

MultiChoice Group Limited

Consolidated annual financial statements
for the year ended 31 March 2023

Statement of responsibility by the board of directors

for the year ended 31 March 2023

The consolidated annual financial statements are the responsibility of the directors of MultiChoice Group Limited. In discharging this responsibility, the directors rely on management to prepare the consolidated annual financial statements presented on pages 1 to 93 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 as amended (the Act). The group also subscribes in all its activities to principles of best practice and corporate governance, as set out in the King IV Report on Corporate Governance for South Africa 2016 (King IV™). In conformity with IFRS, the consolidated annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated annual financial statements. No facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading. Internal financial controls have been put in place to ensure that material information relating to MultiChoice Group Limited 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's 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 to 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.

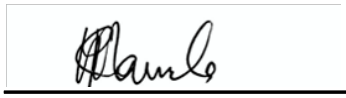
The directors believe that the group has adequate resources to continue operations as a going concern in the foreseeable future, based on budgets, cash flow forecasts and available cash resources. The consolidated annual financial statements, reflecting the current financial position and existing borrowing 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 13 June 2023.

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 16 to 23.

The consolidated annual financial statements were approved by the board of directors on 13 June 2023 and are signed on its behalf by:



Imtiaz Patel
Chair



Calvo Mawela
Chief executive officer

Company Secretary's Certification and CEO and CFO responsibility statement

for the year ended 31 March 2023

Company Secretary's Certification

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, in my capacity as company secretary of MultiChoice Group Limited, I confirm that for the year ended 31 March 2023 the company has lodged with the Registrar of Companies and the Companies and Intellectual Property Commission, all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.



Carmen Miller
Company Secretary
13 June 2023

CEO and CFO responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

(a) The consolidated annual financial statements set out on pages 1 to 93, fairly present in all material respects, the financial position, financial performance and cash flows of MultiChoice Group Limited in terms of IFRS;
(b) To the best of our knowledge and belief, no facts have been omitted, or untrue statements made that would make the consolidated annual financial statements false or misleading;
(c) Internal financial controls have been put in place to ensure that material information relating to MultiChoice Group Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements of MultiChoice Group Limited;
(d) The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
(e) Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies; and
(f) We are not aware of any fraud involving directors.



Calvo Mawela
Chief executive officer (CEO)
13 June 2023



Tim Jacobs
Chief financial officer (CFO)
13 June 2023

Report of the audit committee

for the year ended 31 March 2023

I am pleased to present the report of the audit committee (the committee) for the year ended 31 March 2023 (FY23). The committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

Members of the audit committee and attendance at meetings

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

During FY23, five meetings were held. The internal and external auditors, in their respective capacity as auditors to the group, attended and reported at all formal meetings of the committee. Both internal and external auditors have unrestricted access to the committee through the chair as well as the opportunity at one meeting per year to report to the committee in the absence of management. The chairperson of the board, group CEO, group CFO, group company secretary, corporate CFO and group general counsel while not members, attend committee meetings by invitation.

The names of the members who were in office during FY23, and up to the date of this report, and the details of the committee meetings attended by each of the members are reflected below.

Name of member	Qualifications	Attendance	Category
L Stephens	BBSc, BCom (Hons), CA(SA), CD(SA)	5/5	Independent non-executive (chair)
CM Sabwa	BCom (Accounting), CPA(K)	5/5	Independent non-executive
E Masilela	BSocSci (Economics and statistics) and MSc (Economic Policy and Analysis)	5/5	Independent non-executive
JH du Preez	CA(SA), CD(SA)	5/5	Independent non-executive

The board and the nomination committee unanimously recommend to shareholders at the Annual General Meeting (AGM) that the current committee members be re-elected.

Responsibilities

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

The committee has discharged its responsibilities in terms of its charter and ascribed to it in terms of the Act through the performance of the following:

Financial controls

- Review and approve for presentation to and approval by the board, the consolidated annual/summary/abridged financial statements, integrated annual reports, interim and preliminary reports, long form and short form financial results announcements, and any other group press releases with material financial or internal control impacts. These reviews included:
  - taking appropriate steps to ensure the consolidated annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act.
  - considering and, when appropriate, making recommendations on internal financial controls.
  - dealing with concerns or complaints on accounting policies, internal audit, the auditing or content of the consolidated annual financial statements, and internal financial controls.
  - reviewing key audit matters raised by the external auditor and management's response thereto.
  - reviewing legal matters that could have a significant impact on the consolidated annual financial statements.
  - compiling a report to be inserted in the consolidated annual financial statements, describing how the audit committee carried out its functions.
- Disclose in the integrated annual report significant matters that the audit committee has considered in relation to the consolidated annual financial statements, and how these were addressed by management.
- Reviewed the ability of the group to continue as a going concern, including the group's dividend recommendation and an analysis of the group's liquidity and solvency and recommend it to the board for approval.

External Auditor

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

Internal Audit

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

Combined Assurance

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

Other matters

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

Key areas of focus during FY23

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

- discharging its functions in terms of its charter.
- assessing the impact of changes to accounting standards and the JSE Listings Requirements.
- reviewing implementation of King IV™ recommendations.
- review of material group programme updates including Technology Modernisation on billing and finance systems.
- focusing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concern.
- review of the group's treasury risks including illiquid cash, foreign exchange and counterparty risk management.
- oversight and conclusion of the groups audit firm rotation selection process, as well as the shadowing process undertaken by Ernst & Young (EY).
- reviewing at each meeting the accounting for taxation provisions and contingencies.
- reviewing at each meeting the schedule of non-audit services provided by external audit and ensuring compliance with the group policy.
- reviewing financial trading updates prior to release on the SENS.

Financial statement reporting issues

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

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

The significant judgements, issues and conclusions reached, or actions taken by the committee in relation to the FY23 consolidated annual financial statements are outlined below.

Each of the matters were discussed with the external auditor and, where appropriate, have been addressed as key audit matters in the report on the audit of the consolidated annual financial statements on pages 16 to 23.

Significant reporting matter	How the audit committee addressed the matter
Accounting for Taxation Due to the inherently complex nature of tax exposures in developing markets, specifically within the Rest of Africa segment, the group has recognised material tax liabilities and contingencies in the consolidated annual financial statements. A large degree of management judgement is exercised in estimating potential exposures where the interpretation of tax laws and regulations is subjective. This reporting matter is addressed in the following notes to the consolidated annual financial statements: • Note 8 - Taxation; and • Note 13 - Commitments and contingencies.	This reporting matter was addressed by the audit committee as follows: • Review of updates on the group's assessment on uncertain tax matters from management, including internal and external tax specialists, and legal opinions where necessary; • Challenging both management and the external auditor on the judgements underpinning the measurement and disclosure of uncertain tax matters. Consequently, the audit committee was satisfied with the approach adopted in the consolidated annual financial statements.
Impairment of Blue Lake Ventures Limited ("KingMakers") During the financial year, the group identified indicators of impairment relating to its equity-accounted investment, Blue Lake Ventures Limited ("KingMakers"). These indicators included notable changes in discount rates applicable to Nigerian and global gaming technology companies, the increase in parallel foreign exchange rates in Nigeria and the impact of markets which have been exited. A large degree of management judgement was utilised in deriving the recoverable amount of KingMakers with respect to estimating the following key assumptions: growth rates; discount rates; terminal growth rates; forecast cash flows; minority discount and marketability discount. The recoverable amount was lower than the KingMakers investment's carrying amount at 31 March 2023 which resulted in an impairment of R2.0bn being recognised in the consolidated income statement. Refer to Note 24 - Investment in associates and joint ventures to the consolidated financial statements where the impairment assessment of KingMakers has been disclosed.	This reporting matter was addressed by the audit committee as follows: • Review of management's valuation, including the disclosures in the consolidated financial statements around significant management judgements; • Reliance on the review outcomes and input from management's expert and KingMakers management; • Challenging the key impairment indicators and their alignment to the committee's understanding of the group. Consequently, the audit committee was satisfied with the approach adopted in the consolidated annual financial statements.

Other reporting matters

The committee has reviewed and is satisfied with the adequacy and effectiveness of accounting policies, financial and other internal control systems, and the financial reporting processes which are operating effectively.

Internal audit

The committee is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the group to discharge its duties.

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

Effectiveness of the group's internal financial controls

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

Independence and effectiveness of the external auditor

PricewaterhouseCoopers Inc. (PwC) was the appointed auditor of the group for FY23. The committee believes that PwC has observed the highest level of business and professional ethics. The committee is satisfied that PwC has, at all times, acted with unimpaired independence.

Details of fees paid to PwC are disclosed in note 6 to the consolidated annual financial statements. All non-audit services provided by PwC were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The audit committee approved the provision of non-audit services that it believes are routine and recurring services that would not impair the independence of PwC and are consistent with the principles of the Code of Professional Conduct set by the Independent Regulatory Board for Auditors. Approved services included general consulting advice and tax consulting advice such as tax compliance. Services approved for FY23 amounted to ZAR4.5m (FY22: ZAR1.2m) for tax consulting and ZAR5.4m (FY22: ZAR2.5m) for other services.

During FY23, the committee reviewed representations by PwC and, after conducting its own review, confirmed the independence of PwC. The quality of the external audit for FY23 was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives. Based on this review, the committee concluded the external audit to be satisfactory. It was confirmed that no unresolved issues of concern exist between the group and the external auditors.

The partner responsible for the audit is required to rotate every five years. Brett Stephen Humphreys has been the audit partner for five financial years, including FY23.

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

FY24 external auditor

After a formal selection process EY has been appointed as the external auditors from FY24. In line with the phased transition process EY was responsible for the audit of the Rest of Africa segment in FY23 and undertook a shadowing process for South Africa, Irdeto and corporate entities in FY23.

The EY partner responsible for the audit will be Charles Trollope.

During the selection process, the committee considered the independence of EY and in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements satisfied itself that EY and the designated auditor are accredited on the JSE list of auditors and advisers, and further assessed the suitability of EY and Charles Trollope by reviewing the information detailed in paragraph 22.15(h) of the JSE Listings Requirements.

Recommended external auditor for FY25

The committee recommends the reappointment of EY as the external auditor for the group and company, noting the designated auditor as Charles Trollope, at the next AGM.

Confidential meetings

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

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

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

Combined assurance

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

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

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

Discharge of responsibilities

The committee determined that, during FY23, it had discharged its legal and other responsibilities as outlined in terms of its charter, details of which are included in the full corporate governance report on www.multichoice.com. The board concurred with this assessment.

Key focus areas going forward

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

- discharging its functions in terms of its charter.
- focusing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concern.
- review of the group's treasury risks including foreign exchange, liquidity, management of debt and covenants and counterparty risk management.
- monitoring the performance and audit quality of external auditors, including the audit rotation process.
- reviewing at each meeting the management of tax matters together with the accounting for taxation provisions and contingencies.
- reviewing at each meeting the schedule of non-audit services provided by external audit and ensuring compliance with the group policy.
- review of material group programme updates including internal audit's assurance assessment thereof.



Louisa Stephens
Chair: Audit committee
13 June 2023

1. Nature of business

MultiChoice Group Limited and its subsidiaries and affiliates (MCG or the group) operate video-entertainment subscriber platforms in South Africa and sub-Saharan Africa (50 countries in total) and offers satellite (DTH), digital terrestrial television (DTT), over-the-top (OTT) and related video-entertainment services. Video-entertainment is a commercial service that provides packages of video and audio programming to consumers, typically for a monthly charge. The group has minority investments in sports betting, financial services and home services which offer a broader range of product options to the core video entertainment subscriber base.

2. Group performance overview

MultiChoice Group (MCG or the group) continued to scale its overall subscriber base, primarily through a strong performance in the Rest of Africa. The group added 1.7m 90-day active subscribers, representing 8% year-on-year (YoY) growth, to close the year on 23.5m subscribers. The 90-day subscriber base comprised 14.2m households (60%) in the Rest of Africa and 9.3m households (40%) in South Africa.

The strong performance in the Rest of Africa, which added 1.4m subscribers, was underpinned by the decoder subsidy and marketing investments for the FIFA World Cup, which will be fully paid back by the end of 1H FY24. This together with annual price increases resulted in the Rest of Africa delivering positive trading profit for the first time since the group listed in 2019. This is an exceptional performance from the Rest of Africa team as it was achieved despite absorbing more than ZAR2.9bn in currency losses in the last four financial years.

In contrast, the South African consumer environment weakened sharply, especially in the second half of the financial year. Permanent high stages of loadshedding, interest rate hikes and elevated inflation levels have left a large portion of the group's customer base unable to watch or afford video entertainment services. Although SA 90-day subscribers grew by 0.3m YoY, lower levels of activity, represented by active days, were experienced which resulted in a 2% decline in SA revenue.

Group revenue increased 7% (4% organic) to ZAR59.1bn, with the weaker South African rand (ZAR) increasing the revenue contribution on translation of the Rest of Africa and Technology segments, that have a USD reporting currency. Subscription revenues amounted to ZAR48.6bn, up 7% YoY (4% organic), driven by the Rest of Africa that delivered a 25% YoY increase (16% organic). Advertising revenues were up a solid 7% (6% organic) supported by the FIFA World Cup and local content properties. Irdeto's revenues declined 4% (17% organic) as ongoing global supply constraints and the decision to exit all Russian based operations impacted negatively on performance. Insurance premiums grew a strong 22% YoY, with new products such as funeral cover gaining traction.

Group trading profit decreased 3% to ZAR10.0bn (up 5% organic) due to an adverse ZAR0.9bn foreign exchange impact and weaker SA earnings. This resulted in group trading profit margins decreasing from 19% to 17%. The Rest of Africa business returned to profitability and delivered trading profit of ZAR0.9bn, which is a ZAR2.8bn organic improvement from the prior year. The impact of South African macro challenges, together with the group's increased investment in Showmax, caused SA margins to contract to 24% from 31% in the prior year.

The group's established cost optimisation programme delivered a further ZAR1.3bn in cost savings, exceeding the target of ZAR0.8bn, with major contributions from renegotiated sport and general entertainment content contracts.

Operating leverage (on an organic basis) for the year remained positive at +1 percentage point despite the investment in the FIFA World Cup and some once-off cost benefits in the prior year.

Core headline earnings, the board's measure of sustainable business performance, increased 2% YoY to ZAR3.5bn. This was mainly attributable to the improved contribution from the Rest of Africa and positive realised foreign exchange movements, tempered by the lower profits in SA.

Consolidated free cash flow of ZAR2.9bn was down 48% YoY. This was mainly due to working capital investment, especially around prepayments for sports rights renewals and the timing of payments brought forward due to a major financial system upgrade which went live on 1 April 2023.

As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR3.4bn, marginally down from the prior year (FY22: ZAR3.6bn) primarily due to lower taxable profits generated in South Africa.

Net interest paid increased by ZAR283m to ZAR780m. This is mainly due to increased SA interest rates and the group's higher average debt position over the year, including a new term loan raised in February 2023, which contributed an additional ZAR351m in interest costs.

2. Group performance overview (continued)

The strength of the balance sheet remains a core focus in supporting the group's future growth ambitions. ZAR7.5bn in cash and cash equivalents combined with ZAR9.0bn in available facilities, provide ZAR16.5bn in financial flexibility to fund the group's operations, including the drive to make Showmax the leading streaming platform on the African continent. This strong financial position is after ZAR3.9bn was utilised to settle the MCG and Phuthuma Nathi (PN) dividends in September and an early ZAR2.3bn settlement of the KingMakers term loan in March 2023, but includes ZAR5.1bn in cash that is not readily accessible in the corporate cash pool. Leverage remains low with a net debt: EBITDA ratio of 1.08x at the end of March (FY22: 0.77x).

Notwithstanding liquidity constraints in Nigeria, the group managed to extract USD235m (FY22:USD240m) at an average rate of NGN684:USD (FY22: NGN553:USD) during the year. Cash holdings of ZAR1.9bn (FY22: ZAR2.3bn) held in Nigeria remain exposed to weaker currencies.

3. Operational performance review

General Entertainment

The group continued its strategy of investing in local content as a key differentiator of its service offering. It remains cheaper to produce, is internally owned, allowing for better utilisation, and rates better with our viewers than international content in all major markets.

This year's investment in local content accounted for 50% (FY22: 47%) of total general entertainment spend and brought the total content library to just over 76 000 hours. Five more local channels were launched in South Africa, Uganda, Ethiopia and Ghana and local content production delivered 6 587 hours, an increase of 9% YoY.

The group has stepped up its focus on rolling out local adaptations of popular telenovelas with local actors and in local languages, across different regions. Not only does it provide a cost benefit to the group, but it resonates strongly with customers. An example in FY23 included 1Magic's *The River* which has been successfully adapted as *Kina* in Kenya and *O Rio* in Angola.

The latest seasons of *Big Brother Naija* and *Nigerian Idols* delivered record multi-platform viewership and strong growth in advertising revenues. *Big Brother Titans* was launched in January 2023, with housemates from South Africa and Nigeria, as a special edition of the hit reality show.

In South Africa, the group produced two co-productions to critical acclaim, with more in the pipeline. *Reyka*, an original co-production, was nominated for the coveted Drama Series prize at the International Emmy Awards in 2022. Strong performances by popular shows such as *Mnakwethu*, local adaptations of *The Real Housewives* franchise and *The Saturday Showdown* drove healthy viewership. Returning international series such as *Blue Bloods, The Rookie* and *The Good Doctor*, and shows such as *House of the Dragon, The Last of Us* and *The Yellowstone* franchise have also become favourites amongst audiences.

SuperSport

SuperSport continued to build on an already world class sports line-up by securing multi-year extensions on rights to the English Premier League, Cricket South Africa, SA Rugby, Formula 1, the new LIV Golf tour, WWE, Men and Women's Cricket World Cup's and SA Netball.

The content highlight of FY23 was the world's greatest sporting event, the FIFA World Cup. Throughout November and December 2022, the world's best football stars dazzled DStv, Showmax and GOtv customers across the continent. The offering was further differentiated by having local language commentary available in 11 languages across eight markets, which underpinned strong subscriber momentum and record levels of growth being achieved in most markets in December 2022.

The group also stepped up its investment in SuperSport Schools, culminating in the launch of a dedicated school sports television channel (216) in February 2023. SuperSport Schools is gaining significant interest from advertisers due to its exponential growth in viewership and is expected to break even in FY24.

A further investment initiative was the launch of the inaugural SA20 cricket competition in January and February 2023, which brought crowds back to cricket stadiums across the country. More than 350 000 tickets were sold throughout the month-long competition, while television audiences were 33% better than the 2022 IPL. SuperSport funded a 30% stake in the SA20 business, which already generated positive cash flows in its first season.

