is attributable to the following temporary differences		
Assets		
Provisions and other current liabilities	**328**	292
Lease liabilities	**2 169**	2 519
Income received in advance	**166**	178
Hedging reserve	**371**	349
Debtors and other current assets	**110**	111
Programme and film rights	**44**	57
Other	**132**	17
	3 320	**3 523**
Liabilities		
Property, plant and equipment	**(3)**	(4)
Intangible assets	**(31)**	(37)
Receivables and other current assets	**(76)**	(58)
Right-of-use assets	**(1 499)**	(1 740)
Programme and film rights	**(416)**	(478)
Derivative liabilities	**(110)**	(60)
Other	**(40)**	(27)
	(2 175)	**(2 404)**

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.

PART II. CASH FLOWS AND LIABILITY MANAGEMENT

8. Cash generated from operations

	Note	2022 ZAR'm	2021 ZAR'm
Operating profit		**10 651**	12 024
Adjustments:			
Non-cash and other		**16 155**	12 818
Profit on sale of assets	5	**(6)**	(6)
Depreciation and amortisation	15/20	**1 336**	1 386
Share-based compensation expenses		**164**	47
Net realisable value adjustments on inventory	17	**237**	217
Reversal of net realisable value adjustments on inventory[1]	17	**(258)**	(354)
Expected credit losses on trade and other receivables	18	**88**	121
Derecognition of intangible assets	5	**287**	-
Reversal of impairment of equity - accounted investments	5	**(4)**	-
Amortisation of programme and film rights	16	**14 110**	11 605
Hedge accounting revaluations		**88**	(91)
Provisions		**38**	9
Insurance proceeds		**-**	(35)
Other[2]		**75**	(81)
Working capital		**(14 263)**	(12 688)
Cash movement in trade and other receivables		**149**	(846)
Cash movement in accrued expenses and other current liabilities		**286**	(140)
Cash movement in programme and film rights		**(15 352)**	(11 538)
Cash movement in related party current accounts		**627**	(299)
Cash movement in inventory		**27**	135
Cash generated from operations		**12 543**	**12 154**

1 Primarily relates to an increase in set-top box prices during the year.
2 Primarily relates to reversal of tax provisions.

9. 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.

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 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.

Hedging of foreign currency costs

The group uses FECs to hedge exposures arising from its cash obligations denominated in US dollars and Euros. These include transponder lease payments and US dollar and Euro denominated payments to purchase sport and general entertainment content. This is performed for all cash obligations within the next 18 months and can be extended up to 36 months for contractually committed exposures, in terms of the group treasury policy.

9. Liabilities funding operations (continued)

Hedge accounting

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

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;
- *Fair value hedge*: hedge of the fair value of recognised transponder lease liabilities

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 (note 10).

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 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).

	2022 ZAR'm	2021 ZAR'm

9. Liabilities funding operations (continued)

	2022 ZAR'm	2021 ZAR'm
(a) Interest-bearing: Lease liabilities	**7 102**	**8 080**
Total liabilities	**8 049**	9 001
Less: Current portion	**(947)**	(921)
(b) Non-interest-bearing: Programme and film rights	**-**	-
Total liabilities	**3 484**	3 821
Less: Current portion	**(3 484)**	(3 821)
(c) Interest and non-interest-bearing: Related party loans	**375**	**875**
Total liabilities	**1 385**	1 646
Less: Current portion	**(1 010)**	(771)
Non-interest bearing: Loans and other liabilities (A)	**5**	**2**
Total liabilities	**5**	2
Less: Current portion	**-**	-
Net non-current liabilities	**7 482**	8 957
Net non-current loans and other liabilities (A)	**5**	2

The impact of these liabilities on the group's liquidity is disclosed in note 14.

Reconciliation of liabilities arising from financing activities	**Lease liabilities ZAR'm**	**Related - party loans ZAR'm**	**Non - interest bearing liabilities ZAR'm**
Balance at 1 April 2021	**9 001**	**1 646**	**2**
Additional liabilities recognised[1]	**65**	**4 997**	**3**
Repayments[2]	**(1 342)**	**(5 258)**	**-**
Interest accrued	**336**	**-**	**-**
Foreign exchange translation[3]	**(11)**	**-**	**-**
Balance at 31 March 2022	**8 049**	**1 385**	**5**
Less: Current portion	**(947)**	**(1 010)**	**-**
Non-current liabilities	**7 102**	**375**	**5**

1 Includes amounts of ZAR1549m non-cash.
2 Capital repayments of ZAR1006m (FY21: ZAR932m) are included in repayment of lease liabilities within financing activities and ZAR336m (FY21: ZAR406m) is included as part of interest expense paid within operating activities in the cash flow statement.
3 These items is non-cash in nature.

9. Liabilities funding operations (continued)

Reconciliation of liabilities arising from financing activities	**Lease liabilities**	**Related - party loans**	**Non - interest bearing liabilities**
	ZAR'm	**ZAR'm**	**ZAR'm**
Balance at 1 April 2020	11 848	224	138
Additional liabilities recognised[1]	63	4 321	-
Repayments[2]	(1 337)	(2 899)	-
Interest accrued	406	-	-
Foreign exchange translation[3]	(1 979)	-	-
Share based payments	-	-	(136)
Balance at 31 March 2021	9 001	1 646	2
Less: Current portion	(921)	(771)	-
Non-current liabilities	8 080	875	2

1 Includes amounts of ZAR2232m non-cash.
2 Capital repayments of ZAR932m (FY20: ZAR625m) are included in repayment of lease liabilities within financing activities and ZAR406m (FY20: ZAR405m) is included as part of interest expense paid within operating activities in the cash flow statement.
3 This item is non-cash in nature.

a) Interest-bearing: Lease liabilities

Asset leased	**Related platform**	**Years of final repayment (calendar year)**	**Weighted average year-end interest rate**	**2022 ZAR'm**	**2021 ZAR'm**
Transponder 1-19	SA DTH	2027	4.50%	**2 483**	2 913
Transponder 20	SA DTH	2027	4.50%	**131**	153
Transponder 21	SA DTH	2030	4.98%	**205**	227
Transponder 20B	SA DTH	2031	3.50%	**5 088**	5 597
Lease liabilities for buildings and vehicles		2023-2029	6.85%	**142**	111
Total Lease liabilities[1]				**8 049**	**9 001**

1 All transponder lease liabilities are denominated in US dollars.

Lease liabilities are initially measured at the present value of the lease liability payments and 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 liability payments made.

The lease liability payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lease liabilities 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 lease liabilities held by the group, which does not have recent third-party financing, and/or
- makes adjustments specific to the lease liability, e.g. term, country, currency and security.

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.

9. Liabilities funding operations (continued)

a) interest-bearing: Lease liabilities (continued)

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.

The maturity analysis of the lease liabilities cash flows is as follows:

	2022 ZAR'm	2021 ZAR'm
Within one year	**1 236**	1 243
Two to five years	**4 898**	4 949
More than five years	**3 202**	4 427
Less interest charges	**(1 287)**	(1 618)
Carrying amount of lease liabilities	**8 049**	**9 001**

The total cash outflow for lease liabilities in FY22 was ZAR1.0bn (FY21: ZAR0.9bn).

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

Unsecured	**Currency of year-end balance**	**Years of final repayment (calendar year)[1]**	**2022 ZAR'm**	**2021 ZAR'm**
Various trade suppliers	ZAR	2023	**2 321**	2 458
Various trade suppliers	ZAR	2023-2027	**12**	28
Various trade suppliers	EUR	2023	**13**	-
Various international production studios	USD	2023	**1 138**	1 335
Total programme and film rights			**3 484**	**3 821**

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 (note 16), all liabilities are current in nature.