3. Operational performance review (continued)

SuperSport (continued)

During the year, SuperSport produced in excess of 1 000 live professional sports broadcasts across all platforms. This was delivered at a 10% lower YoY average cost per production and without any compromise in the quality of the viewing experience. The group's first broadcast of the Comrades marathon was another proud moment during FY23.

South Africa Pay-TV

The South African consumer-facing business environment faced severe challenges during FY23. At a time when consumers were already battling with interest rate hikes, elevated inflation and high levels of unemployment, loadshedding moved from being intermittent to becoming a permanent fixture in customers' lives. This has had a negative impact on the South African subscriber base and activity levels, with a noticeable increase in churn when loadshedding reaches stage 4 and above, even when consumers have disposable income. This is evidenced by the disconnect between the 0.3m growth in 90-day subscribers (that shows customers still value our products) and the 0.1m decline in the active subscriber base at the end of March (customers are more selective when they sign up to avoid periods of excessive loadshedding).

The mix of subscriber growth remains in line with prior years, with the Premium decline continuing to slow, the mid-market being the most exposed to the current macro-economic pressures and the mass market still demonstrating room to grow. The changing mix of subscribers, combined with the lower level of subscriber activity, resulted in monthly average revenue per user (ARPU) declining 5% from ZAR269 to ZAR256.

Revenue of ZAR35.0bn, down 2% YoY, was affected by a 3% decline in subscription revenues, partially offset by a ZAR0.2bn increase in other revenue mainly due to growth in insurance premiums. Trading profit of ZAR8.5bn resulted in a trading margin of 24.2%, within the 23% - 28% guided range.

As the South African business matures, generating additional revenue streams and driving value-added services to counteract reducing ARPU and margin pressure, remains a key focus. The group has seen continued demand for its insurance products with polices growing by 458k to 2.8m, generating ZAR0.7bn in revenues (22% YoY growth). DStv Internet grew by 51k subscribers and increased revenues to ZAR133m (FY22: ZAR15m).

On the product front, the group launched the DStv Streama, a device which allows for the streaming of DStv and other partner applications through a normal television in a connected environment. To further expand its aggregation strategy, the group added Disney+ to its portfolio of products available for customers to add to bill, while Universal+ increased the overall content offering available to Premium subscribers. During the year, the group announced its partnership with Sky UK to bring its world-renowned Glass products and services to local customers in the coming years.

In addition, DStv rewards continues to gain traction with improved benefits and has almost doubled from 750k to 1.3m customers in the current year.

Rest of Africa Pay-TV

The Rest of Africa business grew its 90-day active subscriber base by 11% YoY, or 1.4m, and now reaches 14.2m households across the continent. The FIFA World Cup, with all 64 matches broadcast exclusively across all Pay-TV markets, contributed positively to this year's success.

Revenue of ZAR22.6bn represents a 26% increase YoY (16% organic) and benefited from the translation of Rest of Africa USD revenues into ZAR. Subscription revenue of ZAR20.4bn grew 25% (16% organic). 90-day ARPU improved ZAR6 on an organic basis to ZAR126, supported by a stable subscriber mix and inflationary price increases. Rest of Africa revenues now contribute 38% to overall group revenues, up from 33% in the prior year.

Official currencies fluctuated on a blended basis and impacted reported trading profit by ZAR0.7bn (FY22: ZAR0.1bn). The overall macroeconomic environment remains volatile. Major currency movements on average against the USD were the Ghanaian cedi -71% the Angolan kwanza +21%, while the Nigerian Naira depreciated 6% late in the financial year.

The Rest of Africa business returned to profitability, generating positive trading profit of ZAR0.9bn, representing a 4% trading profit margin. This significant improvement in organic performance was supported by 26% revenue growth (16% organic) and ongoing cost optimisation.

3. Operational performance review (continued)

Rest of Africa Pay-TV (continued)

During FY23, the Rest of Africa business was successful in extracting USD235m (FY22: USD240m) from Nigeria and reducing the closing cash balance to USD104m (FY22: USD155m). This did however come at a cost with cash only available at parallel rates. The group achieved an average extraction rate of NGN684:USD (FY22: NGN553:USD), resulting in foreign exchange losses of ZAR2.4bn (FY22: ZAR1.1bn).

No material cash extraction issues were encountered in any other markets.

Connected Video (OTT)

The partnership with Comcast (owners of NBCU, Sky and Peacock), announced in March 2023, represents a significant step-up for the group's future OTT ambitions. The new Showmax business will bring the world's best local and international content to Africa and will be supported by Peacock's scalable and feature rich technology platform. The transaction successfully closed on 4 April 2023 with MCG now owning 70% of the new Showmax group and NBCU owning the remaining 30%. New products and launch dates will be announced in due course, with the platform expected to go live in the second half of FY24.

Users of the group's DStv app and Showmax services continue to grow as online consumption increases. The overall online user base increased by 12% YoY, with the growth rate for paying Showmax subscribers at a strong 26%. Showmax further localised its business by adding more local content, as well as payment channels and partners, which enabled local billing in various markets. The group continued to reduce buffering and improve the stability of its applications, as demonstrated by the successful streaming of the FIFA World Cup on all online platforms. The FIFA World Cup came with a significant increase in the number of concurrent viewers consuming live events (in 4K on compatible devices) on both the DStv app and Showmax.

Showmax Pro, which includes live sport, enjoyed strong growth and doubled its subscriber base. This was supported by the broadcast of properties such as English Premier League, UEFA Champions League, Premier Soccer League in SA and the FIFA World Cup. Growth was further stimulated by a price reduction in South Africa from ZAR449 to ZAR349 per month and a successful telco partnership in the Mauritian market.

Technology (Irdeto)

Customers serviced by the Technology segment continue to face shortages in silicon supply and disruptions in global supply chains. The ongoing war in Ukraine also led to a group decision to exit the Russian market that had a moderate impact on both revenue and margins.

Combined with production disruptions and lower consumer demand in markets like India and China, Irdeto's revenues were down 4% YoY (17% organic) to ZAR1.5bn. Despite top line pressure, the segment contributed ZAR0.6bn to group trading profit, with margins strong at 41% due to efficient cost containment, a favourable portfolio mix and an uplift from the currency conversion rate into ZAR.

On a standalone basis (excluding intergroup eliminations), the Irdeto business generated total revenues of USD200m (ZAR3.4bn), representing a 7% YoY decrease. Trading profit on the same basis amounted to USD36m (ZAR0.6bn), up 3% from FY22.

During the year, Irdeto continued to gain market share in the media security sector, including deployments with a major European broadcaster and a leading media and entertainment company in South-East Asia. The business also further expanded the deployment of its security solutions for connected vehicles with Hyundai and started providing its Keystone solution to customers managing large truck fleets and to construction equipment rental companies. The video games security business had a strong year with new customer acquisitions and growth in new market segments such as mobile gaming.

Irdeto also won numerous industry awards and has been recognised as the winner in the best cybersecurity company category of the 2022 Cybersecurity Excellence Awards.

Sports betting (KingMakers)

KingMakers continued its strong operational growth, generating a 51% increase in gross gaming revenues to USD198m (ZAR3.4bn). As a result, the group's share of revenue from KingMakers now exceeds external revenues from the Technology segment. The group recorded a loss after tax amounting to USD28m (ZAR0.5bn) as KingMakers' increased revenues were offset by investment in people, product and technology to further scale the business, as well as cash extraction losses out of Nigeria which amounted to USD13m.

3. Operational performance review (continued)

Sports betting (KingMakers) (continued)

The introduction of a new management team triggered a holistic review of the business and a decision to reprioritise activities and focus on large markets like Nigeria and South Africa first – with the latter to see the launch of SuperSportBet in FY24. KingMakers exited operations in Kenya and Ethiopia and will revisit its expansion plans in future.

Given the notable changes in discount rates applicable to Nigerian and global gaming and technology companies and the sharp increase in parallel exchange rates in Nigeria, an impairment review was conducted on KingMakers as at 31 March 2023. Although in local currency the business remains in line with original forecasts, the marked increase in discount rates for the Nigerian operation, a weaker currency forecast, combined with the impact of exiting some markets, resulted in the recognition of a ZAR2.0bn impairment loss. The group's 51.23% investment in this associate is now valued at ZAR4.6bn.

The product and market expansion plan is fully funded with KingMakers having USD166m (ZAR3.0bn) of cash available at 31 December 2022.

Fin-tech (Moment)

During FY23 a partnership (Moment Holdings based in the UK) was reached between the group, General Catalyst (one of the world's largest fin-tech investors) and Rapyd (a global fin-tech company with success across 100 countries and a 2021 Series E funding round conducted at a USD9bn valuation).

The group contributed USD3.3m in an initial funding round for a 25.5% stake in Moment. During the year, Moment finalised commercial deals with MCG operating companies, obtained licences to operate in key markets and built up a strong executive team. This positions them to launch new products that specifically address the group's needs, from the second half of FY24.

4. New term loan facility

To improve the group's financial flexibility, fund working capital requirements and improve the group's cost of capital a new ZAR12bn term loan facility was finalised in February 2023.

The facility is a 5-year term loan with a bullet repayment profile five years from each drawdown date. The facility bears interest at JIBAR +1.44 percentage points payable quarterly in arrears. The first draw down of ZAR8bn was made in March.

The group repaid outstanding debt of ZAR8.5bn during the year. The group's existing undrawn short term debt facilities amounting to ZAR5bn remain in place on the same terms as previously disclosed.

5. Nigeria tax audit

The group has two ongoing Nigerian tax matters, one involving MultiChoice Nigeria Limited and the second involving MultiChoice Africa Holdings BV. On 16 February 2022, an agreement was reached with the Federal Inland Revenue Service (FIRS) that legal proceedings will be stayed and that an integrated tax audit will commence for both entities.

The audit process, which covers corporate income tax, value added tax and transfer pricing is ongoing, but has been taking longer than anticipated. As part of the process, the group has made a further ZAR0.6bn in tax security deposits during FY23 on a without-prejudice and good faith basis. The total deposit balance now amounts to ZAR1.3bn. These have been recorded as current receivables pending the outcome of the audit process.

Based on the latest facts and circumstances available, no tax provision has been made, nor has a contingent liability been disclosed in the year end results. The group maintains its position as a law-abiding corporate citizen and continues to engage constructively with FIRS to bring the audit to a fair conclusion.

6. Share transactions

The group transferred a further 4.5m treasury shares (valued at ZAR0.5bn on the date of transfer) between two group companies, to fund the current year's awards to employees under the group's restricted stock unit (RSU) share plan. At the end of FY23, a total of 0.1m shares at an average price of ZAR120 per share remain unallocated for future use and future awards will continue to be funded by share purchases.

7. Subsequent events

Other than successfully concluding the Showmax partnership transaction with Comcast on 4 April 2023, as explained above, there have been no other events that occurred after the reporting date that could have a material impact on the consolidated annual financial statements.

8. Corporate social responsibility

As a level 1 B-BBEE rated business since inception in 2019, the group continues to play its role as a responsible corporate citizen. ESG targets have formally been included in long term incentives for management to heighten the focus on sustainability and governance in the group. These objectives focus on external measures, internal gender equality and B-BBEE targets. Furthermore, targets have been included in areas where the group can use its platform to really make a difference on the African continent. This includes supporting the local broadcasting industry, development of woman's and schools' sports and supporting global initiatives in Africa such as the Earthshot Prize.

The group continues to provide ongoing investment into the MultiChoice Innovation Fund to support local entrepreneurs and into the Sports Development Trust, which largely invests in sporting infrastructure in disadvantaged areas. The year saw further investment of ZAR255m (FY22: ZAR266m) by the two trusts.

Sport is another area where the group has a meaningful impact on society. Not only does MCG play a crucial role in the development and broadcasting of schools' sport through its SuperSport Schools initiative, but it is also stepping up its investment in woman's sport. This includes support for the SA Netball team leading up to the 2023 World Cup in South Africa, where SuperSport will be the host broadcaster and production will be delivered by a world first all-female production crew.

9. Dividend

In view of the challenging South African market, the uncertain currency outlook, the funding needs of the Rest of Africa business and the investment required to drive Showmax to become the leading streaming platform on the continent, no dividend has been declared for FY23.

10. Outlook

The group continues its shift from a traditional Pay-TV platform to a broader ecosystem focused on segments that address African customer needs and are underpinned by technology.

The core video entertainment business, but specifically navigating the impact of the ongoing economic and energy challenges in South Africa, will remain a central focus for FY24. A new, energized executive team has been appointed to face the challenge head on. They will be looking to leverage on the exceptional content slate, which this year includes the Rugby World Cup, where the Springboks are the defending champions, while tight cost management remains an utmost priority.

Following the recent announcement of the new Showmax group, in partnership with Comcast, the year ahead will not only see the business migrating to the Peacock platform, but also the exciting launch of new products and price points to set Showmax up for strong future growth.

In other verticals, KingMakers will launch in South Africa under the *SuperSportBet* brand, with an exciting plan to ensure the business delivers strong early traction. In Nigeria, organic growth and the launch of new products are likely to drive increased market share and revenue growth. FY24 will see Moment launch its B2B platform and starting to roll out payments technology to support more frictionless digital payment experiences for customers at a lower cost to the group in several markets across the continent.

11. Share capital

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

12. Property, plant and equipment

At 31 March 2023 the group's investment in property, plant and equipment amounted to ZAR12.1bn (FY22: ZAR13.1bn). Details are reflected in note 17.

Capital commitments at 31 March 2023 amounted to ZAR166.3m (FY22: ZAR276.8m). Refer to note 13.

13. Directorate

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

The directors' names, details and meeting attendance are presented below and the group company secretary's name, business and postal addresses are presented on page 92. Directors' shareholdings in the issued share capital of the group are disclosed in note 32.

Directors and attendance at meetings during the 2023 financial year:

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

NE - Non-executive director.
INE - Independent non-executive director.
** Not a member*
*** Not a member, however JJ Volkwyn attended 1/4 meetings by invitation.*

14. Group company secretary

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

Independent auditor's report

To the Shareholders of MultiChoice Group Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of MultiChoice Group Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2023, 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 Group Limited's consolidated financial statements set out on pages 24 to 91 comprise:

- the consolidated statement of financial position as at 31 March 2023;
- 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.

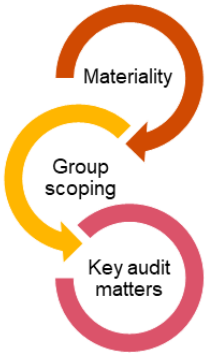
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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)*.

Our audit approach

Overview



Overall group materiality

- Overall group materiality*:* R591,410,000 *,* which represents 1% of consolidated revenue.

Group audit scope

We performed full scope audits over all financially significant components, and components where specific risks were identified. Other components were subject to review procedures and/or specified audit procedures due to their contribution of risks of material misstatements to the consolidated financial statements.

Key audit matters

- Accounting for taxation
- Impairment of investment in Blue Lake Ventures Limited ("KingMakers")

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

Materiality

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

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

Overall group materiality	R591,410,000
How we determined it	1% of consolidated revenue
Rationale for the materiality benchmark applied	We selected consolidated revenue as our materiality benchmark because, in our view, it reflects the activity levels of the Group and it is a benchmark against which the performance and growth of the Group can be consistently measured in circumstances of volatile year-on-year earnings that is attributable to fluctuations in foreign exchange rates. We chose 1% based on our professional judgement, after consideration of the range of qualitative materiality thresholds that we would typically apply.

How we tailored our group audit scope

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

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

The Group operates in a number of geographical locations including South Africa, the Rest of Africa (including the following main markets: Nigeria, Angola, Kenya and Zambia), and Europe (including its main market in the Netherlands). We performed full scope audits over all financially significant components, and components where specific risks were identified. Other components were subject to review procedures and/or specified audit procedures due to their contribution to risks of material misstatements to the consolidated financial statements. We also performed procedures in respect of the consolidation process, in order to gain sufficient evidence over the consolidated financial statements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Accounting for taxation *The entities listed in Note 23 ("Investments in subsidiaries") to the consolidated financial statements operate across many tax jurisdictions. Due to the inherent nature of tax exposures in developing markets, specifically within the "Rest of Africa" segment, these entities have recognised tax liabilities and have disclosed contingencies in relation to these tax exposures.* *Management have applied their judgement to estimate the exposure and the likelihood that a claim will succeed, or whether a liability will arise where the interpretation of the applicable tax laws and regulations were considered to be subjective.* *Accounting for these material tax exposures was considered to be a matter of most significance to our audit due to the:* ● *magnitude, complexity and nature of these exposures;* ● *significant level of management judgement involved in interpreting tax laws and regulations that are considered subjective; and* ● *application of the principles of IFRS Interpretations Committee 23 Uncertainty over income tax treatments ("IFRIC 23") and International Accounting Standard 37 Provisions, contingent liabilities and contingent assets ("IAS 37") - in measuring the tax exposures.* *Refer to the following notes to the consolidated financial statements:* ● *Note 8: Taxation; and* ● *Note 13: Commitments and contingencies.*	*Making use of our taxation expertise, we evaluated management's assessment of the probability of outflows for tax exposures relating to withholding tax, value-added tax, transfer pricing and permanent establishment and other related taxes. We found that the probabilities applied by management were acceptable in the context of the applicable taxation laws.* *We evaluated the process management has used to calculate each tax exposure and we assessed whether the assumptions they have used, in conjunction with their advisors, in developing the estimated exposure, provided a supportable and reasonable basis to calculate the provision for and disclosure of uncertain tax positions in accordance with the requirements of IFRIC 23 and IAS 37. We further assessed and formed our own views on the key judgements with respect to open and uncertain tax positions. We found that the exposures as estimated by management fell within our range of acceptable exposures to be provided for or disclosed.* *We assessed any tax opinions and/or other tax advice received from management's tax advisors in relation to the exposures identified to determine that the treatment is consistent with the advice obtained. No material differences were noted.* *We assessed the evidence of recent tax audits and external tax cases which may have an impact on existing tax exposures. We found that management appropriately reflected these considerations in their assessment of their existing tax exposures.*

Impairment of Blue Lake Ventures Limited ("KingMakers")

In accordance with the International Accounting Standard 36 Impairment of Assets ("IAS 36"), an entity is required to assess at each reporting date, whether there is any indication that an asset might be impaired. During the 31 March 2023 financial year, the group identified indicators of impairment relating to its equity-accounted investment, Blue Lake Ventures Limited ("KingMakers"). These indicators included notable changes in discount rates applicable to Nigerian and global gaming technology companies, the increase in parallel foreign exchange rates in Nigeria and the impact of markets which have been exited.

In accordance with IAS 36, an impairment is recognised when an asset's carrying value exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal ("FVLCOD") and its value in use ("VIU"). Management assessed the recoverable amount of KingMakers to be its FVLCOD, as it was higher than its VIU. In deriving the recoverable amount management exercised significant judgement with respect to estimating the following key assumptions: growth rates; discount rates; terminal growth rates; forecast cash flows; minority discount and marketability discount.

The carrying amount of ZAR6.555 billion of KingMakers as at 31 March 2023 was compared to its recoverable amount of ZAR4.557 billion which resulted in an impairment of ZAR1.998 billion being recognised in the consolidated income statement.

The impairment of KingMakers was a matter of most significance to our current year audit due to:

- *The significant judgments applied by management regarding the key assumptions and future cash flows that are included in the analysis used to*

We evaluated management's assessment that FVLCOD of KingMakers was higher than its VIU in accordance with the principles of IAS 36 and as such formed the basis of the recoverable amount of the investment. We found the conclusion by management to be appropriate for the impairment assessment.

We obtained the FVLCOD valuation calculation performed by management (assisted by management's expert and the management team of KingMakers) and by making use of our internal valuation expertise, we:

- *assessed the reasonableness of the valuation methodologies applied by management by comparing them to generally accepted valuation methodologies, and found this to be consistent;*
- *tested the mathematical accuracy of the valuation calculation and the discounted cash flow model prepared by management, noting no material exceptions;*
- *analysed the forecast cash flows (including, inter alia, revenue, profitability changes in working capital, capital expenditure and growth rates) to assess the respective forecast period based on the forecasts provided by KingMakers' management. We also held discussions with KingMakers' management to understand the basis for the assumptions used, and found the forecast cash flows to be reasonable;*
- *independently calculated weighted average cost of capital discount rates, taking into account independently obtained data such as the cost of debt, the risk-free rate in the relevant territories, market risk premiums, debt/equity ratios as well as the betas of comparable companies. We then compared the calculated weighted average cost of capital discount rates to the discount rates used by management. The differences in rates were included in our reasonability calculations (refer below) to assess the impact on the valuation;*

perform the impairment assessment; and • *The magnitude of the impairment which was recognised in the consolidated income statement.* *Refer to Note 24 - Investment in associates and joint ventures to the consolidated financial statements where the impairment assessment of KingMakers has been disclosed.*	• *compared the terminal growth rates used by management to long-term inflation rates obtained from independent sources. The independently determined rates were compared to those of management and incorporated into our reasonability calculations (refer below) in order to assess the impact of any differences on the valuation;* • *compared the minority discount and marketability discount applied by management to industry benchmarks for investments similar to those of unlisted equity-accounted investments. The differences in rates were included in our reasonability calculations (refer below) to assess the impact on the valuation;* • *extracted the appropriate information from management's valuation, utilised other source documents provided by management and incorporated our own independently sourced information (refer above) and prepared our reasonability calculations. We utilised these calculations to assess the overall reasonability of management's valuation. We found that management's valuation was reasonable and fell within our range of acceptable values.* *We recalculated the impairment recognised by management as the difference between the carrying amount of KingMakers and the recoverable amount in management's FVLCOD calculation. No material differences were noted when comparing our recalculated amount to the impairment value recognised in the consolidated financial statements.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*MultiChoice Group Limited Consolidated annual financial statements for the year ended 31 March 2023*" and the document titled *"MultiChoice Group Limited Annual financial statements for the year ended 31 March 2023"*, which includes the Directors' report to shareholders, Report of the audit committee and Company Secretary's Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled *"MultiChoice Group Limited Integrated Annual Report 2023*", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Multichoice Group Limited for 39 years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: BS Humphreys
Registered Auditor
Johannesburg, South Africa
13 June 2023

Consolidated statement of financial position

as at 31 March 2023

	Note	2023 ZAR'm	2022 ZAR'm
Assets			
Non-current assets		**24 586**	**25 576**
Property, plant and equipment	17	**12 129**	13 060
Goodwill and other intangible assets	22	**5 351**	4 947
Investments and loans		**357**	255
Investment in associates and joint ventures	24	**4 876**	5 878
Amounts due from related parties	28	**71**	54
Derivative financial instruments	11	**6**	12
Platform technology advances	25	**247**	-
Deferred taxation	9	**1 549**	1 370
Current assets		**23 024**	**17 265**
Inventory	19	**890**	811
Programme and film rights	18	**6 246**	5 256
Trade and other receivables	20	**6 864**	4 696
Amounts due from related parties	28	**4**	10
Derivative financial instruments	11	**1 479**	136
Margin deposits	21	**-**	201
Cash and cash equivalents	21	**7 541**	6 155
TOTAL ASSETS		**47 610**	**42 841**
Equity and Liabilities			
Equity reserves attributable to the group's equity holders		**9 717**	**10 952**
Share capital	26	**454**	454
Other reserves	27	**(9 613)**	(14 175)
Retained earnings		**18 876**	24 673
Non-controlling interests		**(4 372)**	(2 876)
TOTAL EQUITY		**5 345**	**8 076**
Non-current liabilities		**19 570**	**13 875**
Lease liabilities	11	**10 747**	10 656
Long-term loans	11	**8 046**	2 721
Derivative financial instruments	11	**142**	320
Deferred taxation	9	**635**	178
Current liabilities		**22 695**	**20 890**
Lease liabilities	11	**2 355**	1 822
Short-term loans	11	**375**	1 300
Programme and film rights	11	**5 060**	3 505
Provisions	15	**225**	364
Accrued expenses and other current liabilities	14	**10 816**	10 272
Derivative financial instruments	11	**41**	971
Taxation liabilities	8	**3 823**	2 656
TOTAL EQUITY AND LIABILITIES		**47 610**	**42 841**

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

Consolidated income statement

for the year ended 31 March 2023

	Note	2023 ZAR'm	2022 ZAR'm
Revenue	5	**59 141**	55 240
Cost of providing services and sale of goods	6	**(32 437)**	(29 769)
Selling, general and administration expenses	6	**(16 615)**	(14 852)
Net impairment loss on trade receivables	20	**(24)**	(58)
Other operating gains/(losses) - net	7	**92**	(265)
Operating profit	6	**10 157**	**10 296**
Interest income	12	**449**	260
Interest expense	12	**(1 458)**	(1 210)
Net foreign exchange translation losses	12	**(5 580)**	(2 118)
Share of equity-accounted results	24	**(477)**	(134)
Impairment of equity-accounted investment	24	**(1 998)**	-
Other losses	7	**(172)**	-
Profit before taxation		**921**	**7 094**
Taxation	8	**(3 841)**	(4 210)
(Loss)/profit for the year		**(2 920)**	**2 884**
Attributable to:			
Equity holders of the group		**(3 478)**	1 358
Non-controlling interests		**558**	1 526
		(2 920)	**2 884**
Earnings per share			
Basic and diluted (loss)/earnings for the year (ZAR'm)		**(3 478)**	1 358
Basic (loss)/earnings per ordinary share (SA cents)	4	**(815)**	318
Diluted (loss)/earnings per ordinary share (SA cents)	4	**(815)**	309

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

Consolidated statement of comprehensive income

for the year ended 31 March 2023

	2023 ZAR'm	2022 ZAR'm
(Loss)/profit for the year	**(2 920)**	**2 884**
Total other comprehensive income for the year:		
Exchange gains/(losses) arising on translation of foreign operations[1,2,3]	**2 373**	(32)
Hedging reserve[1]	**1 513**	(781)
- Net fair value gains/(losses)[4]	**2 259**	(570)
- Hedging reserve recycled to the income statement	**(257)**	(367)
- Net tax effect of movements in hedging reserve[5]	**(489)**	156
Total comprehensive income for the year	**966**	**2 071**
Attributable to:		
Equity holders of the group	**923**	548
Non-controlling interests	**43**	1 523
	966	**2 071**

1 These components of other comprehensive income may subsequently be reclassified to the consolidated income statement during future reporting periods.
2 Relates to the translation of Rest of Africa and Technology segments, which have a USD reporting currency.
3 The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23. This movement is recognised in other reserves on the consolidated statement of changes in equity.
4 The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23, a lower overall notional value of hedging contracts and a decrease in the achieved average hedge rate on cash flow hedges from ZAR15.89 in FY22 to ZAR15.69 in FY23.
5 The movement relates to tax on net fair value gains/losses recognised in the South Africa segment as detailed in footnote 4 above which are taxed at 27%. Fair value gains/losses in the Rest of Africa segment, which offset the fair value gains/losses in South Africa, are non-taxable.

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

Consolidated statement of changes in equity

for the year ended 31 March 2023

	Share capital ZAR'm	Other reserves[1] ZAR'm	Retained earnings ZAR'm	Non-controlling interests ZAR'm	Total equity ZAR'm
Balance at 1 April 2021	**454**	**(13 518)**	**25 490**	**(2 912)**	**9 514**
Profit for the year	-	-	1 358	1 526	2 884
Other comprehensive loss	-	(810)	-	(3)	(813)
Total comprehensive income for the year	**-**	**(810)**	**1 358**	**1 523**	**2 071**
Treasury shares acquired[2]	-	(308)	-	-	(308)
Treasury shares disposed[3]	-	152	(152)	-	-
Hedging reserve basis adjustment[4]	-	309	-	93	402
Share-based compensation movement	-	-	420	-	420
Purchase of shares for group share schemes[5]	-	-	(87)	-	(87)
Transactions with non-controlling interests[6]	-	-	62	(74)	(12)
Dividends declared[7,8]	-	-	(2 418)	(1 506)	(3 924)
Balance at 1 April 2022	**454**	**(14 175)**	**24 673**	**(2 876)**	**8 076**
Loss for the year	**-**	**-**	**(3 478)**	**558**	**(2 920)**
Other comprehensive income	**-**	**4 401**	**-**	**(515)**	**3 886**
Total comprehensive income for the year	**-**	**4 401**	**(3 478)**	**43**	**966**
Treasury shares disposed[3]	**-**	**238**	**(238)**	**-**	**-**
Hedging reserve basis adjustment[4]	**-**	**(77)**	**-**	**(22)**	**(99)**
Share-based compensation movement	**-**	**-**	**492**	**-**	**492**
Purchase of shares for group share schemes[5]	**-**	**-**	**(109)**	**-**	**(109)**
Other share-based compensation movements[9]	**-**	**-**	**(49)**	**-**	**(49)**
Dividends declared[7,8]	**-**	**-**	**(2 415)**	**(1 517)**	**(3 932)**
Balance at 31 March 2023	**454**	**(9 613)**	**18 876**	**(4 372)**	**5 345**

1 Other reserves include treasury shares, the hedging reserve, fair value reserve and foreign currency translation reserve (note 26).
2 During FY22, the group acquired a further 2.5m treasury shares at an average price of ZAR121 per share to fund future RSU share awards. As at 31 March 2023, the group holds 14.8m (FY22: 17.0m) treasury shares at an average value of ZAR107 (FY22: ZAR108) per share.
3 During the current and prior year, treasury shares were utilised to settle the group's share-based compensation benefits.
4 Relates to the basis adjustment (net of tax gains of ZAR3m (FY22: ZAR93m) on other reserves and tax gains of ZAR1m (FY22: ZAR28m) on non-controlling interests) on programme and film right assets as content comes into licence.
5 Primarily relates to the settlement of share-based compensation benefits.
6 Relates to two transactions in the prior year, the first relating to a dilution of MultiChoice Africa Holdings. B.V.'s interest in GOtv Uganda Limited from 100% to 85% due to local shareholding requirements. GOtv Uganda Limited had a negative net asset value of ZAR598m and there was no carrying value related to the non-controlling interest in GOtv Uganda Limited prior to this transaction. No cash consideration was received. This transaction resulted in a increase of ZAR90m in retained earnings and a decrease of ZAR90m in non controlling interest. The second related to the group acquiring the remaining 49% interest in SuperSport Schools in March 2022. SuperSport Schools 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. This transaction resulted in a decrease of ZAR28m in retained earnings and a increase of ZAR16m in non-controlling interest.
7 Non-controlling interests dividends relate primarily to dividends paid to Phuthuma Nathi (PN).
8 Dividends declared exclude dividends related to treasury shares held by the group. The group declared a gross dividend of 565 SA cents per listed ordinary share in respect of FY22 (FY21: 565 SA cents).
9 Relates to the closure of the Irdeto 2012 SAR scheme during FY23.

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

Consolidated statement of cash flows

for the year ended 31 March 2023

	Note	2023 ZAR'm	2022 ZAR'm
Cash flows from operating activities			
Cash generated from operating activities	10	**9 981**	12 723
Interest income received		**289**	255
Interest costs paid		**(1 069)**	(752)
Settlement of share-based compensation awards[1]		**(59)**	-
Taxation paid		**(3 396)**	(3 572)
Net cash generated from operating activities		**5 746**	**8 654**
Cash flows from investing activities			
Property, plant and equipment acquired		**(690)**	(626)
Proceeds from sale of property, plant and equipment		**14**	15
Intangible assets acquired	22	**(545)**	(462)
Proceeds from sale of intangible assets		**15**	15
Decrease in margin deposits		**225**	221
Investment in associate	24	**(202)**	(4 244)
Loans to Enterprise Development Trust beneficiaries		**(46)**	(39)
Repayment of Enterprise Development Trust loans		**12**	9
Cash received from other investments and loans		**30**	29
Cash paid for other investments and loans[2]		**(87)**	(153)
Net cash utilised in investing activities		**(1 274)**	**(5 235)**
Cash flows from financing activities			
Proceeds from long and short-term loans raised	11	**12 906**	5 453
Repayments of long and short-term loans	11	**(8 512)**	(2 866)
Settlement of contingent consideration	11	**-**	(467)
Repayments of lease liabilities	11	**(1 978)**	(2 007)
Repurchase of treasury shares		**-**	(308)
Purchases of shares for group share schemes[3]		**(109)**	(87)
Transactions with non-controlling interests[4]		**-**	(9)
Dividends paid by holding company		**(2 415)**	(2 418)
Dividends paid by subsidiaries to non-controlling shareholders		**(1 517)**	(1 506)
Net cash utilised in financing activities		**(1 625)**	**(4 215)**
Net movement in cash and cash equivalents		**2 847**	(796)
Foreign exchange translation adjustments on cash and cash equivalents[5]		**(1 461)**	(1 586)
Cash and cash equivalents at the beginning of the year		**6 155**	8 537
Cash and cash equivalents at the end of the year	21	**7 541**	**6 155**

1 Relates to the settlement paid to employees due to the closure of the Irdeto 2012 SAR scheme (note 6.1).
2 In FY23, the group made an additional USD5m (ZAR87m) investment (FY22: USD10m (ZAR153m) initial investment) in Trust Machines SPV, LLC applications and platforms (note 29).
3 Relates to the purchase of group shares, which were used to settle the group's share-based compensation awards.
4 In FY22, the group acquired the remaining 49% of shares in SuperSport Schools. SuperSport Schools is now 100% owned by the group.
5 Includes losses of ZAR2.4bn (FY22: ZAR1.1bn) within the Rest of Africa segment, due to differences between the Nigerian I&E rate used by the group for translation of results and the Nigerian parallel rate at which cash has been extracted.

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

		TABLE OF CONTENTS	Page
	1	Basis of preparation	30
	2	Principal accounting policies	30
PART I		**SEGMENTS**	
	3	Segmental information	33
PART II		**INCOME STATEMENT**	
	4	Earnings per share	36
	5	Revenue	37
	6	Expenses by nature	39
	7	Other gains/(losses) - net	45
	8	Taxation	45
	9	Deferred taxation	47
PART III		**CASH FLOWS AND LIABILITY MANAGEMENT**	
	10	Cash generated from operations	49
	11	Liabilities funding operations	49
	12	Interest (expense)/income	58
	13	Commitments and contingencies	58
	14	Accrued expenses and other current liabilities	60
	15	Provisions	60
	16	Liquidity management	61
PART IV		**ASSETS TO SUPPORT OUR OPERATIONS**	
	17	Property, plant and equipment	62
	18	Programme and film rights	65
	19	Inventory	66
	20	Trade and other receivables	67
	21	Cash and cash equivalents and margin deposits	69
	22	Goodwill and other intangible assets	70
	23	Investments in subsidiaries	74
	24	Investment in associates and joint ventures	76
	25	Platform technology advances	81
PART V		**OTHER DISCLOSURES**	
	26	Share capital	82
	27	Other reserves	83
	28	Related parties	83
	29	Fair value of financial instruments	84
	30	Subsequent events	86
	31	Recently issued accounting standards	86
	32	Directors' emoluments	87

1. Basis of preparation

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act No 71 of 2008 as amended (the 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. The consolidated statement of financial position was prepared using a closing USD exchange rate at 31 March 2023 of 17.79:1 (31 March 2022: 14.61:1), which has been utilised for the consolidation of the Rest of Africa and Technology segments that have a USD presentation currency. The consolidated income statement and statement of comprehensive income were prepared using the average USD exchange rate for the year ended 31 March 2023 of 17.14:1 (31 March 2022: 14.93:1).

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2022. A number of amendments to accounting pronouncements are effective from 1 January 2022, but they do not have a material effect on the group's consolidated annual financial statements. The assessment of these pronouncements has been provided in note 2.

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

2. Principal accounting policies

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

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

2. Principal accounting policies (continued)

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

Accounting pronouncement	Adoption impact
Annual improvements cycle - IFRS 9 'Financial Instruments' (effective 1 January 2022)	In May 2020, the IASB amended IFRS 9 'Financial Instruments' to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. The amendments did not have a material impact for the group.
Annual improvements cycle - IFRS 16 'Leases' (effective 1 January 2022)	IFRS 16, 'Leases', amendment to remove the illustration of payments from the lessor relating to leasehold improvements in one of the illustrative examples. The amendment intends to remove any potential confusion about the treatment of lease incentives. The amendments did not have a material impact for the group.
IAS 37 Onerous Contracts - Cost of Fulfilling a Contract (effective 1 January 2022)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. The amendments did not have a material impact for the group.
IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use (effective 1 January 2022)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss. The amendments did not have a material impact for the group.
IFRS 3 'Business combinations' - Asset or liability in a business combination clarity (effective 1 January 2022)	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. 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 outcomes may differ.

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

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

	Note reference	Estimate/judgement relates to:	Judgement versus Estimate
Equity compensation benefits	6	Valuation/estimates of vesting	Estimate
Taxation liabilities	8	Uncertainties around timing, quantum and amount	Judgement
Deferred taxation assets	9	Uncertainties around future financial performance	Judgement
Leases	11	Determination of the incremental borrowing rate	Estimate
Taxation contingencies	13	Uncertainties around probability of recognition	Judgement
Property, plant and equipment	17	Residual values and useful lives	Estimate
Programme and film rights	18	Amortisation period	Estimate
Goodwill and other intangible assets	22	Impairment	Estimate
Investment in associates and joint ventures	24	Purchase price allocation valuation	Estimate
Investment in associates and joint ventures	24	KingMakers recoverable amount or valuation	Estimate

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 (primarily the closure of Irdeto operations in Russia) and concluded that the potential impact is not material to the consolidated annual financial statements.