9. Liabilities funding operations (continued)

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

Amounts due to related parties: Non-current	Nature of relationship	2022 ZAR'm	2021 ZAR'm
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**375**	875
		375	**875**

Amounts due to related parties: Current	Nature of relationship	2022 ZAR'm	2021 ZAR'm
Irdeto Africa BV	Fellow subsidiary	**96**	105
MSS Local Productions Nigeria Limited	Fellow subsidiary	**53**	53
Local Productions (Kenya) Limited	Fellow subsidiary	**-**	1
MultiChoice Group Services Proprietary Limited	Fellow subsidiary	**117**	50
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**543**	503
MultiChoice Africa Services BV	Fellow subsidiary	**5**	17
MultiChoice Africa Holdings BV	Fellow subsidiary	**196**	37
Irdeto USA Inc	Fellow subsidiary	**-**	3
Other	Fellow subsidiary	**-**	2
		1 010	**771**

The loan between SuperSport International Proprietary Limited and MultiChoice Group Treasury Services Proprietary Limited was granted in the prior year and is unsecured, repayable quarterly over a three-year term and bears interest at a fixed rate of 5.75%. The remaining balances are unsecured, interest free and have no fixed terms of repayment.

(d) Management of foreign currency exposure on cash obligations

A significant portion of the group's cash obligations under contracts for transponder lease liabilities as well as programming and channels are denominated in US dollars and Euro. The group uses forward exchange to hedge the exposure to foreign currency risk, as the group's functional currency is ZAR. 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.
- Transponder lease liability payments: due to the long-term nature of the transponder lease liability agreements, the group only takes out cover for up to three years of lease liability payments. A portion of the foreign exchange movement in the recognised lease liability is therefore unhedged.

Market Risk

The group uses forward exchange contracts, 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:

	2022 ZAR'm	2021 ZAR'm

9. Liabilities funding operations (continued)

(d) Management of foreign currency exposure on cash obligations (continued)

	2022 ZAR'm	2021 ZAR'm
Current assets	**12**	15
Currency depreciation features[1]	**12**	15
Non-current liabilities		
Forward exchange contracts[2]	**(149)**	(473)
Current liabilities		
Forward exchange contracts[2]	**(1 088)**	(990)
Net derivative assets/(liabilities)	**(1 225)**	**(1 448)**

1 Currency depreciation features relate to clauses in content acquisition agreements that provide the group with a contractually specified level of currency depreciation protection.
2 Movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR14.78 in FY21 to ZAR14.61 in FY22.

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.

	2022 ZAR'm	2021 ZAR'm
Opening balance	**(741)**	2 666
Net fair value losses	**(583)**	(3 483)
Hedging reserve recycled to the income statement	**(12)**	25
Hedging reserve recycled to the statement of financial position	**522**	(1 045)
Net tax effect of the movements in hedging reserve	**26**	1 096
Closing balance	**(788)**	**(741)**

Exposure to foreign currency on uncovered commitments

The below details the group's uncovered commitments that are denominated in a currency other than ZAR:

Uncovered commitments:	**2022**		**2021**	
	Currency amount of commitments 'm	**ZAR'm**	**Currency amount of commitments 'm**	**ZAR'm**
US dollar[1]	**377**	**5 575**	624	9 360
Euro[2]	**17**	**268**	49	846
Other currencies[3,4]	**21 104**	**560**	9 983	569
		6 403		**10 775**

1 The decrease in uncovered USD commitments relates primarily to the execution of additional forward exchange contracts in the current year and the unwinding of previous commitments as content comes into licence and falls within the group's 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 Primarily relates to the Nigerian Naira ZAR222m (FY21: ZAR252m), Kenyan Shilling ZAR97m (FY21: ZAR117m), Zambian Kwacha ZAR101m (FY21: ZAR92m) and Australian Dollar ZAR32m (FY21: ZAR45m).
4 The increase in local currency uncovered commitments primarily relates to new content deals in Uganda and Tanzania. These deals are not hedged by the group.

9. Liabilities funding operations (continued)

Effects of hedge accounting on the 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	**2022**		**2021**	
	Cash flow hedges	**Fair value hedges**	**Cash flow hedges**	**Fair value hedges**
Carrying amount per currency pair - liability (ZAR'm)				
- USD/ZAR	**(873)**	**(260)**	(810)	(604)
- EUR/ZAR	**(104)**	**-**	(48)	(1)
	(977)	**(260)**	**(858)**	**(605)**
Notional amount per currency pair - buy/(sell)				
- USD/ZAR - (USD'm)	**1 074**	**260**	818	460
- EUR/ZAR - (EUR'm)	**52**	**-**	48	1
Maturity date range	**April 2022 - April 2024**	**April 2022 - December 2023**	April 2021 - December 2022	April 2021 - December 2022
Hedge ratio per currency pair				
- USD/ZAR	**100 %**	**100 %**	100 %	100 %
- EUR/ZAR	**100 %**	**100 %**	100 %	100 %
Change in value of hedged item used to determine hedge effectiveness per currency pair - (loss)/gain (ZAR'm)				
- USD/ZAR	**(1 351)**	**(254)**	(1 540)	(1 346)
- EUR/ZAR	**(148)**	**(4)**	37	13
	(1 499)	**(258)**	**(1 503)**	**(1 333)**
Weighted average hedged rate per currency pair for the year				
- USD/ZAR	**16.01**	**16.08**	16.42	16.62
- EUR/ZAR	**19.87**	**-**	18.97	20.03

Sensitivity analysis

Foreign exchange risk

The group holds significant US dollar liabilities, (e.g. Transponder lease liabilities (Note 9(a)), resulting in foreign exchange profit and loss exposures (Note 10). In addition, a significant portion of the group's programme and film rights purchases are in US dollar whereas the corresponding revenues are in ZAR, which exposes the group to cash flow foreign exchange risk. As explained in note 9(a) the group enters into hedging arrangements to partially mitigate this risk.

The group's sensitivity to a 10% weakening in the Rand against the US dollar, Euro and British pound are shown below. 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.

A 10% weakening of the Rand against the US dollar, Euro and British pound would result in the profit after tax decreasing by ZAR183.3m (FY21: decreasing ZAR448.5m). Changes in other equity would increase by ZAR422.7m (FY21: increase ZAR645.0m). A 10% strengthening of the Rand against the US Dollar would result in the inverse result from the sensitivity provided above.

	2022 ZAR'm	2021 ZAR'm

9. Liabilities funding operations (continued)

Interest rate risk

The majority of the group's borrowings relate to transponder lease liabilities that have fixed interest rates (note 9(a)).

The group has no other significant variable rate borrowings or assets.

The group is mainly exposed to interest rate fluctuations of the South African Repo/JIBAR. The following amounts represent management's best estimate of the possible impact of changes in interest rates at the respective year-ends:

- South African Repo/JIBAR rate: increases by 100 basis points (FY21: increases by 100-basis points)

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 ZAR8.8m (FY21: increase ZAR12.0m).

Total equity would be unaffected by the above changes in interest rates (FY21: ZARnil).

10. Interest (expense)/income

	2022 ZAR'm	2021 ZAR'm
Interest expense		
Loans and overdrafts	**(68)**	(30)
Lease liabilities[1]	**(336)**	(406)
Other[2]	**(199)**	(213)
	(603)	**(649)**

1 Relates primarily to transponder leases of ZAR328m (FY21: ZAR406m).
2 Relates primarily to the discounting of liabilities in relation to programme and film rights of ZAR144m (FY21: ZAR176m).

	2022 ZAR'm	2021 ZAR'm
Interest income		
Loans and bank accounts	**372**	307
Other	**21**	23
	393	**330**

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

	2022 ZAR'm	2021 ZAR'm
Net (loss)/profit from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of assets and liabilities	**(51)**	483
On translation of transponder leases[1]	**92**	1 924
Losses on translation of forward exchange contracts[2]	**(1 692)**	(3 352)
Gains on translation of forward exchange contracts[2]	**1 376**	1 646
Net foreign exchange translation (losses)/gains	**(275)**	**701**

1 Movement relates to ZAR appreciation from a closing rate of ZAR14.78 in FY21 to ZAR14.61 in FY22 versus ZAR appreciation 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 ZAR14.78 in FY21 to ZAR14.61 in FY22 and additional forward exchange contracts executed during FY22 which resulted in a decrease in the achieved average hedge rate from ZAR16.51 in FY21 to ZAR16.08 in FY22.