Environmental responsibility

Most of the group's office buildings are environmentally friendly or, where possible, retrofitted for energy and water efficiency. Our primary environmental impact arises from using coal-fired electricity, which is the primary source of energy in many of the countries where we operate. During electricity outages, we use fuel such as diesel to power generators. The group measures its carbon footprint from scope 1 and 2 emissions according to the Greenhouse Gas Protocol. The group has assessed the potential climate change risk as not material to the consolidated annual financial statements.

PART I. SEGMENTS

3. Segmental information

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

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

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

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

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

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

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

Segmental revenue and results

Revenue

Years ended 31 March	**2023 (ZAR'm)**			**2022 (ZAR'm)**		
	External	**Inter-segment**	**Total**	**External**	**Inter-segment**	**Total**
South Africa	**34 984**	**6 973**	**41 957**	35 615	7 750	43 365
Rest of Africa	**22 680**	**265**	**22 945**	18 081	199	18 280
Technology	**1 477**	**1 939**	**3 416**	1 544	1 666	3 210
Eliminations	**-**	**(9 177)**	**(9 177)**	-	(9 615)	(9 615)
Total	**59 141**	**-**	**59 141**	**55 240**	**-**	**55 240**

	2023 (ZAR'm)				**2022 (ZAR'm)**			
Revenue by nature	**South Africa**	**Rest of Africa**	**Technology**	**Total**	**South Africa**	**Rest of Africa**	**Technology**	**Total**
Subscription fees	**28 133**	**20 522**	**-**	**48 655**	28 956	16 468	-	45 424
Advertising	**3 266**	**936**	**-**	**4 202**	3 258	651	-	3 909
Decoders	**994**	**905**	**-**	**1 899**	1 069	801	-	1 870
Installation fees	**284**	**-**	**-**	**284**	321	-	-	321
Technology contracts and licensing	**-**	**-**	**1 477**	**1 477**	-	-	1 544	1 544
Insurance premiums[1]	**717**	**-**	**-**	**717**	587	-	-	587
Other revenue	**1 590**	**317**	**-**	**1 907**	1 424	161	-	1 585
Total external revenue	**34 984**	**22 680**	**1 477**	**59 141**	**35 615**	**18 081**	**1 544**	**55 240**

1 FY22 numbers have been restated to disclose this line separately to improve disclosure.

3. Segmental information (continued)

2023

	ZAR'm Year ended 31 March 2023						
	Revenue[1]	**COPS[2]**	**SGA[3]**	**Depreciation**	**Software amortisation**	**Lease interest[4]**	**Trading profit[1]**
South Africa	**41 957**	**(22 557)**	**(9 270)**	**(1 135)**	**(176)**	**(336)**	**8 483**
Rest of Africa[1]	**22 869**	**(14 993)**	**(5 488)**	**(1 286)**	**-**	**(204)**	**898**
Technology	**3 416**	**(1 065)**	**(1 607)**	**(114)**	**(20)**	**-**	**610**
Eliminations	**(9 177)**	**8 167**	**1 010**	**-**	**-**	**-**	**-**
Total	**59 065**	**(30 448)**	**(15 355)**	**(2 535)**	**(196)**	**(540)**	**9 991**

2022

	ZAR'm Year ended 31 March 2022						
	Revenue[1]	**COPS[2]**	**SGA[3]**	**Depreciation**	**Software amortisation**	**Lease interest[4]**	**Trading profit/ (loss)[1]**
South Africa	43 365	(22 242)	(8 421)	(1 181)	(161)	(328)	11 032
Rest of Africa[1]	18 117	(13 176)	(4 788)	(1 157)	-	(209)	(1 213)
Technology	3 210	(1 107)	(1 449)	(123)	(16)	-	515
Eliminations	(9 615)	8 695	920	-	-	-	-
Total	**55 077**	**(27 830)**	**(13 738)**	**(2 461)**	**(177)**	**(537)**	**10 334**

1 Total group revenue and trading profit and Rest of Africa revenue and trading profit presented above includes losses of ZAR76m (FY22: losses of ZAR163m) related to fair value movements on Nigeria futures contracts.

2 Refers to cost of providing services and sale of goods. Segmental COPS excludes depreciation of ZAR1 891m (FY22: ZAR1 844m) (note 6) and amortisation of ZAR98m (FY22: ZAR95m) (note 23).

3 Refers to selling, general and administration expenses. Segmental SGA includes net impairment losses on trade receivables of ZAR24m (FY22: ZAR58m) but excludes depreciation of ZAR644m (FY22: ZAR617m) (note 6), amortisation of ZAR148m (FY22: ZAR135m) (note 23) and equity-settled share-based compensation of ZAR492m (FY22: ZAR420m) (note 6).

4 Relates to interest on transponder leases only.

	2023 ZAR'm	2022 ZAR'm

3. Segmental information (continued)

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

Trading profit per segmental income statement	**9 991**	10 334
Adjusted for:		
Interest on transponder leases (note 12)	**540**	537
Amortisation of intangibles (other than software)	**(50)**	(53)
Other operating gains/(losses) - net (note 7)	**92**	(265)
Equity-settled share-based compensation	**(492)**	(420)
Fair value movements on futures contracts[1]	**76**	163
Operating profit per the income statement[2]	**10 157**	**10 296**

1 Recognised in the Rest of Africa segment.
2 The consolidated income statement discloses all reporting items from consolidated operating profit to consolidated profit before taxation.

Geographical information

The group operates in the following geographical areas:

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

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

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

	Africa				
31 March 2023	**South Africa ZAR'm**	**Rest of Africa ZAR'm**	**Europe ZAR'm**	**Other ZAR'm**	**Total ZAR'm**
External consolidated revenue	**34 984**	**22 680**	**1 063**	**414**	**59 141**
Consolidated assets[1]	**11 978**	**9 295**	**1 083**	**-**	**22 356**

	Africa				
31 March 2022	**South Africa ZAR'm**	**Rest of Africa ZAR'm**	**Europe ZAR'm**	**Other ZAR'm**	**Total ZAR'm**
External consolidated revenue	35 615	18 081	1 185	359	55 240
Consolidated assets[1]	12 453	10 539	893	-	23 885

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

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

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

PART II. INCOME STATEMENT

4. Earnings per share

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

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the profit after tax attributable to equity holders of the group, adjusted for the after tax dilutive effect. The company has dilutive potential ordinary shares which comprise restricted share units (RSU) issued in terms of the group's share scheme. In the event that potential ordinary shares are anti-dilutive these RSUs are not taken into account.

The group is required to calculate headline earnings per share in accordance with the JSE Listings Requirements, determined by reference to the South African Institute of Chartered Accountants' Circular 1/2021 'Headline Earnings'. Headline earnings per share is calculated by dividing headline earnings by the weighted average number of shares in issue during the year, excluding treasury shares.

Years ended 31 March		**2023**				**2022**			
Reconciliation of basic and diluted earnings to basic and diluted headline earnings	**Note**	**Gross**	**Taxation**	**Non-controlling interests**	**Net**	**Gross**	**Taxation**	**Non-controlling interests**	**Net**
		ZAR'm	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**
Basic and diluted (loss)/earnings attributable to equity holders of the group					**(3 478)**				1 358
Headline earnings adjustments:									
Derecognition of intangible assets	22	**-**	**-**	**-**	**-**	287	(64)	(52)	171
Impairment of programme and film rights	18	**328**	**(89)**	**(56)**	**183**	208	(58)	(35)	115
Impairment of equity-accounted investment	24	**1 998**	**-**	**-**	**1 998**	-	-	-	-
Reversal of impairment of joint ventures	24	**-**	**-**	**-**	**-**	(8)	2	1	(5)
Impairment of property, plant and equipment	17	**2**	**-**	**-**	**2**	-	-	-	-
Dilution loss on partial sale of associate	7	**13**	**(3)**	**-**	**10**	-	-	-	-
Loss/(profit) on sale of property, plant and equipment	7	**13**	**(4)**	**(2)**	**7**	(5)	(1)	2	(4)
Profit on sale of intangible assets	7	**(16)**	**4**	**3**	**(9)**	(13)	4	3	(6)
Basic and diluted headline (loss)/earnings attributable to equity holders of the group					**(1 287)**				**1 629**

	2023 ZAR'm	2022 ZAR'm

4. Earnings per share (continued)

Basic and diluted headline (loss)/earnings for the year (ZAR'm)	**(1 287)**	1 629
Basic headline (loss)/earnings per ordinary share (SA cents)	**(301)**	381
Diluted headline (loss)/earnings per ordinary share (SA cents)[1]	**(301)**	371
Net number of ordinary shares issued (million)		
- at year-end[2,3]	**428**	426
- at year end (including treasury shares)[2]	**443**	443
- weighted average for the year	**427**	427
- diluted weighted average for the year[1]	**427**	439

1 As at 31 March 2023, 14.0m RSUs have been awarded to employees and remain unvested. However, due to the group's FY23 basic and diluted headline loss for the year, the impact of these RSUs is anti dilutive and therefore these RSUs have been excluded from the diluted weighted average number of ordinary shares for FY23. As at 31 March 2022, 11.4m RSUs were awarded and unvested resulting in a dilutive impact in the prior year.
2 As at 31 March 2023, the group held 14.8m treasury shares which resulted in a decrease in the number of ordinary shares issued (FY22: 17.0m treasury shares).
3 During FY23, the group transferred 4.5m (FY22: 3.8m) (with a value of ZAR0.5bn (FY22: ZAR0.4bn) at the date of transfer) of the 10.1m treasury shares purchased by MultiChoice Group Treasury Services Proprietary Limited as part of a general share buyback in FY20 to the MultiChoice Group Restricted Share Plan Trust (a fellow group company) to fund the awards made to date under the group's RSU scheme. In FY22, an additional 2.5m shares were repurchased by MultiChoice Group Treasury Services Proprietary Limited as part of a general share buy-back to fund future RSU share awards. 2.1m (FY22: 1.2m) RSUs were exercised during the year which reduced the number of treasury shares held by the group at 31 March 2023.

5. Revenue

The group recognises revenue from the following major sources:

- **Subscription fees**
- **Decoder sales**
- **Installation revenue**
- **Advertising revenue**
- **Technology contracts and licensing**
- **Insurance premiums**
- **Other revenue**

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

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

Subscription fees

Pay-television, subscription video-on-demand, transactional video-on-demand and access fees are earned over the period the services are provided. Subscription revenue arises from the monthly advanced billing of subscribers for pay-television and online services provided by the group. Residential subscribers are required to pay subscription fees in advance, while commercial subscribers are required to pay within 30 days. Revenue is recognised in the month the service is rendered. 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.

Decoder 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 the 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.

	2023 ZAR'm	2022 ZAR'm

5. Revenue (continued)

Advertising revenue

The group primarily derives advertising revenues from advertisements broadcast on its video-entertainment platforms and shown online on its websites and instant messaging windows as well as sponsorship revenues earned on major broadcast 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 average 45-day payment terms.

Technology contracts and licensing

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

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

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

Insurance premiums

Insurance premiums relate to the insurance on decoders of the pay-television subscribers as well as life insurance policies. The revenue for the insurance premiums is recognised over time, as and when the services are rendered. Premiums are payable in advance.

Other revenue

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

Subscription fees	**48 655**	45 424
Advertising	**4 202**	3 909
Decoders	**1 899**	1 870
Installation fees	**284**	321
Technology contracts and licensing	**1 477**	1 544
Insurance premiums[1]	**717**	587
Other revenue	**1 907**	1 585
	59 141	**55 240**

1 FY22 numbers have been restated to disclose this line separately to improve disclosure. The increase relates primarily to the introduction of new insurance products into the market during FY23.

The following table shows unsatisfied performance obligations resulting from long-term technology contracts as at 31 March 2023 and 31 March 2022.

Aggregate amount of the transaction price allocated to long-term technology contracts that are partially or fully unsatisfied	**111**	151

Management expects that 57% of the transaction price allocated to the unsatisfied contracts as of 31 March 2023 will be recognised as revenue during FY24 (ZAR63m) and 23% (ZAR26m) will be recognised as revenue during FY25. The remaining 20% (ZAR22m) will be recognised as revenue in FY26 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

	2023 ZAR'm	2022 ZAR'm

5. Revenue (continued)

Management expects that 38% of the transaction price allocated to the unsatisfied contracts as of 31 March 2022 will be recognised as revenue during FY23 (ZAR58m) and 38% (ZAR58m) will be recognised as revenue during FY24. The remaining 24% (ZAR35m) will be recognised as revenue in FY25 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

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

6. Expenses by nature

Operating profit includes the following items:

(a) Cost of providing services and sale of goods (COPS)		
Content[1]	**20 896**	19 477
Decoder purchases	**6 553**	5 750
Depreciation: Owned assets (note 17)	**448**	502
Depreciation: Right-of-use asset for transponders (note 17)	**1 443**	1 342
Agency commissions	**911**	755
Subscriber transaction fees	**549**	561
Other[2]	**1 637**	1 382
	32 437	**29 769**

1 Included in content is amortisation and impairment of programme and film rights of ZAR14.9bn (FY22: ZAR14.2bn). Refer to note 18.
2 Includes various cost items such as licence fees, communication and network costs.

(b) Selling, general and administration expenses (SGA)		
Employee costs	**6 663**	6 179
Sales and marketing	**3 053**	2 635
Depreciation: Owned assets (note 17)	**450**	423
Depreciation: Right-of-use asset for buildings (note 17)	**189**	191
Depreciation: Right-of-use asset for vehicles (note 17)	**5**	3
Short-term leases	**38**	19
Auditors remuneration	**72**	59
Software licence costs	**844**	718
Maintenance costs	**1 000**	836
Consulting costs	**611**	582
Other[1]	**3 690**	3 207
	16 615	**14 852**

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

(c) Employee-related expenditure

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

Short-term employee benefits

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

Long-term employee benefits

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

	2023 ZAR'm	2022 ZAR'm

6. Expenses by nature (continued)

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.

Equity-settled share-based compensation benefits

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

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

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

Staff costs

The group had 7 100 permanent employees in FY23 (FY22: 7 204).

The total cost of employment of all employees, including subsidiary executive directors, was as follows:			
Salaries, wages and bonuses		**6 311**	6 040
Equity-settled share-based compensation	6.1/6.2	**492**	420
Retirement benefit costs		**373**	281
Medical aid fund contributions		**343**	253
Severance		**10**	19
Other costs[1]		**168**	136
Total staff costs		**7 697**	**7 149**
Included in cost of providing services and sale of goods[2,3]		**1 034**	970
Included in selling, general and administration expenses		**6 663**	6 179
		7 697	**7 149**

1 Other costs primarily includes training and recruitment costs.
2 Primarily relates to local production staff costs which gets included within content costs.
3 Staff costs included in COPS are allocated to the following line items, salaries, wages and bonuses ZAR900m (FY22: ZAR854m), retirement benefit costs ZAR94m (FY22: ZAR86m), and other costs ZAR40m (FY22: ZAR30m).

6. Expenses by nature (continued)

6.1. SARs

In previous years the group had granted share appreciation rights (SARs) in the Technology segment, which allowed certain employees to earn a long-term incentive amount calculated with reference to the increase in the underlying entity's share price between the offer date of the SARs to the date the employee exercises their right. In respect of the SARs on exercise date, following completion of the vesting period, awards were settled with employees in the equity instruments of MCG and are therefore equity-settled.

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

In FY23, following the decision to close the MultiChoice 2008 SAR scheme in FY21, management reassessed the effectiveness of the Irdeto 2012 scheme as a long-term incentive plan of the scheme as a long-term incentive plan and concluded it was no longer meeting its purpose. The scheme was therefore closed following board approval and a 75%+ vote from participants on 17 February 2023 (the effective date). Going forward, this simplifies the group's share scheme profile with future awards being made through the existing MCG RSU plan, and the Irdeto phantom share option plan explained further in 6.3.

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 USD85.10 (ZAR1,543.02) per SAR,
- the removal of any remaining vesting conditions.

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

	Irdeto 2012	
Movement in number of SARs	**Number of options**	**Average exercise price per option (USD)**
Outstanding at 31 March 2021	351 976	39
Exercised during the year[1]	(121 933)	39
Forfeited during the year	(10 846)	45
Outstanding at 31 March 2022	219 197	39
Exercised during the year[1]	(219 000)	39
Forfeited during the year	(197)	45
Outstanding at 31 March 2023	-	-

1 The weighted average share price at the date of exercise of the options exercised during the year for the Irdeto 2012 scheme was USD85.10 (FY22: USD66).

The SAR scheme was closed to new participants in previous years and as a consequence there have been no new grants related to this schemes in the current and prior year.

6. Expenses by nature (continued)

6.2. RSUs

Employees of the group participate in the MCG Restricted Stock Plan Trust (RSU) which has allocated awards as shown in the table below since FY21. Restricted share units (RSU) and performance share units (PSU) 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 November 2020	Executive committee	50% RSU 50% PSU	4 years	50% equally in year 3 and 4
Before 27 August 2020	Rest of organisation	100% RSU	5 years	25% equally from year 2 to 5
After 27 August 2020	Rest of organisation (excluding executive committee/certain senior managers)	100% RSU	4 years	50% equally in year 3 and 4
November 2020	Executive committee/certain senior managers	25% RSU 75% PSU	RSU: 4 years PSU: 3 years	RSU: 50% equally in year 3 and 4 PSU: 100% in year 3
March 2021 onwards	Executive committee/certain senior managers	100% PSU	3 years	100% in year 3

For awards before 18 June 2022, performance conditions include 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 is 0%, 50%, 75% and 100% respectively, with linear interpolation between these levels.

For awards on or after 18 June 2022, performance conditions include core headline earnings per share growth, free cash flow conversion ratio, Nigeria cash extraction, total shareholder return and environmental, social, and governance (ESG) over a 3-year period. The vesting percentages for each measure, for performance below threshold, at threshold, target, and stretch and above is 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 (the trust), which is a consolidated entity of the group. The shares are acquired on market and are held as treasury shares until such time as they vest. Forfeited shares are reallocated in subsequent grants. Under the terms of the trust deed, MultiChoice Group Limited and its subsidiaries are required to provide the trust with the necessary funding for the acquisition of the shares at the time of the grant.

The fair value of the RSUs at grant date (weighted average: FY23: ZAR100.89 (FY22: ZAR104.39)) 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**
Outstanding at 31 March 2021	10 028 143
Granted during the year	3 631 507
Exercised during the year	(1 196 446)
Forfeited during the year	(1 095 929)
Outstanding at 31 March 2022	11 367 275
Granted during the year	5 977 297
Exercised during the year	(2 101 719)
Forfeited during the year	(1 208 698)
Outstanding at 31 March 2023	**14 034 155**
Weighted average remaining contractual life (years)	3.1

6. Expenses by nature (continued)

6.2. RSUs (continued)

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 2022	MultiChoice Group RSU
Expected dividend yield (%)	4.7
Expiry date (years)	4.0
2023	
Expected dividend yield (%)	4.8
Expiry date (years)	4.0

6.3. Irdeto phantom share option scheme

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

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

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

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

The weighted average fair value of the phantom shares at grant date was USD53.72 (FY22: USD45.82). The fair value of the awards were calculated using the Bermudan binomial tree model, taking into account the following significant assumptions:

Movement in number of Irdeto options	Number of options
Outstanding at 31 March 2021	206 885
Granted during the year	146 577
Exercised during the year	(2 098)
Forfeited during the year	(33 188)
Outstanding at 31 March 2022	318 176
Granted during the year	108 147
Exercised during the year	(2 961)
Forfeited during the year	(39 685)
Outstanding at 31 March 2023	**383 677**

6. Expenses by nature (continued)

6.3. Irdeto phantom share option scheme (continued)

Weighted average	2023	2022
Fair value of RSU at measurement date (USD)	**54**	46
Risk-free interest rate[1] (%)	**4.0**	1.1
Annual suboptimal rate[2] (%)	**107.5**	100.0
Expected volatility[3] (%)	**44.0**	57.8
Weighted average remaining contractual life (years)	**3.3**	3.3
Option life (years)	**6.4**	6.3

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

6.4. MCG Phantom Performance Share scheme

On 31 March 2021, the group initiated a new long-term incentive scheme, the Phantom Performance Share (PPS) scheme. The value of this scheme is linked to the value of the portfolio of new investments. PPS units will vest over five years in two equal tranches in years four and five. The returns are measured based on the growth in portfolio valuations. The minimum vesting performance threshold is 12.5% per annum, and 100% vesting is achieved at a growth in the portfolio value of 25% per annum, with linear interpolation between these levels. The scheme will be settled with MCG shares and therefore it has been classified as an equity-settled share based payment arrangement.

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

Movement in number of PPS units	Number of units
Outstanding at 31 March 2021	319 748
Outstanding at 31 March 2022	319 748
Granted during the year	31 702
Exercised during the year[1]	(35 994)
Outstanding at 31 March 2023	**315 456**

1 During FY23, the remuneration committee approved the accelerated vesting of these shares.

Weighted average	2023	2022
Fair value of PPS Units at measurement date (ZAR)	**226.3**	*
Risk-free interest rate[1] (%)	**11.8**	*
Annual suboptimal rate[2] (%)	**100.0**	*
Expected volatility[3] (%)	**29.0**	*
Weighted average remaining contractual life (years)	**4.5**	*
Option life (years)	**10.0**	*

** No PPS grants were made during the prior 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 shares.

		2023 ZAR'm	2022 ZAR'm

7. Other gains/(losses) - net

Other operating gains/(losses) - net	**Notes**		
Derecognition of intangible assets[1]	22	**-**	(287)
(Loss)/profit on sale of property, plant and equipment		**(13)**	5
Profit on sale of intangible assets		**16**	13
Impairment of property, plant and equipment	17	**(2)**	-
Fair value adjustments[2]		**91**	4
		92	**(265)**
Other losses			
Acquisition-related costs[3]		**(159)**	-
Dilution loss[4]		**(13)**	-

1 Relates to the derecognition of information technology assets in the prior year as part of the group's periodic asset review process, and in line with its conservative accounting policies.
2 Primarily includes ZAR4m fair value gains (FY22: ZARnil) related to the group's investment in Trust Machines and ZAR80m fair value gains related to the group's derivative option liability (note 29).
3 Relates to acquisition related project costs incurred by the group primarily related to the new partnership with Comcast Corporation (note 30).
4 During FY23, the Questar Auto Technologies board introduced an IFRS 2 share-based payment scheme which resulted in shares being set aside for Questar employees. The introduction of the scheme resulted in the group's shareholding held through Irdeto, diluting from 7.6% to 6.8%.

8. Taxation

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

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

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

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

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

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

The holding company tax rate for the current financial year was 27%. The prior year tax rate was 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.

	2023 ZAR'm	2022 ZAR'm

8. Taxation (continued)

Major components of the tax expense

Current		
South Africa	**2 495**	3 003
Current year	**2 594**	3 045
Prior year	**(99)**	(42)
Foreign taxation	**1 549**	1 113
Current year	**1 545**	1 123
Prior year	**4**	(10)
	4 044	**4 116**
Deferred		
South Africa	**(225)**	74
Current year	**(447)**	27
Prior year	**222**	47
Foreign taxation - Current year	**22**	20
	(203)	**94**
Total taxation per income statement	**3 841**	**4 210**
Reconciliation of taxation		
Taxation at statutory rate of 27% (FY22: 28%)	**249**	1 986
Adjusted for:		
Non-deductible expenses[1]	**1 209**	511
Prior period under/(over) provision of taxes	**127**	(5)
Non-taxable income[2]	**(112)**	(277)
Differences not provided for	**1 113**	1 050
Unrecognised RoA losses[3] and other unprovided timing differences[4]	**1 145**	1 060
Assessed losses utilised	**(32)**	(10)
Foreign withholding taxes and other direct taxes[5]	**1 055**	704
Movement in uncertain tax positions	**167**	146
Tax adjustment for foreign taxation rates	**(96)**	22
Change in South African tax rate[6]	**-**	35
Tax attributable to equity-accounted earnings	**129**	38
Taxation per Income statement	**3 841**	**4 210**

1 Includes impairment of equity-accounted investment, expenditure, interest and penalties which are not deductible in terms of local in-country tax regulations.
2 Includes revaluation of investments, tax incentives and income items that are not taxable in terms of local in-country tax legislation.
3 Relates to unrecognised Rest of Africa losses of ZAR681m (FY22: ZAR448m) on which no deferred tax asset was raised as it was not probable that there will be sufficient future taxable profits against which the loss can be utilized, as well as unrecognised MAH BV losses of ZARnil (FY22: ZAR513m) on which no deferred tax asset was raised as there are no tax consequences for these losses based on the Dubai corporate tax regime.
4 Relates to temporary differences between actual reported losses and actual taxable losses. These include, provisions ZARnil (FY22: ZAR2m), costs ZAR135m (FY22: ZAR2m), capital allowances ZAR39m (FY22: ZAR16m) and exchange differences ZAR290m (FY22: ZAR79m).
5 Withholding taxes primarily incurred in the Rest of Africa segment. Increase primarily due to the impact of ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23.
6 FY22 includes the impact of the rate change in South Africa from 28% to 27%, which was considered to be substantively enacted from 23 February 2022. On this basis, deferred taxation for South Africa was raised at the reduced tax rate of 27% in FY22.

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

	2023 ZAR'm	2022 ZAR'm

8. Taxation (continued)

The group recognises tax liabilities for anticipated tax issues based on estimates of whether the payment of additional taxes will be probable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the group, the group seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable, possible or remote. Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability, refer to note 13.

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

9. Deferred taxation

Reconciliation of deferred tax asset

At beginning of year	**1 192**	1 267
Credited/ (Debited) to income statement	**203**	(94)
(Charged)/ Credited to other comprehensive income and directly through equity	**(493)**	35
Foreign exchange effects	**12**	(16)
	914	**1 192**

Deferred tax is attributable to the following temporary differences

Assets		
Provisions and other current liabilities	**382**	431
Lease liabilities	**2 335**	2 173
Income received in advance	**225**	199
Receivables and other current assets	**117**	114
Hedging reserve	**-**	355
Other[1]	**369**	322
	3 428	**3 594**
Liabilities		
Property, plant and equipment	**(39)**	(33)
Intangible assets	**(46)**	(50)
Receivables and other current assets	**(62)**	(84)
Right-of-use assets	**(1 316)**	(1 503)
Programme and film rights	**(381)**	(408)
Hedging reserve	**(241)**	-
Other[2]	**(429)**	(324)
	(2 514)	**(2 402)**

1 Other includes programme and film rights, tax losses carried forward, capital losses and unrealised foreign exchange gains.
2 Other includes derivative liabilities and share-based compensation.

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.

	2023 ZAR'm	2022 ZAR'm

9. Deferred taxation (continued)

The group has tax losses carried forward of approximately ZAR22.9bn (FY22: ZAR19.1bn). A summary of the tax losses carried forward at 31 March by tax jurisdiction and the expected expiry dates are set out below:

2023	**Rest of Africa**	**Latin America and USA[1]**	**Total[2]**
	ZAR'm	**ZAR'm**	**ZAR'm**
Expires in year one	**2**	**37**	**39**
Expires in year two	**516**	**145**	**661**
Expires in year three	**989**	**320**	**1 309**
Expires in year four	**859**	**551**	**1 410**
Expires in year five	**331**	**995**	**1 326**
Expires after year five	**13 300**	**4 838**	**18 138**
	15 997	**6 886**	**22 883**

Restated 2022[3]	**Rest of Africa**	**Latin America and USA[1,3]**	**Total**
	ZAR'm	**ZAR'm**	**ZAR'm**
Expires in year one	53	-	53
Expires in year two	267	43	310
Expires in year three	1 152	119	1 271
Expires in year four	1 707	262	1 969
Expires in year five	442	453	895
Expires after year five	9 770	4 794	14 564
	13 391	**5 671**	**19 062**

1 Technology segment tax jurisdictions.
2 The increase in total tax losses carried forward is primarily due to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23.
3 The FY22 amounts disclosed for Latin America and USA have been restated as the total of ZAR5,671m was previously incorrectly disclosed in totality in the 'Expires after year five' line. The restatement has resulted in the ZAR5,671m being disaggregated across the different expiration periods to which it relates. These restated amounts did not impact any of the primary statements nor did it impact any other financial information previously presented.

Unrecognised temporary differences

Deductible/(taxable) temporary differences relating to the groups investment in KingMakers (note 24) for which no deferred tax asset/liability has been recognised	**2 438**	(20)
Unrecognised deferred tax asset/(liability) relating to the above temporary difference	**658**	(5)

A temporary difference of ZAR2.4bn (FY22: ZAR20m) has arisen as a result of the group recognising an impairment loss on its KingMakers investment as well as through the recognition of its share of KingMakers losses since acquisition. However, a deferred tax asset (FY22: deferred tax liability) has not been recognised as it is not probable that the temporary difference will reverse in the foreseeable future.

		2023 ZAR'm	2022 ZAR'm

PART III. CASH FLOWS AND LIABILITY MANAGEMENT

10. Cash generated from operations

	Note		
Operating profit		**10 157**	**10 296**
Adjustments:			
Non-cash and other		**17 844**	17 593
Depreciation and amortisation	17/22	**2 781**	2 691
Share-based compensation expenses	6	**492**	420
Net realisable value adjustments on inventory	19	**413**	598
Reversal of net realisable value adjustments on inventory[1]	19	**(524)**	(425)
Net impairment loss on trade receivables	20	**24**	58
Hedge accounting revaluations		**(201)**	(382)
Amortisation and impairment of programme and film rights	18	**14 946**	14 168
Movement in legal and tax provisions	15	**(109)**	(28)
Derecognition of intangible assets	22	**-**	287
Other[2]		**22**	206
Working capital		**(18 020)**	**(15 166)**
Cash movement in trade and other receivables[3]		**(1 634)**	(1 115)
Cash movement in accrued expenses and other current liabilities		**(1 031)**	1 100
Cash movement in programme and film rights		**(15 509)**	(14 823)
Cash movement in inventory		**154**	(328)
Cash generated from operating activities		**9 981**	**12 723**

1 Primarily relates to an increase in decoder sales during the current year and an increase in decoder prices in the prior year.
2 FY22 primarily relates to taxation and general accruals raised in the Rest of Africa segment.
3 Includes tax security deposits paid related to the Nigeria tax audit of ZAR0.6bn (FY22: ZAR0.6bn).

11. Liabilities funding operations

The group's long-term sources of financing primarily consist of term loans to finance the group's working capital requirements including lease liabilities for transponder capacity and amounts due for programme and film rights.

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

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

Leases

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

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

To determine the incremental borrowing rate, the group:

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

11. Liabilities funding operations (continued)

At inception, the rate used for transponder leases is determined using a 3 month US LIBOR plus a premium of 1.75% for the incremental borrowing rate. The incremental borrowing rate is unchanged for the duration of lease. The interest rate applicable to the interest that accrues is not indexed to the 3 month US LIBOR and as such the group expects no impact from the cessation of the 3 month US LIBOR on 30 June 2023.

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

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

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

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

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

Derivative instruments and hedge accounting

Hedging strategy

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

Hedging of foreign currency costs

In the South Africa segment, where entities have ZAR as their functional currency, 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.

Hedging of local currency remittances

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

Hedging of operating costs in the Technology segment

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

Hedge accounting

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

11. Liabilities funding operations (continued)

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

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

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

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

Changes in the fair value of derivatives that are designated, and qualify, as fair value hedges are recorded in the consolidated income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. These are presented in 'interest (expense)/income' (note 12).

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 occurs 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 is 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 is 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 occurs 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).

Contingent consideration

In FY21, the group acquired a 20% shareholding in KingMakers (note 24). The transaction was structured to include an upfront investment with the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation paid was supported by future equity transactions. The contingent consideration was initially and subsequently measured at fair value. In FY22, the group increased its investment in KingMakers which triggered the full USD31m payment, which was made in November 2021.

	2023 ZAR'm	2022 ZAR'm

11. Liabilities funding operations (continued)

(a) Interest-bearing: Lease liabilities	**10 747**	**10 656**
Total liabilities	**13 102**	12 478
Less: Current portion	**(2 355)**	(1 822)
(b) Interest-bearing: Loans and other liabilities (A)	**8 002**	**2 677**
Total liabilities	**8 377**	3 977
Less: Current portion	**(375)**	(1 300)
(c) Non-interest-bearing: Programme and film rights	**-**	**-**
Total liabilities	**5 060**	3 505
Less: Current portion	**(5 060)**	(3 505)
(d) Non-interest-bearing: Loans and other liabilities (B)	**44**	**44**
Total liabilities	**44**	44
Total non-current liabilities	**18 793**	13 377
Total non-current loans and other liabilities (A)+(B)	**8 046**	2 721

The impact of these liabilities on the group's liquidity is disclosed in note 16.

Reconciliation of liabilities arising from financing activities	**Lease liabilities**	**Interest bearing liabilities**	**Non-Interest bearing liabilities**
	2023 ZAR'm	**2023 ZAR'm**	**2023 ZAR'm**
Balance at 1 April 2022	**12 478**	**3 977**	**44**
Additional liabilities recognised[1,2]	**135**	**12 906**	**-**
Repayments[1,2,3,4,5]	**(2 555)**	**(9 015)**	**(6)**
Interest accrued	**577**	**509**	**-**
Foreign exchange translation[6]	**2 467**	**-**	**6**
Balance at 31 March 2023	**13 102**	**8 377**	**44**
Less: Current portion	**(2 355)**	**(375)**	**-**
Non-current liabilities	**10 747**	**8 002**	**44**

1 During FY23, the group utilised short-term banking facilities of ZAR4.9bn. These facilities attracted interest at market-related interest rates between 6.4% and 8.3%. The facilities were utilised for working capital purposes. As at 31 March 2023, all these facilities had been settled.
2 During February 2023, a ZAR12.0bn term loan was concluded to fund the group's working capital requirements. As at 31 March 2023, ZAR8.0bn of this loan had been drawn down. The loan has a five-year term and bears interest at three-month JIBAR +1.44%. The capital portion of each drawdown will be settled via one payment five years from each drawdown date.
3 A ZAR4bn term loan was concluded in FY22 to fund the group's additional investment in KingMakers. The loan had a five-year term and accrued interest at three-month JIBAR +1.35%. As at 31 March 2023, this loan had been settled through an early repayment of ZAR2.3bn and four fixed term repayments totaling ZAR800m during FY23. ZAR900m of this loan was paid during FY22.
4 An amortising working capital loan of ZAR1.5bn was concluded in FY21. The loan had a three-year term and accrued interest at three-month JIBAR + 1.70%. As at 31 March 2023, ZAR1.125m of this loan had been settled with ZAR500m paid during FY23 and ZAR500m paid during FY22.
5 Capital repayments of ZAR1 978m are included in repayment of lease liabilities within financing activities and ZAR577m is included as part of interest costs paid within operating activities in the cash flow statement. Capital repayments of ZAR8 506m are included in repayment of long and short term loans within financing activities and ZAR509m is included as part of interest costs paid within operating activities in the cash flow statement.
6 This item is non-cash in nature.

11. Liabilities funding operations (continued)

Reconciliation of liabilities arising from financing activities	Lease liabilities	Interest bearing liabilities	Non-Interest bearing liabilities
	2022 ZAR'm	2022 ZAR'm	2022 ZAR'm
Balance at 1 April 2021	14 410	1 387	509
Additional liabilities recognised[1,2]	135	5 450	3
Repayments[1,2,3,4,5]	(2 590)	(3 004)	(473)
Interest accrued	583	144	-
Foreign exchange translation[6]	(60)	-	5
Balance at 31 March 2022	12 478	3 977	44
Less: Current portion	(1 822)	(1 300)	-
Non-current liabilities	10 656	2 677	44

1 A ZAR4bn term loan was concluded in November 2021 to fund the group's additional investment in KingMakers. The loan had a five-year term and accrued interest at three-month JIBAR + 1.35%. As at 31 March 2022, ZAR900m of this loan had been repaid.
2 During FY22, the group utilised short term banking facilities of ZAR1.450bn. The facilities attracted interest at a market-related interest rate. The facilities were utilised for working capital in the group. As at 31 March 2022, all these facilities had been fully repaid.
3 An amortising working capital loan of ZAR1.5bn was concluded in FY21. The loan had a three-year term and accrued interest at three-month JIBAR + 1.70%. As at 31 March 2022, ZAR625m of this loan had been repaid with ZAR500m paid during FY22.
4 Capital repayments of ZAR2 007m are included in repayment of lease liabilities within financing activities and ZAR583m is included as part of interest costs paid within operating activities in the cash flow statement. Capital repayments of ZAR2 866m are included in repayment of long and short term loans within financing activities and ZAR144m is included as part of interest costs paid within operating activities in the cash flow statement.
5 Repayments of non-interest bearing liabilities includes ZAR467m related to the payment of contingent consideration as a result of the group's increased investment in KingMakers (note 24).
6 This item is non-cash in nature.

a) Interest-bearing: Lease liabilities

Asset leased	Related platform[1]	Years of final repayment (calendar year)	Weighted average year-end interest rate	2023 ZAR'm	2022 ZAR'm
Transponder 1-21[2]	SA DTH	2027-2031	3.50-4.98%	**8 513**	7 907
E36 B&C transponder[2]	RoA DTH	2025-2031	3.93-6.00%	**3 820**	3 785
IS 904 Intelsat Transponder 1-10, 13[2]	RoA DTT	2024	3.59-5.11%	**155**	196
Land and buildings		2023-2037	2.85-30.00%	**593**	572
Other assets		2023-2029	1.50-10.80%	**21**	18
Total lease liabilities				**13 102**	**12 478**

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

The maturity analysis of the lease liabilities is as follows:

Within one year	**2 751**	2 231
Two to five years	**8 094**	7 602
More than five years	**4 042**	4 646
Less finance charges	**(1 785)**	(2 001)
Carrying amount of lease liabilities	**13 102**	**12 478**

11. Liabilities funding operations (continued)

(b) Interest-bearing: Loans and other liabilities

Unsecured	Loan utilised for	Currency of year-end balance	Years of final repayment (calendar year)	Weighted average year-end interest rate	2023 ZAR'm	2022 ZAR'm
Austrian government	Research and development	EUR	2024	0.75%	**2**	2
Term loan	Working capital	ZAR	2023	3 month JIBAR +1.7%	**375**	875
Term loan[1]	Working capital	ZAR	2028	3 month JIBAR +1.44%	**8 000**	-
Term loan[2]	KingMakers acquisition	ZAR	2026	3 month JIBAR +1.35%	**-**	3 100
Total					**8 377**	**3 977**

1 During March 2023, a ZAR12.0bn term loan was concluded to fund the group's working capital requirements. As at 31 March 2023, ZAR8.0bn of this loan had been drawn down.
2 During FY23, the group made an early repayment of ZAR2.3bn (FY22: ZAR500m).