	2022 ZAR'm	2021 ZAR'm

11. 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 2022 amount to ZAR273.6m (FY21: ZAR2.0m). The group's capital expenditure commitments increased primarily due to contracts entered into during FY22 for a new outside broadcast vehicle in SuperSport.

(b) Programme and film rights

At 31 March 2022 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 ZAR36.1bn (FY21: ZAR35.6bn).

(c) Set-top boxes

At 31 March 2022 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 ZAR1.5bn (FY21: ZAR1.0bn). The increase was primarily due to increased orders to secure in the supply chain for set-top boxes for FY23 to support sales volumes during the 2022 FIFA World Cup.

(d) Assets pledged as security

The group pledged property, plant and equipment with a net carrying value of ZAR5.6bn (FY21: ZAR6.2bn) as security against certain assets acquired in terms of lease liabilities. Refer to note 15 for further details.

(e) Other commitments

At 31 March 2022 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 ZAR3.4bn (FY21: ZAR4.2bn).

12. Accrued expenses and other current liabilities

	2022	2021
Trade payables	**1 074**	792
Deferred income[1]	**1 645**	1 651
Accrued expenses	**1 070**	928
Taxes and other statutory liabilities	**252**	115
Employee benefits	**693**	694
Bonus accrual	**529**	503
Accrual for leave	**164**	191
Share based payment liability	**3**	4
Other current liabilities[2]	**180**	224
	4 917	**4 408**

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.
2 Primarily includes payments received in advance and other personnel provisions.

	2022 ZAR'm	2021 ZAR'm

13. Provisions

	2022 ZAR'm	2021 ZAR'm
Warranties	**32**	33
Legal and tax provisions	**254**	195
	286	**228**

Warranty provisions arise from the group's obligation to repair set-top boxes under a 12-month warranty period. 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.

Legal and tax provisions primarily relate to the group being currently involved in various litigation matters and tax queries. The legal and tax provisions have been estimated based on legal counsel and management's estimates of costs and probable claims relating to these. 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.

Legal and tax provisions:	2022 ZAR'm	2021 ZAR'm
Balance at 1 April	**195**	23
Additional provisions charged to the income statement	**65**	66
Provisions reversed to the income statement	**(6)**	-
Provisions credited to other accounts	**-**	110
Foreign currency translation effects	**-**	(4)
	254	**195**

14. 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 within one year are subject to renewal.

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 2022	**Carrying value ZAR'm**	**Contractual cash flows ZAR'm**	**0-12 months ZAR'm**	**1-5 years ZAR'm**	**5 years+ ZAR'm**
Non-derivative financial liabilities					
Interest-bearing: Lease liabilities	**8 049**	**9 336**	**1 236**	**4 898**	**3 202**
Non-interest-bearing: Programme and film rights	**3 484**	**4 259**	**4 245**	**14**	**-**
Non-interest-bearing: Loans and other liabilities	**5**	**5**	**-**	**5**	**-**
Related party loans	**1 385**	**1 385**	**1 010**	**375**	**-**
Trade payables	**1 074**	**1 074**	**1 074**	**-**	**-**
Accrued expenses and other current liabilities	**1 073**	**1 073**	**1 073**	**-**	**-**
Derivative financial (liabilities)/assets					
Forward exchange contracts - outflow	**(1 237)**	**(1 237)**	**(1 088)**	**(149)**	**-**
Currency devaluation features	**12**	**12**	**12**	**-**	**-**
	13 845	**15 907**	**7 562**	**5 143**	**3 202**

14. Liquidity management (continued)

31 March 2021	Carrying value	Contractual cash flows	0-12 months	1-5 years	5 years+
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Non-derivative financial liabilities					
Interest-bearing: Lease liabilities	9 001	10 628	1 247	4 954	4 427
Non-interest-bearing: Programme and film rights	3 821	4 343	4 314	29	-
Non-interest-bearing: Loans and other liabilities	2	2	-	2	-
Related party loans	1 646	1 762	836	926	-
Trade payables	792	792	792	-	-
Accrued expenses and other current liabilities	947	947	947	-	-
Derivative financial (liabilities)/assets					
Forward exchange contracts - inflow	-	28	9	19	-
Forward exchange contracts - outflow	(1 463)	(1 463)	(990)	(473)	-
Currency devaluation features	15	15	15	-	-
	14 761	**17 054**	**7 170**	**5 457**	**4 427**

Guarantees

The group is exposed to credit risk relating to guarantees it provides to MultiChoice Group Treasury Services (Pty) Ltd ("Treasury") for the various facilities that Treasury has with local and international financial institutions.

The group stands as a guarantor for these facilities and is liable for the full facility utilisation amount in the event of default. Treasury, in turn, benefits from the guarantee provided as it is able to negotiate favourable terms on the facilities it enters into on behalf of the MultiChoice group. The risk of default attributed to Treasury is based on the depletion of cash resources within the MultiChoice Group Limited entities it manages cash on behalf of. In management's assessment of the risk of default it was necessary to assess the level of cash resources within these entities.

The outcome was that at an overall MultiChoice Group Limited Consolidated level sufficient cash resources are available at reporting date as well as in the forecast periods. Therefore a remote risk of default exists in respect of these facilities.

Management further assessed the potential impact of default by applying various credit metrics such as loss given default, exposure at default and probability of default to year end and future anticipated exposures on short and long term debt facilities, current foreign exchange exposures and bank guarantees.

Based on the outcome of the overall assessment no expected credit losses have been provided for in the current or previous financial year in relation to the guarantees the group provides to Treasury as this was determined to be immaterial.

14. Liquidity management (continued)

Financial Guarantees

	2022		2021	
	Maximum exposure	Liability included in statement of financial position[1]	Maximum exposure	Liability included in statement of financial position[1]
	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Short term borrowing facilities[2]	**5 000**	**-**	5 000	-
Long term borrowing facilities[3]	**3 975**	**-**	1 375	-
Other[4]	**9**	**-**	14	-
	8 984	**-**	**6 389**	**-**

Foreign Exchange Guarantees

	2022		2021	
	Foreign exchange guarantees facility value guaranteed	Liability included in statement of financial position[1]	Foreign exchange guarantees facility value guaranteed	Liability included in statement of financial position[1]
	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Foreign exchange guarantees[5]	**8 491**	**-**	8 104	-
	8 491	**-**	**8 104**	**-**

1 No expected credit losses have been provided for in the current or previous financial year in relation to the guarantees that MultiChoice (Pty) Ltd, SuperSport International (Pty) Ltd and Electronic Media Network (Pty) Ltd provides to Treasury, as this was determined to be immaterial.
2 Relates to facilities (general banking facilities) which can only be used for short term draw-down and is repayable by Treasury within 0-12 months to the financial institution.
3 Relates to long term facilities with financial institutions, where Treasury is able to make repayment on any amounts drawn down in excess of one year.
4 Relates to other external guarantees.
5 Relates to financial guarantees on hedging facilities that are used exclusively for hedging.

Guarantees liquidity management

	2022			2021		
	Carrying value	Contractual cash flows	0-12 months	Carrying value	Contractual cash flows	0-12 months
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Financial guarantees[1]	**-**	**8 984**	**8 984**	-	6 389	6 389
Foreign exchange guarantees[1]	**-**	**8 491**	**8 491**	-	8 104	8 104
	-	**17 475**	**17 475**	**-**	**14 493**	**14 493**

1 Issued financial and foreign exchange guarantee contracts are all repayable on default, however, the likelihood of default is considered remote. The financial guarantee amount repayable, should Treasury default, is based on utilisation of the facility. The foreign exchange payment is based on the unrealised profit or loss on actual open FECs and the potential future exposure limit of the facility.

PART III. ASSETS TO SUPPORT OUR OPERATIONS

15. 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 liability.

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 liability 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
Buildings - owned	10 to 50 years
Right of use – Buildings - leased	5 years
Improvements to buildings - owned	4 to 50 years
Improvements to buildings - leased	5 years
Office equipment	2 to 10 years
Computer equipment	1 to 10 years
Furniture	5 years
Vehicles	2 to 10 years
Transmission equipment - owned	5 to 20 years
Right of use – transmission equipment - leased	15 years

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

The group recognised no impairment losses on property, plant and equipment in the current year (FY21: Nil).

The group has pledged property, plant and equipment with a carrying value of ZAR5.6bn (FY21: ZAR6.2bn) 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.

15. Property, plant and equipment (continued)

	Land and buildings	Right of use - buildings	Transmission equipment	Right of use for transmission equipment	Vehicles, furniture, computers and office equipment[1]	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
1 April 2021						
Cost	**1 858**	**158**	**3 864**	**10 035**	**1 545**	**17 460**
Accumulated depreciation and impairment	**(513)**	**(60)**	**(3 255)**	**(3 935)**	**(1 147)**	**(8 910)**
Carrying value at 1 April 2021	**1 345**	**98**	**609**	**6 100**	**398**	**8 550**
Transfer from work-in-progress	**68**	**-**	**13**	**-**	**35**	**116**
Acquisitions	**4**	**55**	**175**	**-**	**171**	**405**
Disposals/scrappings	**(51)**	**-**	**-**	**-**	**(8)**	**(59)**
Depreciation	**(67)**	**(24)**	**(262)**	**(668)**	**(158)**	**(1 179)**
31 March 2022						
Cost	**1 850**	**196**	**3 877**	**10 035**	**1 212**	**17 170**
Accumulated depreciation and impairment	**(551)**	**(67)**	**(3 342)**	**(4 603)**	**(774)**	**(9 337)**
Carrying value excluding work-in-progress	**1 299**	**129**	**535**	**5 432**	**438**	**7 833**
Work-in-progress[2]						**157**
Total carrying value at 31 March 2022	**1 299**	**129**	**535**	**5 432**	**438**	**7 990**

1 Includes leased vehicles, furniture, computers & office equipment with a carrying value of ZAR0.7m.
2 Movements in work-in-progress during FY22 relate to transfers out of work-in-progress amounting to ZAR114m and acquisitions of ZAR7m.

	Land and buildings	Right of use - buildings	Transmission equipment	Right of use for transmission equipment	Vehicles, furniture, computers and office equipment[1]	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
1 April 2020						
Cost	1 859	112	3 755	10 035	1 425	17 186
Accumulated depreciation and impairment	(463)	(52)	(3 083)	(3 267)	(1 092)	(7 957)
Carrying value at 01 April 2020	1 396	60	672	6 768	333	9 229
Transfer from work-in-progress	14	-	4	-	27	45
Acquisitions	6	64	237	-	274	581
Disposals/scrappings	(6)	-	(4)	-	(76)	(86)
Depreciation	(65)	(26)	(300)	(668)	(160)	(1 219)
31 March 2021						
Cost	1 858	158	3 864	10 035	1 545	17 460
Accumulated depreciation and impairment	(513)	(60)	(3 255)	(3 935)	(1 147)	(8 910)
Carrying value excluding work-in-progress	1 345	98	609	6 100	398	8 550
Work-in-progress[2]						263
Total carrying value at 31 March 2021	**1 345**	**98**	**609**	**6 100**	**661**	**8 813**

1 Includes leased vehicles, furniture, computers & office equipment with a carrying value of ZAR1.2m.
2 Movements in work-in-progress during FY21 relate to transfers in to of work-in-progress amounting to ZAR11m, transfer to other asset ZAR69m, disposals ZAR87m and acquisitions of ZAR54m.

16. 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, as set out in the table below. The group may make prepayments for the rights and such prepayments are recognised as prepayment assets 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 which is based on either the average period it takes to generate new content or the average license period of the acquired content. Therefore, unless the average periods are expected to exceed 24 month, 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 (note 11), unless a prepayment has been made as explained above.

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 rights	**Sports events rights**
Nature	Rights to broadcast programmes, series and films (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	The rights are amortised based on the contract period or expensed where management have confirmed that it is their intention that the rights will no longer be available, despite the contracted period end.	The rights are amortised based on the period to which the event relates.
Average period over which recognised as an expense	Programme and film rights are expensed over 5-7 television screenings or over the contracted period.	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 likelihood of the sporting event being cancelled based on facts and circumstances available at year-end.

	2022 ZAR'm	2021 ZAR'm

16. Programme and film rights (continued)

Cost price	**12 784**	10 742
Accumulated amortisation and impairment[1]	**(10 037)**	(7 904)
Carrying value of programme and film rights assets	**2 747**	**2 838**

1 Includes accumulated impairment losses of ZAR425m (FY21: ZAR166m).

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

Cost	**10 742**	12 170
Accumulated amortisation and impairment[1]	**(7 903)**	(9 107)
Opening carrying value at 1 April	**2 839**	3 063
Acquisitions	**14 018**	11 380
Amortisation and impairment[2]	**(14 110)**	(11 605)
Closing carrying value at 31 March	**2 747**	2 838
Cost	**12 784**	10 742
Accumulated amortisation and impairment[1]	**(10 037)**	(7 904)

1 Includes accumulated impairment losses of ZAR425m (FY21: ZAR166m).
2 Includes impairment of ZAR212m (FY21: ZAR69m) primarily relating to rights which lacked commercial value and/or were older than 3 years. This occurs where content is not scheduled a sufficient amount of times within the 3 year period and is written off in line with the group's conservative accounting policies. Impairment of programme and film rights has been recognised in cost of providing services and sale of goods in the consolidated income statement.

17. 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.

NRV 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.

NRV 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	**462**	460
Allowance for slow-moving and obsolete inventories	**(256)**	(249)
	206	**211**

The total allowance charged to the consolidated income statement to write inventory down to net realisable value amounted to ZAR237m (FY21: ZAR217m). The total reversal of allowances credited to the consolidated income statement amounted to ZAR258m (FY21: ZAR354m).

18. 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 experienced, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast 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 of 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 subscription revenue, the group's major revenue stream.

Expected credit losses

Trade receivables from residential subscriptions

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables from residential subscriptions. To measure the expected credit losses, trade receivables from the sales of residential subscriptions have been grouped based on shared credit risk characteristics and the days past due. Residential receivables consists of subscription fees charged to residential customers. The payments are received in advance for residential customers. Write offs relate to customers with debt exceeding a 3 year period, where the debt has been prescribed. Once a debtor has been written off, the group no longer pursues the collection of the debtor. No specific write offs were recognised by the group during the current or prior year.

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 trade receivables commercial subscriptions and hardware. 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 consists of subscription fees charged to non-residential customers which primarily comprises of hospitality customers. Hardware receivables relate to set-top box sales to distributors and retailers who sell the group's product. Both commercial and hardware customers are primarily extended 30-day payment terms. After *IFRS 9* assessments were conducted, expected credit losses was not determined to be material. 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.

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 as the suppliers are reputable international entities and the group has not identified any factors which would result in the non-delivery of services, tax credits or receipts.

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 intercompany loan if the loan was demanded at reporting date. If sufficient highly liquid current assets could be accessed the probability of default would approximate 0%.

	2022 ZAR'm	2021 ZAR'm

18. Trade and other receivables (continued)

- 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 were 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 intercompany loans 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 2022, the directors were unaware of any significant unprovided and/or uninsured concentrations of credit risk.