The Financial Stability Board initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments.

ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group.

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

Unsecured	Currency of year-end balance	Years of final repayment (calendar year)[1]	2023 ZAR'm	2022 ZAR'm
Various trade suppliers	ZAR	2024	**3 057**	-
Various trade suppliers	USD	2023-2024	**1 979**	-
Various trade suppliers	ZAR	2024-2028	**7**	-
Various trade suppliers	EUR	2024	**15**	-
Various trade suppliers	GBP	2023	**2**	-
Various trade suppliers	ZAR	2023	**-**	2 320
Various trade suppliers	USD	2023	**-**	1 138
Various international production studios	USD	2023	**-**	22
Various trade suppliers	ZAR	2023-2027	**-**	12
Various trade suppliers	EUR	2023	**-**	11
Various trade suppliers	GBP	2023	**-**	2
Total programme and film rights			**5 060**	**3 505**

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 18), all liabilities are current in nature.

	2023 ZAR'm	2022 ZAR'm

11. Liabilities funding operations (continued)

(d) Management of foreign currency exposure on cash obligations

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

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

Market Risk

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

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

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

Non-current assets		
Forward exchange contracts	**6**	-
Interest rate swap	**-**	12
Current assets	**1 479**	136
Forward exchange contracts	**1 402**	13
Interest rate swap	**7**	-
Futures contracts	**28**	97
Currency depreciation features[1]	**42**	26
Non-current liabilities		
Forward exchange contracts	**-**	(138)
Derivative option (note 29)	**(142)**	(182)
Current liabilities		
Forward exchange contracts	**(41)**	(971)
Net derivative liabilities	**1 302**	**(1 143)**

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

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

Net gain/(loss) on forward exchange contracts	**694**	(223)

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.

	2023 ZAR'm	2022 ZAR'm

11. Liabilities funding operations (continued)

Opening balance	**(457)**	(89)
Net fair value gains/(losses) recognised in other comprehensive income	**2 259**	(570)
Derecognised and added to asset	**(95)**	523
Derecognised and reported in revenue	**(37)**	130
Derecognised and reported in cost of providing services and sale of goods	**(190)**	(537)
Derecognised and reported in finance cost	**(30)**	40
Tax effects	**(493)**	35
Non-controlling interests	**(359)**	11
Closing balance	**598**	**(457)**

Exposure to foreign currency on uncovered commitments

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

Uncovered commitments:	**2023 Currency amount of commitments 'm**	**2023 ZAR'm**	**2022 Currency amount of commitments 'm**	**2022 ZAR'm**
US dollar[1]	**1 236**	**21 700**	400	5 916
South African Rands	**74**	**74**	13	13
Euro[2]	**19**	**324**	28	420
Other currencies[3]	**28 333**	**1 164**	22 978	798
		23 262		**7 147**

1 The increase in uncovered USD commitments relates primarily to the execution of fewer forward exchange contracts in the current year and the renewal of major sports rights. These deals are for extended periods in comparison to previous years and fall outside the 36 month hedging window as allowed by the group treasury policy.
2 The decrease in uncovered Euro commitments relates primarily to the unwinding of previous commitments that were not replaced by new commitments due to ongoing negotiations.
3 Primarily includes Nigerian naira, Ugandan shilling, Kenyan shilling, Malawian kwacha, Mozambican metical, Angolan kwanza, Tanzanian shilling, British pound and Australian dollar. The increase in local currency uncovered commitments primarily relates to new content deals in Angola and the renegotiation of a satellite support contract in the technology segment. These deals are not hedged by the group.

Effects of hedge accounting on financial position and performance

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

Forward exchange contracts	**2023**		**2022**	
	Cash flow hedges	**Fair value hedges**	**Cash flow hedges**	**Fair value hedges**
Carrying amount per currency pair - asset/(liability) (ZAR'm)				
- USD/ZAR	**1 118**	**188**	(681)	(260)
- EUR/ZAR	**23**	**-**	(104)	-
- USD/NGN	**-**	**-**	-	(30)
- Other[1]	**48**	**(11)**	(42)	(10)
	1 189	**177**	**(827)**	**(300)**
Notional amount per currency pair - buy/(sell)				
- USD/ZAR - (USD'm)	**491**	**85**	990	260
- EUR/ZAR - (EUR'm)	**27**	**-**	52	-
- USD/NGN - (NGN'bn)	**-**	**-**	-	(68)
- Other	**1**	**1**	1	1

11. Liabilities funding operations (continued)

Forward exchange contracts (continued)	**2023**		**2022**	
	Cash flow hedges	**Fair value hedges**	**Cash flow hedges**	**Fair value hedges**
Maturity date range	**April 2023 - April 2024**	**April 2023 - December 2024**	April 2022 - April 2024	April 2022 - December 2023
Hedge ratio per currency pair				
- USD/ZAR	**100 %**	**100 %**	100 %	100 %
- EUR/ZAR	**100 %**	**100 %**	100 %	100 %
- USD/NGN	**100 %**	**100 %**	100 %	100 %
- Other	**1**	**1**	1	1
Change in value of hedged item used to determine hedge effectiveness per currency pair - gain/(loss) (ZAR'm)				
- USD/ZAR	**4 816**	**422**	(1 162)	(254)
- EUR/ZAR	**(24)**	**(8)**	(148)	(4)
- USD/NGN	**-**	**-**	-	(134)
- Other	**109**	**1**	(90)	(3)
	4 901	**415**	**(1 400)**	**(395)**
Weighted average hedged rate per currency pair for the year				
- USD/ZAR	**15.69**	**15.71**	15.89	16.08
- EUR/ZAR	**18.79**	**-**	18.87	-
- USD/NGN	**-**	**-**	-	438.83
- Other	**1**	**1**	1	1

1 Other relates to multiple immaterial hedging currency pairs.

Sensitivity analysis

Foreign exchange risk

Some entities in the group have a functional currency other than the US dollar. These entities hold significant US dollar liabilities, (e.g. Transponder leases (Note 11(a)), resulting in foreign exchange profit and loss exposures (note 12). In addition, a significant portion of the group's programme and film rights purchases are in US dollar whereas the corresponding revenues are in local currencies, which exposes the group to cash flow foreign exchange risk. As explained in note 11(d) 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 as well as a 10% weakening in the Nigerian naira against the US dollar 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 profit after tax decreasing by ZAR355.7m (Restated FY22[1]: increase ZAR578.2m). Changes in other equity would increase by ZAR0.7bn (Restated FY22[1]: increase ZAR0.8bn). A 10% strengthening of the Rand against the US dollar, Euro and British pound would result in the inverse result from the sensitivity provided above.

1 The FY22 amounts of ZAR547.6m (profit after tax increase) and ZAR0.3bn (equity increase) have been restated as these amounts were previously incorrectly calculated. These restated amounts did not impact any of the primary statements nor did it impact any other financial information previously presented.

A 10% weakening of the Nigerian naira official exchange rate and parallel exchange rate against the US dollar would result in profit after tax decreasing by ZAR2.0bn (FY22: decrease ZAR1.6bn). Changes in other equity would decrease by ZAR1.2bn (FY22: decrease ZAR0.9bn). A 10% strengthening of the naira against the US dollar would result in the inverse result from the sensitivity provided above.

Interest rate risk

The majority of the group's borrowings relate to transponder leases that have fixed interest rates (note 11(a)) and term loans that have variable interest rates (note 11(b)).

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

	2023 ZAR'm	2022 ZAR'm

11. Liabilities funding operations (continued)

- South African Repo/JIBAR rate increases by 100 basis points (FY22: increases by 100 basis points)

- US/GBP LIBOR and EURIBOR rates increases by 100 basis points each (FY22: increases by 100 basis points each)

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's profit after tax would decrease by ZAR21.0m (FY22: increase ZAR15.8m).

Other equity would be unaffected by the above changes in interest rates (FY22: ZARnil).

Group policy is to maintain a minimum fixed/floating interest rate target ratio of 50% on all external long-term borrowings. In FY21, the group entered into long-term borrowings at floating rates (JIBAR plus 1.7%) and swapped it into a fixed rate (5.75%) which is lower than the rate available if the group borrowed at fixed rates directly. The new ZAR8.0bn working capital term loan and KingMakers transaction term loan concluded in FY23 and FY22 respectively were not swapped into a fixed rate, as it would have been uneconomical for the group and this decision was approved by the risk committee. The group's borrowings at a variable rate were denominated in ZAR.

12. Interest (expense)/income

Interest expense		
Loans and overdrafts[1]	**(511)**	(160)
Leases[2]	**(577)**	(583)
Other[3]	**(370)**	(467)
	(1 458)	**(1 210)**

1 Increase relates primarily to interest rates relating to short term banking facilities of ZAR202m (FY22: ZAR2m), working capital term loans of ZAR110m (FY22: ZAR64m) and KingMakers term loan of ZAR197m (FY22: ZAR80m).
2 Relates primarily to transponder leases of ZAR540m (FY22: ZAR537m).
3 Relates primarily to interest accrued to revenue authorities in the Rest of Africa of ZAR149m (FY22: ZAR274m) and the discounting of liabilities in relation to programme and film rights of ZAR203m (FY22: ZAR144m).

Interest income		
Loans and bank accounts	**256**	192
Other	**193**	68
	449	**260**

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

Net loss from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of assets and liabilities[1]	**(2 267)**	(848)
Cash extraction losses[2]	**(2 353)**	(1 139)
On translation of transponder leases[1]	**(1 654)**	92
Gains on translation of forward exchange contracts[3]	**2 097**	1 762
Losses on translation of forward exchange contracts[3]	**(1 403)**	(1 985)
Net foreign exchange translation losses	**(5 580)**	**(2 118)**

1 Movement primarily relates to ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23.
2 Includes losses within the Rest of Africa segment, due to differences between the Nigerian I&E rate used by the group for translation of results and the Nigerian parallel rate at which cash has been extracted. The group achieved an average extraction rate of NGN684:USD (FY22: NGN553:USD) during FY23.
3 The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23, a lower overall notional value of hedging contracts and an improvement in the achieved average hedge rate.

13. 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 internally generated funds and existing facilities.

	2023 ZAR'm	2022 ZAR'm

13. Commitments and contingencies (continued)

Commitments

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2023 amount to ZAR166.3m (FY22: ZAR276.8m). The group's capital expenditure commitments decreased primarily due to the completion and delivery of a new SuperSport outside broadcast vehicle in FY23.

(b) Programme and film rights

At 31 March 2023 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 ZAR42.7bn (FY22: ZAR36.6bn). The group's programme and film rights commitments increased due to multi-year renewals of major sports rights in the current year.

(c) Decoders

At 31 March 2023 the group had entered into contracts for the purchase of decoders. The group's commitments in respect of these contracts amount to ZAR1.5bn (FY22: ZAR3.1bn). The decrease was primarily due to the delivery of decoders during FY23 to support sales volumes during the 2022 FIFA World Cup.

(d) Guarantees

The group has guarantees of ZAR55.0m (FY22: ZAR47.4m) primarily in respect of obligations for service contracts.

(e) Assets pledged as security

The group pledged property, plant and equipment with a net carrying value of ZAR8.0bn (FY22: ZAR8.8bn) as security against certain assets acquired in terms of leases. Refer to note 17 for further details.

(f) Other commitments

At 31 March 2023 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 ZAR3.5bn (FY22: ZAR4.0bn).

(g) Lease commitments

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

Minimum lease payments due		
Payable in year one	**11**	6
Payable later than one year but not later than five	**4**	2
	15	**8**

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

Contingencies

Taxation matters

The group operates a number of businesses in jurisdictions where taxes may be payable on certain transactions or payments. Given the significant judgements involved, the group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group's current assessment of possible but unlikely withholding and other tax exposures, including interest and potential penalties, amounts to approximately ZAR0.4bn (FY22: ZAR0.4bn). There has been no further developments relating to these tax matters during FY23 and no provision has been made as at 31 March 2023 for these possible exposures.

	2023 ZAR'm	2022 ZAR'm

14. Accrued expenses and other current liabilities

Trade payables	**1 952**	1 971
Deferred income[1]	**3 546**	3 328
Accrued expenses[2]	**2 348**	2 027
Taxes and other statutory liabilities	**1 624**	1 480
Employee benefits	**1 162**	1 223
Bonus accrual	**873**	912
Accrual for leave	**279**	292
Severance	**10**	19
Other current liabilities	**184**	243
	10 816	**10 272**

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 Increase relates primarily to accruals raised during FY23 in relation to the preparation of the new Showmax platform expected to launch in the second half of FY24 (note 30).

15. Provisions

Warranties	**47**	61
Legal and tax provisions	**159**	288
Lease decommissioning provisions	**19**	15
	225	**364**

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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

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

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

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

Legal and tax provisions:		
Balance at 1 April	**288**	435
Additional provisions charged to the income statement	**43**	75
Provisions reversed to the income statement	**(152)**	(102)
Provisions charged to other accounts	**-**	(2)
Provisions utilised	**(20)**	(117)
Foreign currency translation effects	**-**	(1)
Balance at 31 March	**159**	**288**
Lease decommissioning provisions:		
Balance at 1 April	**15**	17
Provisions utilised	**-**	(1)
Foreign currency translation effects	**4**	(1)
Balance at 31 March	**19**	**15**

	2023 ZAR'm	2022 ZAR'm

16. 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. The groups borrowing capacity is governed by the group treasury policy and limitations from bank covenants on existing facilities.

Committed/on call	**5 000**	2 500
Uncommitted	**-**	2 500
Undrawn term loan[1]	**4 000**	-
	9 000	**5 000**

1 During February 2023, a ZAR12.0bn term loan was concluded to fund the group's working capital requirements. As at 31 March 2023, ZAR8.0bn of this loan had been drawn down (note 11).

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 2023	**Carrying value**	**Contractual cash flows**	**0-12 months**	**1-5 years**	**5 years+**
Non-derivative financial liabilities					
Interest-bearing: Lease liabilities	**13 102**	**14 887**	**2 751**	**8 094**	**4 042**
Interest-bearing: Loans and other liabilities	**8 377**	**12 149**	**1 140**	**11 009**	**-**
Non-interest-bearing: Programme and film rights	**5 060**	**5 332**	**5 325**	**7**	**-**
Non-interest-bearing: Loans and other liabilities	**44**	**44**	**-**	**31**	**13**
Trade payables	**1 952**	**1 952**	**1 952**	**-**	**-**
Accrued expenses and other current liabilities	**2 341**	**2 341**	**2 341**	**-**	**-**
Derivative financial (liabilities)/assets					
Forward exchange contracts - inflow	**1 408**	**1 484**	**1 477**	**7**	**-**
Forward exchange contracts - outflow	**(41)**	**(42)**	**(42)**	**-**	**-**
Futures contracts	**28**	**28**	**28**	**-**	**-**
Currency devaluation features	**42**	**42**	**42**	**-**	**-**
Interest rate swap	**7**	**7**	**7**	**-**	**-**
Derivative option (note 29)	**(142)**	**(142)**	**-**	**-**	**(142)**
	32 178	**38 082**	**15 021**	**19 148**	**3 913**

31 March 2022	**Carrying value**	**Contractual cash flows**	**0-12 months**	**1-5 years**	**5 years+**
Non-derivative financial liabilities					
Interest-bearing: Lease liabilities	12 478	14 479	2 231	7 602	4 646
Interest-bearing: Loans and other liabilities	3 977	4 362	1 490	2 872	-
Non-interest-bearing: Programme and film rights	3 505	4 281	4 267	14	-
Non-interest-bearing: Loans and other liabilities	44	44	1	27	16
Trade payables	1 971	1 971	1 971	-	-
Accrued expenses and other current liabilities	2 038	2 038	2 038	-	-
Derivative financial (liabilities)/assets					
Forward exchange contracts - inflow	13	306	276	30	-
Forward exchange contracts - outflow	(1 109)	(1 324)	(1 146)	(176)	(2)
Futures contracts	97	97	97	-	-
Currency devaluation features	26	26	26	-	-
Interest rate swap	12	12	8	4	-
Derivative option (note 29)	(182)	(182)	-	-	(182)
	22 870	**26 110**	**11 259**	**10 373**	**4 478**

PART IV. ASSETS TO SUPPORT OUR OPERATIONS

17. Property, plant and equipment

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

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

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

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

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

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

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

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

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

The group recognised impairment losses of ZAR2m (FY22: ZARnil) on property, plant and equipment. The recoverable amounts of these assets amounted to ZARnil (FY22: ZARnil).

The group has pledged property, plant and equipment with a carrying value of ZAR8.0bn (FY22: ZAR8.8bn) 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.

17. 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 2022						
Cost	**2 561**	**1 298**	**6 610**	**18 671**	**2 467**	**31 607**
Accumulated depreciation and impairment	**(752)**	**(749)**	**(5 680)**	**(9 919)**	**(1 649)**	**(18 749)**
Carrying value at 1 April 2022	**1 809**	**549**	**930**	**8 752**	**818**	**12 858**
Foreign currency translation effects	**36**	**56**	**103**	**693**	**35**	**923**
Transfer from work-in-progress	**42**	**-**	**64**	**-**	**10**	**116**
Acquisitions[2]	**47**	**141**	**141**	**-**	**294**	**623**
Disposals/scrappings[3]	**(15)**	**-**	**(14)**	**-**	**(9)**	**(38)**
Impairment	**-**	**-**	**-**	**-**	**(2)**	**(2)**
Depreciation	**(107)**	**(189)**	**(471)**	**(1 443)**	**(325)**	**(2 535)**
31 March 2023						
Cost	**2 630**	**1 558**	**6 922**	**20 547**	**2 737**	**34 394**
Accumulated depreciation and impairment	**(818)**	**(1 001)**	**(6 169)**	**(12 545)**	**(1 916)**	**(22 449)**
Carrying value excluding work-in-progress	**1 812**	**557**	**753**	**8 002**	**821**	**11 945**
Work-in-progress[4]						**184**
Total carrying value at 31 March 2023						**12 129**

1 Includes leased vehicles, furniture, computers & office equipment with a carrying values of ZAR15.1m as at 31 March 2023.
2 Includes non-cash acquisitions of ZAR67m.
3 Includes non-cash scrappings of ZAR28m.
4 Movements in work-in-progress during FY23 relate to transfers out of work-in-progress amounting to ZAR116m, disposals[3] of ZAR17m, foreign exchange translation effects of ZAR38m and acquisitions of ZAR154m.

17. 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	2 570	1 281	6 770	18 756	2 668	32 045
Accumulated depreciation and impairment	(680)	(635)	(5 517)	(8 645)	(1 913)	(17 390)
Carrying value at 1 April 2021	1 890	646	1 253	10 111	755	14 655
Foreign currency translation effects	(27)	(7)	(16)	(32)	(5)	(87)
Transfer from work-in-progress	73	-	69	-	36	178
Acquisitions	26	101	141	15	349	632
Disposals/scrappings[2]	(51)	-	-	-	(8)	(59)
Depreciation	(102)	(191)	(517)	(1 342)	(309)	(2 461)
31 March 2022						
Cost	2 561	1 298	6 610	18 671	2 467	31 607
Accumulated depreciation and impairment	(752)	(749)	(5 680)	(9 919)	(1 649)	(18 749)
	1 809	549	930	8 752	818	12 858
Work-in-progress[3]						202
Total carrying value at 31 March 2022						**13 060**

1 Includes leased vehicles, furniture, computers & office equipment with a carrying values of ZAR10.9m as at 31 March 2022.
2 Includes non-cash scrappings of ZAR80m.
3 Movements in work-in-progress during FY22 relate to transfers out of work-in-progress amounting to ZAR178m, disposals[2] of ZAR31m, foreign exchange translation effects of ZAR8m and acquisitions of ZAR110m.

18. Programme and film rights

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

The operating cycle for content is 18-24 months 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 (refer note 13), unless a prepayment has been made.

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

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

	2023 ZAR'm	2022 ZAR'm

18. Programme and film rights (continued)

Cost price	**13 855**	12 837
Accumulated amortisation and impairment	**(10 568)**	(10 213)
Carrying value of programme and film rights assets	**3 287**	2 624
Prepayments for programme and film rights[1]	**2 959**	2 632
Total programme and film rights	**6 246**	**5 256**

1 Includes work-in-progress amounts related to co-productions amounting to ZAR243m (FY22: ZAR89m).

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

Cost	**12 837**	11 153
Accumulated amortisation and impairment	**(10 213)**	(8 448)
Opening carrying value at 1 April	**2 624**	2 705
Acquisitions	**15 609**	14 087
Amortisation and impairment[1]	**(14 946)**	(14 168)
Closing carrying value at 31 March	**3 287**	2 624
Cost	**13 855**	12 837
Accumulated amortisation and impairment	**(10 568)**	(10 213)

1 Includes impairment of ZAR328m (FY22: ZAR208m) within the South Africa segment 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 COPS within the consolidated income statement.

19. Inventory

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

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

Net realisable value write-downs relate primarily to decoder subsidies. The group sells decoders below cost as part of its marketing strategy to acquire subscribers. However, decoders 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 its costing of inventories (decoders and associated components) and is satisfied that the appropriate considerations have been taken into account in measuring inventories.

Decoders and associated components	**1 425**	1 422
Allowance for slow-moving and obsolete inventories	**(535)**	(611)
	890	**811**

The total allowance charged to the consolidated income statement to write inventory down to net realisable value amounted to ZAR413m (FY22: ZAR598m). The total reversal of allowances credited to the consolidated income statement amounted to ZAR524m (FY22: ZAR425m).

20. Trade and other receivables

Trade and other receivables consist primarily of invoiced amounts from normal trading activities. The group has a relatively homogenous customer base, which is primarily residential in nature and is dispersed across many geographical areas. Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method, less expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The group always recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience over a minimum period of 12 months, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast of conditions at the reporting date, including time value of money where appropriate. The group has identified inflation, GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Once a debt is considered irrecoverable it is written off as a bad debt.

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

Expected credit losses

Trade receivables from commercial subscriptions and hardware

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

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

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

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

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

Trade receivables from technology customers

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

Other receivables relating to sundry services and sales

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

	2023 ZAR'm	2022 ZAR'm

20. Trade and other receivables (continued)

Related party receivables

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

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

Upon assessment the expected credit loss was determined as immaterial.

As at 31 March 2023, the directors were unaware of any significant unprovided and/or uninsured concentrations of credit risk.

Trade receivables	**2 840**	2 280
Expected credit losses	**(712)**	(729)
Net trade receivables	**2 128**	1 551
Other receivables	**4 736**	**3 145**
Prepayments[1]	**1 461**	1 236
Staff debtors	**23**	21
Nigeria tax security deposits[2]	**1 267**	566
VAT and related taxes receivable	**536**	429
Sundry deposits	**18**	11
Other receivables[3]	**1 431**	882
Total trade and other receivables	**6 864**	**4 696**

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

Opening balance at 1 April	**(729)**	(747)
Additional allowances charged to the income statement	**(169)**	(109)
Allowances reversed through the income statement	**145**	51
Allowances utilised	**84**	68
Foreign currency translation effects	**(43)**	8
	(712)	**(729)**

1 Primarily relates to prepayments for software licenses, transponder leases and inventory.
2 Relates primarily to the tax security deposits paid in FY23 and FY22 relating to the Nigeria tax audit.
3 Primarily includes transmission debtors, accrued income (FY23: ZAR118m, FY22: ZAR73m) and clearing receipts (FY23: ZAR362m, FY22: ZAR403m).

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

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

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

	2023 ZAR'm	2022 ZAR'm

20. Trade and other receivables (continued)

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

	2023 Carrying value ZAR'm	2023 Impairment ZAR'm	2023 Loss rate (%)[1]	2022 Carrying value ZAR'm	2022 Impairment ZAR'm	2022 Loss rate (%)[1]
Current	**1 050**	**(97)**	**9**	**953**	**(68)**	**7**
Commercial subscriptions and hardware	***851***	***(66)***	***8***	*794*	*(66)*	*8*
Technology customers	***199***	***(31)***	***16***	*159*	*(2)*	*1*
Past due 30 to 59 days	**564**	**(56)**	**10**	**423**	**(32)**	**8**
Commercial subscriptions and hardware	***482***	***(44)***	***9***	*384*	*(21)*	*5*
Technology customers	***82***	***(12)***	***15***	*39*	*(11)*	*28*
Past due 60 to 89 days	**223**	**(36)**	**16**	**108**	**(30)**	**28**
Commercial subscriptions and hardware[2]	***207***	***(34)***	***16***	*80*	*(23)*	*29*
Technology customers	***16***	***(2)***	***13***	*28*	*(7)*	*25*
Past due 90 to 119 days	**153**	**(33)**	**22**	**65**	**(34)**	**52**
Commercial subscriptions and hardware[2]	***141***	***(31)***	***22***	*50*	*(30)*	*60*
Technology customers	***12***	***(2)***	***17***	*15*	*(4)*	*27*
Past due 120 days and older	**850**	**(490)**	**58**	**731**	**(565)**	**77**
Commercial subscriptions and hardware[2]	***773***	***(479)***	***62***	*627*	*(540)*	*86*
Technology customers	***77***	***(11)***	***14***	*104*	*(25)*	*24*
	2 840	**(712)**	**25**	**2 280**	**(729)**	**32**

1 The total expected loss rate (%) represents an average percentage.
2 Reduction in loss rate is primarily due to improved quality and composition of trade receivables book.

21. Cash and cash equivalents and margin deposits

21.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible within 3 months to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents consist of:

Cash at bank and on hand	**7 541**	6 155

Cash and cash equivalents consists of South African accounts denominated in Rands and foreign bank accounts. Foreign accounts are translated to South African Rands using the closing spot rate at year-end. All foreign accounts translated at year-end amounted to ZAR4.9bn (FY22: ZAR4.9bn). Of the ZAR4.9bn, ZAR1.7bn (FY22: ZAR1.9bn) is held by entities with a different functional currency to the related cash and cash equivalents balances which exposes the group to foreign currency risk. Foreign accounts include US dollar accounts amounting to ZAR2.2bn (FY22: ZAR1.8bn) and Nigerian naira accounts of ZAR1.8bn (FY22: ZAR2.0bn).

Included in cash and cash equivalents are cash balances amounting to ZAR129m (FY22: ZAR105m) 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.

Included in cash and cash equivalents is an amount of ZAR1.9bn (FY22: ZAR2.3bn) relating to cash balances held by subsidiaries where lack of in-country foreign exchange liquidity restricts the ability of subsidiaries to remit cash to intermediate holding companies in US dollars. These cash balances are primarily held in Nigeria where the group can access the parallel market in Nigeria to remit cash at the parallel foreign exchange rate as disclosed in note 12. Local currency can still be utilised in-country and is therefore not considered restricted.

	2023 ZAR'm	2022 ZAR'm

21. Cash and cash equivalents and margin deposits (continued)

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

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

2023	**External credit ratings**	**Cash and cash equivalents ZAR'm**	**Margin deposits ZAR'm**
South Africa	BB- to BB	**3 690**	**-**
Offshore USD Reporting Entities	A+	**631**	**-**
Rest of Africa	CCC/C to AA	**3 220**	**-**
		7 541	**-**
2022			
South Africa	BB- to AA+	2 467	-
Offshore USD Reporting Entities	A+	500	-
Rest of Africa	CCC/C to AA	3 188	201
		6 155	**201**

21.2 Margin deposits

Margin deposits comprises initial margin deposits on Nigerian futures hedging instruments that are not highly liquid and have maturities of greater than 3 months. These margin deposits are accounted for at amortised cost and are denominated in Nigerian naira. During FY23, all margin deposits matured.

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

Margin deposits	**-**	201

22. Goodwill and other intangible assets

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

Amortisation periods for intangible assets with finite useful lives vary in accordance with the expected benefits that are to be derived.

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

22. Goodwill and other intangible assets (continued)

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

	Goodwill ZAR'm	Software ZAR'm	Other ZAR'm	Total ZAR'm
1 April 2022				
Cost	**4 542**	**1 487**	**3 667**	**9 696**
Accumulated amortisation and impairment	**(1 061)**	**(1 070)**	**(3 574)**	**(5 705)**
Carrying value at 1 April 2022	**3 481**	**417**	**93**	**3 991**
Foreign currency translation effects	**30**	**29**	**28**	**87**
Acquisitions	**-**	**128**	**107**	**235**
Transfers from work-in-progress	**-**	**185**	**1**	**186**
Disposals/scrappings[1]	**-**	**-**	**(5)**	**(5)**
Amortisation	**-**	**(196)**	**(50)**	**(246)**
31 March 2023				
Cost	**4 788**	**1 870**	**4 266**	**10 924**
Accumulated amortisation and impairment	**(1 277)**	**(1 307)**	**(4 092)**	**(6 676)**
Carrying value excluding work-in-progress	**3 511**	**563**	**174**	**4 248**
Work-in-progress[2]				**1 103**
Total carrying value at 31 March 2023				**5 351**

1 Includes non-cash scrappings of ZAR5m.
2 Movements in work-in-progress during FY23 relate to transfers out of work-in-progress to software and other intangible assets amounting to ZAR186m and acquisitions of ZAR333m (includes ZAR23m of non-cash acquisitions) 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 2021				
Cost	4 558	1 690	3 725	9 973
Accumulated amortisation and impairment	(1 072)	(1 199)	(3 580)	(5 851)
Carrying value at 1 April 2021	3 486	491	145	4 122
Foreign currency translation effects	(5)	(2)	(8)	(15)
Acquisitions	-	91	13	104
Transfers from work-in-progress	-	16	-	16
Disposals/scrappings[1]	-	(2)	(4)	(6)
Amortisation	-	(177)	(53)	(230)
31 March 2022				
Cost	4 542	1 487	3 667	9 696
Accumulated amortisation and impairment	(1 061)	(1 070)	(3 574)	(5 705)
Carrying value excluding work-in-progress	3 481	417	93	3 991
Work-in-progress[2]				956
Total carrying value at 31 March 2022				**4 947**

1 Includes non-cash scrappings of ZAR4m.
2 Movements in work-in-progress during FY22 relate to transfers out of work-in-progress to software amounting to ZAR16m, the derecognition of information technology assets in the current year as part of the group's periodic asset review process of ZAR287m and acquisitions of ZAR373m (includes ZAR15m of non-cash acquisitions) primarily related to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.

22. Goodwill and other intangible assets (continued)

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 ZAR935m (FY22: ZAR837m) that relates to costs 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 on 31 March 2023, 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 group'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 post-tax discount rate.

Key assumptions and sensitivity analysis:

The key assumptions applied in the value-in-use model is a 19.2% (FY22: 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 analysis 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 ZAR203m (FY22: ZAR243m). A decrease of one percentage point in the discount rate would increase the value-in-use by ZAR213m (FY22: ZAR256m).
- **Growth rate**: The group used steady growth rates to extrapolate revenues for the budget 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 ZAR99.8m (FY22: ZAR100m). A decrease of one percentage point in the growth rate would decrease the value-in-use by ZAR98.1m (FY22: ZAR102m).
- **Forecasted revenue cash flows**: The forecasted revenue cash flows for the 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 ZAR175m (FY22: 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 ZAR175m (FY22: ZAR178m).

22. Goodwill and other intangible assets (continued)

Impairment testing of goodwill

The group recognised impairment losses on goodwill of ZARnil (FY22: ZARnil).

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three year budgeted and forecast information approved by the board of directors. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data.

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

31 March 2023 **Segments of cash-generating units**	**Carrying value ZAR'm**	**Basis of determination of recoverable amount**	**Pre-tax discount rate %**	**Growth rate %**
Technology	266	Value in use	12.0	(1.0)
South Africa	3 245	Value in use	19.2	4.2
	3 511			

31 March 2022 **Segments of cash-generating units**	**Carrying value ZAR'm**	**Basis of determination of recoverable amount**	**Pre-tax discount rate %**	**Growth rate %**
Technology	220	Value in use	12.0	(1.0)
South Africa	3 261	Value in use	19.4	4.0
	3 481			

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

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

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

23. Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

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

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

Name of subsidiary	Effective % interest 2023	Effective % interest 2022	Nature of business	Country of incorporation	Functional currency	Direct/ indirect
South Africa						
MultiChoice South Africa Holdings Proprietary Limited	**76.8**	76.8	Investment holding	South Africa	ZAR	Direct
Electronic Media Network Proprietary Limited (M-Net)	**76.8**	76.8	Video-entertainment content provider	South Africa	ZAR	Indirect
SuperSport International Holdings Proprietary Limited	**76.8**	76.8	Video-entertainment content provider	South Africa	ZAR	Indirect
DStv Media Sales Proprietary Limited	**76.8**	76.8	Commercial airtime sales	South Africa	ZAR	Indirect
MultiChoice Proprietary Limited	**76.8**	76.8	Subscription television	South Africa	ZAR	Indirect
MultiChoice South Africa Proprietary Limited	**76.8**	76.8	Investment holding	South Africa	ZAR	Indirect
MultiChoice Support Services Proprietary Limited	**76.8**	76.8	Subscriber management, subscription video on demand and technical support services	South Africa	ZAR	Indirect
MultiChoice Group Treasury Services Proprietary Limited	**100.0**	100.0	Treasury services	South Africa	ZAR	Direct
MultiChoice Group Services Proprietary Limited	**100.0**	100.0	Support services	South Africa	ZAR	Direct
MultiChoice Group Holdings B.V.	**100.0**	100.0	Investment holding company for Dutch fiscal unity	The Netherlands	USD	Indirect
Mwendo Holdings B.V.	**100.0**	100.0	Foreign investment holding company	The Netherlands	USD	Indirect
Rest of Africa						
MultiChoice Africa Holdings B.V. Group	**100.0**	100.0	Investment holding/ subscription television	The Netherlands	USD	Indirect
MultiChoice Nigeria Limited	**79.0**	79.0	Subscription television	Nigeria	NGN	Indirect
MultiChoice Uganda Limited	**100.0**	100.0	Subscription television	Uganda	UGX	Indirect
MultiChoice Angola Limitada	**100.0**	100.0	Subscription television	Angola	AOA	Indirect
MultiChoice Zambia Limited	**51.0**	51.0	Subscription television	Zambia	ZMK	Indirect
MultiChoice Kenya Limited	**60.0**	60.0	Subscription television	Kenya	KSH	Indirect
MultiChoice Tanzania Limited	**87.8**	87.8	Subscription television	Tanzania	TSH	Indirect
Technology						
Irdeto B.V.	**100.0**	100.0	Technology development	The Netherlands	USD	Indirect

23. Investments in subsidiaries (continued)

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

	MultiChoice Nigeria Limited	MultiChoice Nigeria Limited	MultiChoice South Africa Holdings Proprietary Limited	MultiChoice South Africa Holdings Proprietary Limited
	31 March 2023 ZAR'm	31 March 2022 ZAR'm	31 March 2023 ZAR'm	31 March 2022 ZAR'm
Summarised statement of financial position				
Non-current assets	**1 092**	1 039	**13 737**	13 835
Current assets	**4 064**	3 465	**29 075**	18 573
Assets held for sale	**-**	-	**70**	-
Total assets	**5 156**	**4 504**	**42 882**	**32 408**
Non-current liabilities	**2 177**	2 087	**16 006**	7 771
Current liabilities	**29 141**	22 326	**13 698**	11 940
Liabilities directly associated with assets held for sale	**-**	-	**114**	-
Total liabilities	**31 318**	**24 413**	**29 818**	**19 711**
Accumulated non-controlling interests	**(5 494)**	(4 181)	**2 495**	2 402
Summarised income statement				
Revenue	**10 567**	8 143	**41 649**	43 350
Net (loss)/profit for the year[1]	**(4 559)**	(1 246)	**4 869**	7 252
Other comprehensive income/(loss)	**-**	-	**1 644**	(449)
Total comprehensive (loss)/income	**(4 559)**	**(1 246)**	**6 513**	**6 803**
Total comprehensive (loss)/income attributable to non-controlling interests	**(703)**	(228)	**1 509**	1 560
Dividends paid to non-controlling interests	**-**	-	**1 394**	1 394
Non-controlling interest movements directly through equity	**-**	-	**(22)**	109
Summarised statement of cash flows				
Cash flows generated from operating activities	**2 179**	2 146	**145**	9 743
Cash flows utilised in investing activities	**(164)**	(121)	**(807)**	(844)
Cash flows utilised in financing activities	**(406)**	(882)	**302**	(9 025)

1 MultiChoice Nigeria Limited includes losses of ZAR2.3bn (FY22: ZAR1.1bn) due to differences between the Nigerian I&E rate used by the group for translation of results and the Nigerian parallel rate at which cash has been extracted, losses of ZAR1.2bn (FY22: ZAR0.1bn) on the translation of inter-group quasi loans and losses of ZAR1.9bn (FY22: ZAR0.2bn) on the translation of inter-group non-quasi loans.