	2022 ZAR'm	2021 ZAR'm
Trade receivables	**1 593**	1 483
Expected credit loss for trade receivables	**(503)**	(483)
Net trade receivables	**1 090**	1 000
Other receivables	**3 533**	3 503
Prepayments[1,2]	**3 139**	3 217
VAT and related taxes receivable	**167**	107
Other receivables[3]	**227**	179
Total trade and other receivables	**4 623**	**4 503**
The movement in the expected credit loss for trade receivables during the year was as follows:		
Opening balance at 1 April	**(483)**	(532)
Additional allowances charged to the income statement	**(92)**	(121)
Allowances reversed through the income statement	**4**	5
Allowances utilised	**68**	165
	(503)	**(483)**

1 Prepayments consist of satellite lease, decoder, licenses, content and service level agreement prepayments.
2 Includes work-in-progress amounts related to co-productions amounting to ZAR89m (FY21: ZAR67m).
3 Other receivables include sundry debtors such as platform recharges, bank guarantee cost recoveries, deposits, recoveries, other clearing receipts and loans to the MultiChoice Enterprise Development Trust. The loans to the MultiChoice Enterprise Development Trust are non-interest-bearing loans and are repayable over a fixed repayment term.

The group has not pledged any of its trade receivables as security against its lease liabilities 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.

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

		2022			2021	
	Carrying value ZAR'm	Impairment ZAR'm	ECL loss rate (%)[1]	Carrying value ZAR'm	Impairment ZAR'm	ECL loss rate (%)[1]
Current	**739**	**(65)**	**9**	638	(47)	7
Past due 30 to 59 days	**293**	**(13)**	**4**	304	(22)	7
Past due 60 to 89 days	**55**	**(19)**	**35**	64	(22)	34
Past due 90 to 119 days	**33**	**(26)**	**79**	38	(26)	68
Past due 120 days and older	**473**	**(380)**	**80**	439	(366)	83
	1 593	**(503)**	**32**	**1 483**	**(483)**	**33**

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

	2022 ZAR'm	2021 ZAR'm

19. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank and on hand	**1 376**	1 489

Cash and cash equivalents consists of South African accounts denominated in Rands and foreign bank accounts. Foreign accounts are translated in to South African Rands using the closing spot rate at year-end. All foreign accounts translated at year-end amounted to ZAR0.6bn (FY21: ZAR0.3bn). Foreign accounts include US dollar accounts amounting to ZAR0.5bn (FY21: ZAR0.3bn).

Included in cash and cash equivalents are cash balances amounting to ZAR105m (FY21: ZAR93m) that primarily relate to fixed deposits with maturity dates shorter than 3 months, in terms of insurance regulations in South Africa, relating to the group's insurance business.

The group has considered the following with regards to cash:
- Liquidity management - refer to note 14;
- Foreign currency exposure (due to USD balances), refer to note 9;
- In assessing exposure, relating to foreign currency; the group applies the following considerations;
- The credit ratings of individual banks were obtained and noted that the credit rating is BB- (FY21: BB-) for the long-term local currency and foreign currency deposit ratings of The Standard Bank of South Africa Limited, FirstRand Bank Limited, ABSA Bank Limited, Nedbank Limited and Investec Bank Ltd.
- Risk on SA banks is considered negligible as they are financially sound and conform to capital requirements set out by Basel III which are monitored by the South African Reserve Bank.

Based on the approach noted above, the group has not identified any significant risks associated with the cash balance.

The group is exposed to certain concentrations of credit risk relating to its cash and Investments. It places its cash mainly with major banking groups. The group's treasury policy is designed to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. The counterparties that are used by the group are evaluated on a continuous basis. As at 31 March 2022, cash was 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. The majority of cash in the group is held with financial institutions guaranteed by the South African reserve bank, which reduces credit risk further. No expected credit losses have been provided for in the current or previous financial year as these were immaterial.

20. 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 and intangible assets with indefinite useful lives are tested for impairment annually.

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	5-10 years
Title rights	5-10 years
Brand names and trademarks	8-30 years
Software	2-10 years
Intellectual property rights	20-30 years
Customer-related assets	8-10 years

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 operating (losses)/gains - net" in the consolidated income statement.

20. Goodwill and other intangible assets (continued)

	Goodwill ZAR'm	Software ZAR'm	Other ZAR'm	Total ZAR'm
1 April 2021				
Cost	**3 279**	**1 267**	**1 389**	**5 935**
Accumulated amortisation and impairment	**(7)**	**(958)**	**(1 363)**	**(2 328)**
Carrying value at 1 April 2021	**3 272**	**309**	**26**	**3 607**
Acquisitions	**-**	**91**	**12**	**103**
Transfers from/(to) work-in-progress	**-**	**16**	**(3)**	**13**
Disposals	**-**	**-**	**(4)**	**(4)**
Amortisation	**-**	**(140)**	**(17)**	**(157)**
31 March 2022				
Cost	**3 279**	**1 072**	**1 372**	**5 723**
Accumulated amortisation and impairment	**(7)**	**(796)**	**(1 358)**	**(2 161)**
Carrying value excluding work-in-progress	**3 272**	**276**	**14**	**3 562**
Work-in-progress[1]				**954**
Total carrying value at 31 March 2022	**3 272**	**276**	**14**	**4 516**

1 Movements in work-in-progress during FY22 relate to transfers out of work-in-progress to software ZAR16m, derecognition of information technology assets in the current period as part of the group's periodic asset review process of ZAR287m and acquisitions of ZAR373m 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 2020				
Cost	3 291	1 365	1 390	6 046
Accumulated amortisation and impairment	(22)	(1 062)	(1 367)	(2 451)
Carrying value at 1 April 2020	3 269	303	23	3 595
Acquisitions	3	85	35	123
Transfers from work-in-progress	-	65	-	65
Disposals	-	-	(9)	(9)
Amortisation	-	(144)	(23)	(167)
31 March 2021				
Cost	3 279	1 267	1 389	5 935
Accumulated amortisation and impairment	(7)	(958)	(1 363)	(2 328)
Carrying value excluding work-in-progress	3 272	309	26	3 607
Work-in-progress[1]				885
Total carrying value at 31 March 2021	**3 272**	**309**	**26**	**4 492**

1 Movements in work-in-progress during FY21 relate to transfers out of work-in-progress to software ZAR65m, transfer from PPE ZAR69m and acquisitions of ZAR699m primarily related to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.

Impairment testing of goodwill

The group recognised impairment losses on goodwill of ZARnil (FY21: 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, 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 while maximising the use of market observable data. Other assumptions are closely linked to entity-specific key performance indicators.

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

20. Goodwill and other intangible assets (continued)

2022 **Segments of cash-generating units**	**Carrying value** **ZAR'm**	**Basis of determination of recoverable amount**	**Pre-tax discount rate** **%**	**Growth rate** **%**
M-Net and SuperSport businesses	3 272	Value in use	19.4	4.3

2021 **Segments of cash-generating units**	**Carrying value** **ZAR'm**	**Basis of determination of recoverable amount**	**Pre-tax discount rate** **%**	**Growth rate** **%**
M-Net and SuperSport businesses	3 272	Value in use	21.7	4.7

The discount rate calculation is based on the specific circumstances of the group 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.

A reasonable change in the inputs used to the determine the value in use would not result in an impairment being recognised.

Software not yet available for use

Included in the carrying amount of work-in-progress is the group's Technology Modernisation project with a carrying amount of ZAR837m (FY21: ZAR852m) that relates to cost capitalised for software not yet available for use. The group is committed to investing in the development of software to upgrade the company's digital, customer experience, billing, payments, partnership and data capabilities. The multi-year Technology Modernisation project relates to the development and implementation of a multi-year investment in internally generated software. The gross amount of software not yet available for use was evaluated for impairment by management at 31 March 2022, and it was determined that no impairment was required.

Impairment methodology

Value-in-use

The recoverable amount of the Technology Modernisation project (the project) was determined based on a value-in-use calculation. The calculation mainly used cash flow projections based on financial budgets approved by management, covering a finite six-year operational forecast period. Cash flow forecasts are derived from an analysis of historic performance and knowledge of the current market, together with the Company's views on the future achievable growth and the impact of committed initiatives, the results of which are reviewed by management on at least an annual basis. Management has made certain assumptions as to incremental revenue growth in the operational period in accordance with guidance obtained from industry specialists. In determining the value-in-use, the forecasted cash flows were discounted using the group's pre-tax discount rate.

Key assumptions and sensitivity analyses:

The key assumptions applied in the value-in-use model is a 19.6% pre-tax discount rate which is derived from the group's weighted average cost of capital as well as the forecasted cash flows reflecting expected benefits to be derived from the project.

Management has performed sensitivity analyses on the key assumptions in the impairment model using reasonable possible changes in these key assumptions:

- **Discount rate**: The discount rate used reflects both time value of money and other specific risks relating to the Technology Modernisation project. An increase of one percentage point in the discount rate would decrease the value-in-use by ZAR243m. A decrease of one percentage point in the discount rate would increase the value-in-use by ZAR256m.
- **Growth rate**: The company used steady growth rates to extrapolate revenues for the forecast period cash flows. The growth rates were consistent with publicly available information relating to long-term average growth rates. An increase of one percentage point in the growth rate would increase the value-in-use by ZAR100m. A decrease of one percentage point in the growth rate would decrease the value-in-use by ZAR102m.

20. Goodwill and other intangible assets (continued)

- **Forecasted revenue cash flows**: The forecasted revenue cash flows for the Technology Modernisation project's operational period, reflects the forecasted South Africa and Rest of Africa subscriber revenue growth for the operational period and the incremental revenue to be derived. An increase of three percentage points in the forecasted revenue cash flows would result in an increase in the value-in-use by ZAR178m and a decrease of three percentage points in the forecasted revenue cash flows would result in a decrease in the value-in-use by ZAR178m.

21. Investments in subsidiaries

All subsidiaries have the same financial year-end as MultiChoice South Africa Holdings Proprietary Limited.

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

Name of subsidiary	Effective % interest 2022	Effective % interest 2021	Nature of business	Country of incorporation	Functional currency	Direct/ indirect
South Africa						
DStv Media Sales Proprietary Limited	**100**	100	Commercial air-time sales	South Africa	ZAR	Direct
Electronic Media Network Proprietary Limited (M-Net)	**100**	100	Video-entertainment content provider	South Africa	ZAR	Direct
MultiChoice Proprietary Limited	**100**	100	Subscription television	South Africa	ZAR	Direct
MultiChoice South Africa Proprietary Limited	**100**	100	Investment holding	South Africa	ZAR	Direct
MultiChoice Support Services Proprietary Limited	**100**	100	Subscriber management, subscription video on demand and technical support services	South Africa	ZAR	Direct
Orbicom Proprietary Limited	**100**	100	Broadcasting technology and signal transmission services	South Africa	ZAR	Direct
SuperSport International Proprietary Limited	**100**	100	Sports content provider	South Africa	ZAR	Direct
SuperSport International Holdings Proprietary Limited	**100**	100	Sports broadcasting	South Africa	ZAR	Direct
SuperSport Sports Holdings Proprietary Limited	**100**	100	Sports Holdings	South Africa	ZAR	Direct
SuperSport United Football Club Proprietary Limited	**100**	100	Football Club	South Africa	ZAR	Direct
SuperSport Schools Proprietary Limited[1]	**100**	51	School Sports live streaming application	South Africa	ZAR	Direct

1 Acquired the remaining 49% interest in SuperSport Schools Proprietary Limited in March 2022. SuperSport Schools Proprietary Limited is now 100% owned by the group.

		2022 ZAR'm	2021 ZAR'm

22. Investments and loans

	Notes	2022 ZAR'm	2021 ZAR'm
Investment in joint ventures	(a)	**15**	8
Investment in associates	(b)	**(73)**	(73)
Investments held at fair value through profit or loss		**20**	-
Other investments and loans[1]		**82**	119
		44	**54**

1 Mainly loans to the MultiChoice Enterprise Development Trust. These loans are non-interest bearing loans and are repayable over a fixed repayment term.

(a) 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 2022 %	Effective interest 2021 %	Carrying value 2022 ZAR'm	Carrying value 2021 ZAR'm
Western Province Professional Cricket Proprietary Limited[1]	-	50	-	(3)
Kwazulu Natal Cricket Proprietary Limited[1]	-	50	-	(2)
Titans Cricket Proprietary Limited	**50**	50	**14**	13
Vast Networks Proprietary Limited[2]	**49**	49	-	-
SuperSportSAS Proprietary Limited	**50**	50	**1**	-
			15	**8**

1 During FY22, the group disposed of these investments.
2 In the process of being liquidated.

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

(b) Investment in associates

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 2022 %	Effective interest 2021 %	Carrying value 2022 ZAR'm	Carrying value 2021 ZAR'm
Free State Cheetahs Proprietary Limited[1]	-	24.5	-	(7)
The Sharks Proprietary Limited	**23**	23	**(73)**	(66)
			(73)	**(73)**

1 During FY22, the group disposed of this investment.

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

	2022 ZAR'm	2021 ZAR'm

PART IV. OTHER DISCLOSURES

23. Share capital

	2022 ZAR'm	2021 ZAR'm
Authorised		
3 000 000 000 ordinary shares of R0.0001 each	*	*
Issued		
360 000 000 ordinary shares of R0.0001 each	*	*
Share premium	17 216	17 216
	17 216	**17 216**

* Amounts less than ZAR1m.

Capital management

The group's objectives when managing capital is 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.

The group optimises the management of its capital through a centralised treasury holding company MultiChoice Group Treasury Services. This structure is approved by the South African Reserve Bank. MultiChoice Group Treasury Services is responsible for:

- Centralised cash management and yield maximisation;
- Forward exchange contracts on behalf of operating entities;
- Treasury policy compliance; and
- Group funding requirements.

Funding to subsidiaries is provided through loans. 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.

The group does not have a formally targeted leverage policy. The group has specific financial covenants in place with various financial institutions to govern its debt, all of which were complied with during the reporting period.

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.

	2022 ZAR'm	2021 ZAR'm

24. Other reserves

Other reserves as disclosed in the consolidated statement of changes in equity consists of the following reserves.

	Share-based compensation reserve ZAR'm	Hedging reserve ZAR'm	Fair-value reserve ZAR'm	Existing control bus comb reserve ZAR'm	Foreign currency translation reserve ZAR'm	Total other reserves ZAR'm
Balance at 1 April 2020	**2 180**	**2 666**	**107**	**(15 051)**	**25**	**(10 073)**
Share-based compensation movements	(49)	-	-	-	-	(49)
Fair-value loss on investment held at fair-value	-	-	(102)	-	-	(102)
Net hedging reserve movements - net of tax	-	(2 633)	-	-	-	(2 633)
Hedging reserve basis adjustment[1]	-	(774)	-	-	-	(774)
Exchange loss on translation	-	-	-	-	(1)	(1)
Balance at 1 April 2021	**2 131**	**(741)**	**5**	**(15 051)**	**24**	**(13 632)**
Share-based compensation movements	(160)	-	-	-	-	(160)
Net hedging reserve movements - net of tax	-	(449)	-	-	-	(449)
Hedging reserve basis adjustment[1]	-	402	-	-	-	402
Transactions with non-controlling shareholders[2]	-	-	-	(28)	-	(28)
Balance at 31 March 2022	**1 971**	**(788)**	**5**	**(15 079)**	**24**	**(13 867)**

1 Relates to the basis adjustment on programme and film right assets as content comes into licence.
2 Relates to the group acquiring the remaining 49% interest in SuperSport Schools Proprietary Limited in March 2022. SuperSport Schools Proprietary Limited is now 100% owned by the group. The carrying value of the non-controlling interest prior to this transaction was negative ZAR15.7m. Cash consideration paid amounted to ZAR8.75m with a further ZAR3.75m payable during FY23 based on the achievement of service conditions attached to the transaction.

25. Related parties

(a) Related party balances

	Note	2022	2021
Amounts due to related parties: Non-current	25a(i)	**(375)**	(875)
Amounts due to related parties: Current	25a(ii)	**(1 010)**	(771)
Amounts due from related parties: Current	25a(iii)	**9 609**	8 632
Derivative financial instruments: Non-current	25a(iv)	**(149)**	(473)
Derivative financial instruments: Current	25a(v)	**(1 088)**	(990)
		6 987	**5 523**

(i) Amounts due to related parties: Non-current	**Nature of relationship**		
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**(375)**	(875)
		(375)	**(875)**

(ii) Amounts due to related parties: Current	**Nature of relationship**		
Irdeto Africa B.V.	Fellow subsidiary	**(96)**	(105)
MSS Local Productions Nigeria Limited	Fellow subsidiary	**(53)**	(53)
Local Productions (Kenya) Limited	Fellow subsidiary	**-**	(1)
MultiChoice Group Services Proprietary Limited	Fellow subsidiary	**(117)**	(50)
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**(543)**	(503)
MultiChoice Africa Services B.V.	Fellow subsidiary	**(5)**	(17)
MultiChoice Africa Holdings B.V.	Fellow subsidiary	**(196)**	(37)
Irdeto USA Inc	Fellow subsidiary	**-**	(3)
Other	Fellow subsidiary	**-**	(2)
		(1 010)	**(771)**

		2022 ZAR'm	2021 ZAR'm

25. Related parties (continued)

(iii) Amounts due from related parties: Current	Nature of relationship	2022 ZAR'm	2021 ZAR'm
MultiChoice Group Limited	Parent	**66**	63
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**8 015**	6 919
MultiChoice Africa Holdings B.V.	Fellow subsidiary	**841**	772
MSS Local Productions Nigeria Limited	Fellow subsidiary	**61**	76
MultiChoice Nigeria Limited	Fellow subsidiary	**12**	423
Irdeto South Africa Proprietary Limited	Fellow subsidiary	**9**	9
Irdeto B.V.	Fellow subsidiary	**-**	1
Showmax SRO	Fellow subsidiary	**-**	17
MultiChoice Group Services Proprietary Limited	Fellow subsidiary	**605**	352
		9 609	**8 632**

(iv) Derivative financial instruments: Non-current	Nature of relationship	2022 ZAR'm	2021 ZAR'm
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**(149)**	(473)

(v) Derivative financial instruments: Current	Nature of relationship	2022 ZAR'm	2021 ZAR'm
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**(1 088)**	(990)

The loan between SuperSport International Proprietary Limited and MultiChoice Group Treasury Services Proprietary Limited was granted in the prior year and is unsecured, repayable quarterly over a three-year term and bears interest at a fixed rate of 5.75%. The remaining balances are unsecured, interest free and have no fixed terms of repayment.

(b) Related party transactions

The group entered into transactions with a number of related parties. Transactions that are eliminated on consolidation are not included.

Sales of goods and services	Nature of relationship	2022 ZAR'm	2021 ZAR'm
MultiChoice Africa Holdings B.V.	Fellow subsidiary	**7 791**	6 725

Purchases of goods and services:	Nature of relationship	2022 ZAR'm	2021 ZAR'm
Irdeto Africa B.V.	Fellow subsidiary	**833**	859
Irdeto USA Inc	Fellow subsidiary	**8**	10
Local Productions (Kenya) Limited	Fellow subsidiary	**1**	2
MSS Local Productions Nigeria Limited	Fellow subsidiary	**16**	10
MultiChoice Group Services Proprietary Limited	Fellow subsidiary	**217**	126
MultiChoice Africa Holdings B.V.	Fellow subsidiary	**303**	285
MultiChoice Group Treasury Services Proprietary Limited	Fellow subsidiary	**45**	6
		1 423	**1 298**

Recoveries, recharges and other	Nature of relationship	2022 ZAR'm	2021 ZAR'm
MultiChoice Nigeria Limited	Fellow subsidiary	**54**	36

Hedging	Nature of relationship	2022 ZAR'm	2021 ZAR'm
MultiChoice Group Treasury Services Proprietary Limited - Cash flow hedging gains/(losses) (net)[1]	Fellow subsidiary	**(595)**	(3 458)
MultiChoice Group Treasury Services Proprietary Limited - Fair value hedging (losses)/gains (net)[1]	Fellow subsidiary	**66**	1 298
		(529)	**(2 160)**

1 The prior year has been restated to align with the requirements of IAS 24 and to include all gains and losses from subsidiaries. These restated amounts did not impact any of the primary statements nor did it impact any other financial information previously presented.

	2022 ZAR'm	2021 ZAR'm

25. Related parties (continued)

All of these amounts are paid by companies in the group other than MCSAH.

Key management remuneration

	2022 ZAR'm	2021 ZAR'm
Consolidated		
Short-term employee benefits	**180**	340
Long-term post-employment benefits	**10**	13
Share-based payment charge	**103**	91
Fees paid to key management	**293**	**444**
Non-executive directors		
Directors' fees	**32**	**76**

All of these amounts are paid by companies in the group other than MultiChoice South Africa Holdings Proprietary Limited (MCSAH).

Key management remuneration and participation in share-based incentive plans

Comparatives have not been restated to account for the change in the composition of key management.

For shares listed on a recognised stock exchange as follows:

90 803 MCG shares were awarded during the FY22 and aggregate of 2 871 395 MCG shares were unvested as at 31 March 2022.

For Phantom Performance shares in unlisted companies as follows:

Nil (FY21: 253 132) Phantom Performance shares were awarded during FY22 and aggregate of 225 417 Phantom Performance shares were unvested as at 31 March 2022.

26. 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.

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:

26. Fair value of financial instruments (continued)

Financial instrument	Fair value 2022 ZAR'm	Fair value 2021 ZAR'm	Valuation method	Level in fair value hierarchy
Financial assets				
Investments held at fair value through profit or loss	**20**	-	Unit trusts comprising of quoted prices in a public market	Level 2
Currency depreciation features	**12**	15	Discounted cash flow techniques	Level 3
Financial liabilities				
Forward exchange contracts	**1 237**	1 463	Fair value using forward exchange rates that are publicly available	Level 2

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 using the LIBOR rate of 0.46%. 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.

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

Fair values are mainly determined using observable inputs, which reflect market conditions in their expectations of future cash flows related to the asset or liability at 31 March 2022.

27. Subsequent events

Dividend

The board declares a gross dividend of 1 666.67 cents per share (ZAR6.0bn). This dividend declaration is subject to approval of the MultiChoice South Africa Proprietary Limited (MCSA) dividend at its annual general meeting on Wednesday, 24 August 2022.

There have been no other events that occurred after the reporting date, that could have a material impact on the consolidated annual financial statements.

28. Recently issued accounting standards

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2022. 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*	Deferred until accounting periods starting not earlier than 1 January 2024
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 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, on IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and IFRS 16 Leases	*Narrow scope amendments and some annual improvements*	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
IAS 1 Presentation of financial statements, IFRS Practice Statement 2 Making materiality judgements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	*Accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies*	Effective 1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	*Definition of accounting estimates*	Effective 1 January 2023
IAS 12 Taxation	*Deferred tax relate to-assets and liabilities arising from a single transaction*	Effective 1 January 2023

29. Directors' emoluments

	2022 ZAR'm	2021 ZAR'm
Executive Directors and prescribed officers emoluments	**38**	**61**
Non-executive directors		
Fees for services as directors of the group	-	4
Remuneration for services to other group companies	23	63
Fees for services as directors of other group companies	9	9
	32	76
	70	**137**

Refer to note 25 for the accounting policy adopted by the group for comparative information on directors emoluments.

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

The group 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:

2022	Salary and other allowances	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
Executive directors	ZAR'000	ZAR'000	ZAR'000	ZAR'000
CP Mawela[1]	13 554	8 381	1 179	23 114
TN Jacobs[1]	7 459	6 825	640	14 924
	21 013	**15 206**	**1 819**	**38 038**

1 Director and prescribed officer.

2021	Salary and other allowances	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
Executive directors	ZAR'000	ZAR'000	ZAR'000	ZAR'000
CP Mawela[1,3]	13 478	20 131	1 262	34 871
TN Jacobs[2,3]	6 312	18 894	979	26 185
	19 790	**39 025**	**2 241**	**61 056**

1 The annual cash bonuses and performance related payments includes the SARs payment of ZAR3.1m paid as a result of the closure of the MultiChoice 2008 SAR Scheme.
2 The annual cash bonuses and performance related payments includes the SARs payment of ZAR14.9m paid as a result of the closure of the MultiChoice 2008 SAR Scheme.
3 Director and prescribed officer.

29. Directors' emoluments (continued)

2022	Directors' remuneration		Directors' fees[1]		Committee and trustee fees		
	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Total
Non-executive directors	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000
J du Preez	-	-	-	746	-	459	1 205
FLN Letele[2]	-	-	-	558	-	230	788
E Masilela	-	-	-	746	-	344	1 090
KD Moroka[3]	-	1 500	-	746	-	758	3 004
SJZ Pacak[4]	-	-	-	-	-	-	-
L Stephens	-	-	-	746	-	1 141	1 887
JJ Volkwyn[5]	-	5 152	-	-	-	-	5 152
JA Mabuza[6]	-	-	-	272	-	99	371
MI Patel[5]	-	16 713	-	-	-	-	16 713
CM Sabwa	-	-	-	746	-	581	1 327
FA Sanusi	-	-	-	746	-	118	864
	-	**23 365**	**-**	**5 306**	**-**	**3 730**	**32 401**

Notes

1 Non-executive directors receive an annual fee for their attendance at board meetings.
2 Retired 1 December 2021.
3 Director remuneration based on consultancy agreement for professional advisory services to the company and its subsidiaries.
4 Retired 1 April 2021.
5 Director remuneration based on consultancy services provided to the Group.
6 JA Mabuza passed away on 16 June 2021.

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

2021	Directors' remuneration		Directors' fees[1]		Committee and trustee fees		
	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Total
Non-executive directors	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000
DG Eriksson[2]	-	-	128	135	-	843	1 106
FLN Letele[3]	3 007	-	128	679	-	253	4 067
E Masilela	-	-	128	679	-	335	1 142
KD Moroka[4]	-	1 500	128	679	-	738	3 045
SJZ Pacak	-	-	128	679	-	-	807
L Stephens	-	-	128	679	-	1 098	1 905
JJ Volkwyn[5]	-	3 004	-	-	-	-	3 004
KB Sibiya[2]	-	-	128	-	-	-	128
JA Mabuza	-	-	128	951	-	395	1 474
MI Patel[6,7]	-	58 289	-	-	-	-	58 289
S Dakile-Hlongwane[2]	-	-	128	-	-	-	128
CM Sabwa	-	-	-	679	-	565	1 244
FA Sanusi	-	-	-	-	-	-	-
	3 007	**62 793**	**1 152**	**5 160**	**-**	**4 227**	**76 339**

29. Directors' emoluments (continued)

Notes

1 Non-executive directors receive an annual fee for their attendance at board meetings.
2 Retired 11 June 2020
3 Final payment related to previous role as MCSA Executive.
4 Director remuneration based on consultancy agreement for professional advisory services to the company and its subsidiaries.
5 Director remuneration based on consultancy services provided to the Group.
6 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, as a consultant providing professional services to the Group.
7 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.

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

Directors' interest in the group's share incentive schemes

For details of the various share plans within the group refer to note 4.

2022

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-2022	130.80
		18-Jun-19	61 162	0.00	18-Jun-2023	130.80
		18-Jun-19	61 162	0.00	18-Jun-2024	130.80
		10-Jun-20	25 573	0.00	10-Jun-2022	91.71
		10-Jun-20	25 574	0.00	10-Jun-2022	91.92
		10-Jun-20	51 147	0.00	10-Jun-2023	87.00
		10-Jun-20	51 147	0.00	10-Jun-2024	82.32
		10-Jun-20	51 149	0.00	10-Jun-2025	77.91
		17-Nov-20	60 615	0.00	17-Nov-2023	109.79
		17-Nov-20	10 102	0.00	17-Nov-2023	109.92
		17-Nov-20	10 103	0.00	17-Nov-2024	105.08
		31-Mar-21	120 809	0.00	31-Mar-2024	113.06
			589 705			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	42 767	0.00	31-Mar-2025	100.84
		31-Mar-21	42 767	0.00	31-Mar-2026	97.53
			85 534			

2022

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-2022	130.80
		18-Jun-19	25 774	0.00	18-Jun-2023	130.80
		18-Jun-19	25 774	0.00	18-Jun-2024	130.80
			77 322			

29. Directors' emoluments (continued)

2022

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-2022	130.80
		18-Jun-19	15 768	0.00	18-Jun-2023	130.80
		18-Jun-19	15 769	0.00	18-Jun-2024	130.80
		10-Jun-20	10 604	0.00	10-Jun-2022	91.71
		10-Jun-20	10 603	0.00	10-Jun-2022	91.92
		10-Jun-20	21 207	0.00	10-Jun-2023	87.00
		10-Jun-20	21 207	0.00	10-Jun-2024	82.32
		10-Jun-20	21 207	0.00	10-Jun-2025	77.91
		17-Nov-20	44 739	0.00	17-Nov-2023	109.79
		17-Nov-20	7 456	0.00	17-Nov-2023	109.92
		17-Nov-20	7 457	0.00	17-Nov-2024	105.08
		31-Mar-21	80 732	0.00	31-Mar-2024	113.06
			272 517			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	28 579	0.00	31-Mar-2025	100.84
		31-Mar-21	28 580	0.00	31-Mar-2026	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-2021	130.80
		18-Jun-19	61 162	0.00	18-Jun-2022	130.80
		18-Jun-19	61 162	0.00	18-Jun-2023	130.80
		18-Jun-19	61 162	0.00	18-Jun-2024	130.80
		10-Jun-20	51 147	0.00	10-Jun-2022	91.71
		10-Jun-20	51 147	0.00	10-Jun-2023	86.80
		10-Jun-20	51 147	0.00	10-Jun-2024	82.06
		10-Jun-20	51 149	0.00	10-Jun-2025	77.66
		17-Nov-20	80 820	0.00	17-Nov-2023	109.79
		31-Mar-21	120 809	0.00	31-Mar-2024	113.06
			650 867			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	42 767	0.00	31-Mar-2025	100.84
		31-Mar-21	42 767	0.00	31-Mar-2026	97.53
			85 534			

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-2021	130.80
		18-Jun-19	25 774	0.00	18-Jun-2022	130.80
		18-Jun-19	25 774	0.00	18-Jun-2023	130.80
		18-Jun-19	25 774	0.00	18-Jun-2024	130.80
			103 096			

29. Directors' emoluments (continued)

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-2021	130.80
		18-Jun-19	15 768	0.00	18-Jun-2022	130.80
		18-Jun-19	15 768	0.00	18-Jun-2023	130.80
		18-Jun-19	15 769	0.00	18-Jun-2024	130.80
		10-Jun-20	21 207	0.00	10-Jun-2022	91.71
		10-Jun-20	21 207	0.00	10-Jun-2023	86.80
		10-Jun-20	21 207	0.00	10-Jun-2024	82.06
		10-Jun-20	21 207	0.00	10-Jun-2025	77.66
		17-Nov-20	59 652	0.00	17-Nov-2023	109.79
		31-Mar-21	80 732	0.00	31-Mar-2024	113.06
			288 285			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	28 579	0.00	31-Mar-2025	100.84
		31-Mar-21	28 580	0.00	31-Mar-2026	97.53
			57 159			

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.

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