		2023 ZAR'm	2022 ZAR'm
24. Investment in associates and joint ventures			
	Note		
Investment in associates	(a)	**4 862**	5 861
Investment in joint ventures	(b)	**14**	17
		4 876	**5 878**

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

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

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

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

a) Investment in associates

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

Blue Lake Ventures Limited (KingMakers)[1]	**4 558**	5 764
Questar Auto Technologies (Questar)	**77**	92
Zendascape Proprietary Limited (AURA)	**5**	5
AURA B.V.	**30**	-
Bidstack Group PLC (Bidstack)	**110**	-
Moment Holdings Limited (Moment)	**59**	-
Africa Cricket Development Proprietary Limited (SA20)	**23**	-
	4 862	**5 861**

1 The group considers KingMakers as its only material associate.

Name of company	Effective interest 2023 %	Effective interest 2022 %	Nature of the business	Country of incorporation[1]	Functional currency	Year end
Blue Lake Ventures Limited	**51.2**	51.2	Investment holding (sports betting)	Mauritius	USD	December
Questar Auto Technologies	**6.8**	7.6	Cybersecurity for autonomous vehicles	Israel	USD	December
Zendascape Proprietary Limited	**12.5**	12.5	Home security and medical response technology platform	South Africa	ZAR	February
AURA B.V.	**13.5**	-	Investment holding	Netherlands	EUR	February
Bidstack Group PLC	**12.1**	-	In-game advertising platform	United Kingdom	GBP	December
Moment Holdings Limited	**25.5**	-	Fin-tech	United Kingdom	GBP	December
Africa Cricket Development Proprietary Limited	**30.0**	-	Ownership, operation and management on professional Twenty20 cricket tournament	South Africa	ZAR	April

24. Investment in associates and joint ventures (continued)

1 Associates' principle place of business is the same as country of incorporation.

KingMakers

During FY21, the group acquired a 20% investment in Blue Lake Ventures Limited, a sports betting business (operating as KingMakers). In FY22, the group increased its investment in KingMakers which triggered the following:

- sale of shares on loan account to the KingMakers share scheme (note 29);
- a USD100m subscription for shares into the business;
- a USD182m partial buy out of minority shareholders; and
- the payment of the contingent consideration of USD31m relating to the acquisition of the first 20% in KingMakers.

During FY22, the group acquired net assets of ZAR1.9bn and goodwill of ZAR2.6bn. Net assets acquired include separately identifiable assets considered in the final purchase price allocation. The fair values of separately identifiable assets included the KingMakers brand ZAR344m, cash and cash equivalents ZAR926m, customer relationships ZAR406m as well as internally developed software ZAR17m. Significant judgement was exercised on the identification and valuation of these assets acquired within KingMakers. The significant assumptions taken into account to value these assets included the forecast cash flows, tax amortisation benefit, discount rate, growth rates, EBITDA margins, royalty rates, contributory asset charges and terminal growth rates.

At the conclusion of the above transactions, the group now owns 49.23% in KingMakers. However, the group considered the economic ownership to be 51.23% due to the sale of shares to the KingMakers' shares scheme, which was considered to be the issuance of an option liability as explained in note 29. KingMakers will continue to be equity accounted after considering shareholder and board representation rights (including de facto control) available to the group. The equity accounting post the transaction occurred using the economic ownership taking into account the sale of shares on loan account as well as the additional acquisition of shares. The group also recognised a derivative option liability (included in the consideration paid for the additional ownership percentage), which is fairly valued in terms of *IFRS 9 Financial Instruments* (note 29).

Significant judgements have been made with regards determining that the group exercises significant influence and not control over KingMakers. This includes consideration of voting rights and the ability to direct the relevant activities of KingMakers. It was concluded that the group does not have control over KingMakers but rather has significant influence through its board representation, in particular, that the group only has the right to appoint 3 of the 7 directors. Thus, the group's investment in KingMakers has been equity accounted as an associate from 1 October 2020.

SafeRide/Questar

SafeRide was a leading provider of multi-layer cybersecurity and data analytics solutions for connected and autonomous vehicles. In FY22, the group approved a merger transaction where the group transferred all of its shareholding in SafeRide in exchange for a 7.6% share of Questar Auto Technologies, a predictive vehicle health company that introduces cutting-edge AI technology to the automotive industry. During FY23, the Questar board introduced an IFRS 2 share-based payment scheme which resulted in shares being set aside for Questar employees. The introduction of the scheme resulted in the group's shareholding held through Irdeto, diluting from 7.6% to 6.8%. Questar was assessed to be an associate based on the group's board representation (1 of 8 directors) in the entity. The associate was initially measured at cost, represented by the fair value of the investment received (Questar).

AURA and AURA B.V.

During FY22, the group participated in a ZAR62m series A funding round into Zendascape Proprietary Limited trading as AURA. The group committed to a ZAR31m equity investment for a 12.5% stake in AURA subject to conditions precedent. As at 31 March 2022, the group has released ZAR5m of the required funds for the equity investment. The rest of the cash was due and payable once the conditions precedent were met. The group owns 12.5% of the issued share capital of AURA and also has board representation. AURA was assessed to be an associate based on the group's board representation (1 of 8 directors) and was initially measured at cost.

One of the conditions precedent related to the completion of an off-shore structure. During FY23, the off-shore structure was completed which meant that the group did not need to honor its commitment to pay the remaining ZAR26m for a stake in Zendascape Proprietary Limited. Instead the group was required to subscribe for shares in AURA B.V. (an off-shore holding company). During FY23, the group paid ZAR28m for a 13.46% stake in AURA B.V.. AURA B.V. was assessed to be an associate based on the group's board representation (1 of 9 directors) and was initially measured at cost.

	2023 ZAR'm	2022 ZAR'm

24. Investment in associates and joint ventures (continued)

Bidstack

During FY23, the group (through Irdeto) acquired 12.1% of the equity (13.5% of the voting rights) of Bidstack Group PLC for GBP5m (ZAR118m). Bidstack is listed on the London Stock Exchange and provides ad-insertion technology for the gaming industry. Bidstack was assessed to be an associate based on the group's board representation (1 of 8 directors) and was initially measured at cost.

Moment

During FY23 a partnership was reached between the group, General Catalyst (one of the world's largest fin-tech investors) and Rapyd (a global fin-tech company with success across 100 countries). An initial USD3.3m (ZAR56m) funding contribution was made into the Moment group which resulted in the group owning a 25.5% stake. Moment was assessed to be an associate based on the group's board representation (1 of 4 directors) and was initially measured at cost.

SA20

During FY23, the group (through SuperSport) acquired 30% of the equity of Africa Cricket Development (Pty) Ltd (SA20) through a share subscription, for an insignificant initial investment. Africa Cricket Development (Pty) Ltd is responsible for the ownership, operation and management of the annual SA20 professional cricket tournament in South Africa. SA20 was assessed to be an associate based on the group's board representation (2 of 6 directors) and was initially measured at cost.

Movement in carrying value of KingMakers investment:

Opening balance	**5 764**	1 628
Associate acquired - gross consideration	**-**	4 471
Net assets acquired - including intangible assets identified[1]	**-**	1 854
Goodwill	**-**	2 617
Share of net loss of associate	**(299)**	(83)
Share of other comprehensive loss of associate	**(1)**	(4)
Amortisation of intangible assets identified on acquisition[2]	**(151)**	(55)
Impairment of associate	**(1 998)**	-
Foreign exchange translation adjustment	**1 243**	(193)
Closing balance	**4 558**	**5 764**

1 Net assets acquired include separately identifiable assets considered in the final purchase price allocation. The fair values of separately identifiable assets include KingMakers brand ZAR344m, cash and cash equivalents ZAR926m, customer relationships ZAR406m as well as internally developed software ZAR17m. Significant judgement was exercised on the identification and valuation of these assets acquired within KingMakers. The significant assumptions taken into account to value these assets included the forecast cash flows, tax amortisation benefit, discount rate, growth rates, EBITDA margins, royalty rates, contributory asset charges and terminal growth rates.
2 Relates to amortisation of intangible assets identified on acquisition as stipulated in footnote 1 above.

	2023 ZAR'm	2022 ZAR'm

24. Investment in associates and joint ventures (continued)

Summarised financial information of KingMakers:

The summarised financial information presented below represents the financial information of KingMakers for the year ended 31 December 2022 and 2021.

Statement of comprehensive loss since acquisition:		
Revenue	**3 409**	1 958
Cost of providing services and sale of goods	**(2 209)**	(1 142)
Gross profit	**1 200**	816
Other operating income	**73**	-
Other operating expenses	**(1 798)**	(1 139)
Operating loss	**(525)**	(323)
Finance costs	**(319)**	(17)
Loss before taxation	**(844)**	(340)
Taxation	**15**	(8)
Net loss for the year	**(829)**	(348)
Other comprehensive loss	**(25)**	(11)
Total comprehensive loss for the year	**(854)**	**(359)**

Statement of financial position as at 31 December 2022 and 2021:		
Non-current assets	**2 474**	2 447
Current assets[1]	**3 061**	3 050
Total assets	**5 535**	**5 497**
Non-current liabilities	**699**	775
Current liabilities	**451**	376
Total liabilities	**1 150**	**1 151**

1 The current assets of KingMakers includes cash and cash equivalents of ZAR3bn (FY22: ZAR3bn).

Reconciliation of summarised financial information to carrying value of KingMakers investment:		
Groups share in the net assets	**2 223**	2 249
Goodwill	**4 484**	3 681
Fair value step-up as a result of the additional interest acquired	**(151)**	(166)
Impairment of associate	**(1 998)**	-
Carrying amount of the investment	**4 558**	**5 764**

No dividends have been declared by the associate since acquisition.

There have been no significant transactions in the three month lag period from 1 January 2023 to 31 March 2023.

As at 31 March 2023 the group's associates had no contingent liabilities.

24. Investment in associates and joint ventures (continued)

Impairment of KingMakers investment

As at 31 March 2023, the group assessed its investment in KingMakers for impairment. This assessment was due to the notable changes in discount rates applicable to Nigerian and global gaming and technology companies and the sharp increase in parallel foreign exchange rates in Nigeria. Although in local currency the business remains in line with original forecasts, due to a marked increase in discount rates for global gaming companies and the Nigerian operation in particular, and the impact of markets which have been exited, the carrying amount of the KingMakers investment exceeded the recoverable amount of ZAR4.6bn (USD256m) and an impairment loss of ZAR2.0bn (USD112m) was recognised in FY23 (FY22: ZARnil).

The recoverable amount of this investment was determined based on the higher of the value in use and the fair value less costs of disposal. Based on the group's assessment, the fair value less costs of disposal was noted to be the higher recoverable amount compared to the value in use.

The fair value less costs of disposal valuation was determined using the discounted cash flow (DCF) method after which the valuation was then reduced by applying a marketability discount of 10% and a minority discount of 0%. The group used 5-year projected cash flow models as the KingMakers business has monetisation timelines not longer than 5 years. The calculation mainly used cash flow projections based on financial budgets approved by those charged with governance at KingMakers. Cash flow forecasts were derived from an analysis of historic performance, knowledge of the current markets and future expansion into the South African market.

Significant judgement was exercised with respect to the following key assumptions utilised in determining the fair value less costs of disposal:

EBITDA (forecast cash flows):
EBITDA are based on past experience and management's future expectations of business performance. The EBITDA drivers for KingMakers are the number of betting stakes placed which increased annually by forecasted annual growth rates.

Growth rates:
The growth rates used were determined using gaming specific market data, past performance and management's future expectations of the market in which KingMakers operates. The average growth rates used for EBITDA over the 5-year forecast period ranged between 5% - 66%.[1]

1 The margin range takes into account the rapid expansion in new regions and normalised growth in more established regions.

Discount rates:
The discount rates (weighted average cost of capital (WACC)) used reflect specific risks relating to the relevant operations and the regions in which KingMakers operate, while for certain operations, risk adjustments are made to discount rates used when calculating the present value of the forecasted cash flows.

Discount rates take into account country risk premiums, betas from a comparable company, risk free rate yields on 10-year SA bonds as well as yield on US 30-year treasury bonds and inflation differentials as appropriate. The post-tax discount rates used for the Nigerian market was 35.10%, while 17.20% was used for the South African market.

Terminal growth rates:
The terminal growth rates considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecasted periods once the business has assumed to reach maturity. The terminal growth rate used for the Nigerian market was 15.20%, while 4.20% was used for the South African market which were consistent with publicly available information relating to long-term average growth rates. This growth rate represents the expected growth in perpetuity in the markets that KingMakers operates and is based on analysts' projections.

Marketability discount:
A marketability discount of 10% was applied as management are of the view that the future potential of KingMakers is viable enough to support a discount on the lower end.

	2023 ZAR'm	2022 ZAR'm

24. Investment in associates and joint ventures (continued)

Minority discount:
The group considered a 0% minority discount to be reasonable as management applied a higher small stock premium in the overall discount rate to effectively take into consideration the impact of being a non-controlling shareholder.

A reasonable change in the key assumptions above would impact the impairment as follows:

Key assumptions:	**Increase/(decrease) in assumption (%):**	**(Decrease)/increase in impairment (ZAR'm):**
Growth rates	1.0	(213)
Discount rates	1.0	254
Terminal growth rates	(1.0)	185
Marketability discount	2.5	127
Minority discount	5.0	228

b) Investment in joint ventures

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

Name of company	**Effective interest 2023 %**	**Effective interest 2022 %**	**Carrying value 2023 ZAR'm**	**Carrying value 2022 ZAR'm**
Titans Cricket Proprietary Limited[1]	**50**	50	**13**	16
SuperSportSAS Proprietary Limited[2]	**50**	50	**1**	1
			14	**17**

1 30 April year-end.
2 30 June year-end.

As at 31 March 2023 the group's joint ventures had no contingent liabilities.

25. Platform technology advances

Platform technology advances	**247**	-

During FY23, the group entered into an agreement to form a new partnership with Comcast Corporation, through its subsidiary NBCUniversal Media, LLC (NBCUniversal) for our Showmax business (note 30). During FY23, the group incurred costs owed to NBCUniversal related to the customisation of the Peacock TV technology stack for use in the Showmax business.

Following the launch of the platform, the platform will be licensed by the group for an initial period of seven years. As a result, these advances will be subsequently expensed through the consolidated income statement on a straight-line basis over this seven year period.

As at 31 March 2023, these advances had not yet been paid over by the group and as a result the group recognised the outstanding advances as accrued expenses in note 14 of the consolidated annual financial statements.

	2023 ZAR'm	2022 ZAR'm

PART V. OTHER DISCLOSURES

26. Share capital

Authorised
1 000 000 000 ordinary no par value shares

Issued		
442 512 678 (FY22: 442 512 678) ordinary shares	**454**	454

Capital management

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

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

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

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

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

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

The group does not have a formally targeted leverage policy. The group has specific financial covenants in place with certain financial institutions to govern its overall debt levels. The leverage ratio should be below or equal to 2.5 times and the interest cover ratio should be above or equal to 4 times. As at 31 March 2023 and 31 March 2022 and throughout the current and prior reporting periods, the financial covenants relating to leverage and interest cover were met.

There are no foreign exchange restrictions between banks of the common monetary area (CMA) member countries in respect of cross-border transactions amongst themselves. Lesotho, Namibia and Swaziland have their own monetary authorities and legislation. The application of exchange control within the CMA is governed by the multilateral monetary agreement. Investments and transfers of funds in Rand to/from South Africa and to/from other CMA countries do not require the approval of the SARB. South African registered private, public and listed companies are allowed to transfer capital for foreign direct investment purposes to any country outside the CMA, but based on the quantum of the investment the transfer is subject to authorised dealer or SARB approval.

MultiChoice Group Treasury Services Proprietary Limited is a registered domestic treasury management company with SARB and therefore allowed to hold African and offshore operations for foreign direct investment purposes.

	2023 ZAR'm	2022 ZAR'm

27. Other reserves

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

	Treasury shares	Hedging reserve	Fair value reserve	Foreign currency translation reserve	Total other reserves
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Balance at 1 April 2021	**(1 682)**	**(89)**	**(395)**	**(11 352)**	**(13 518)**
Exchange loss on translation of foreign operations[1]	-	-	-	(133)	(133)
Net hedging reserve movements - net of tax	-	(677)	-	-	(677)
Hedging reserve basis adjustment[2]	-	309	-	-	309
Treasury shares acquired[3]	(308)	-	-	-	(308)
Treasury shares disposed[4]	152	-	-	-	152
Balance at 1 April 2022	**(1 838)**	**(457)**	**(395)**	**(11 485)**	**(14 175)**
Exchange loss on translation of foreign operations[1]	-	-	-	3 269	3 269
Net hedging reserve movements - net of tax	-	1 132	-	-	1 132
Hedging reserve basis adjustment[2]	-	(77)	-	-	(77)
Treasury shares disposed[4]	238	-	-	-	238
Balance at 31 March 2023	**(1 600)**	**598**	**(395)**	**(8 216)**	**(9 613)**

1 Relates to the translation of Rest of Africa and Technology segments, which have a USD reporting currency.
2 Relates to the basis adjustment on programme and film right assets as content comes into licence.
3 During FY22, the group acquired a further 2.5m treasury shares at an average price of ZAR121 per share to fund future RSU share awards.
4 During the current and prior year, treasury shares were utilised to settle the group's share-based compensation benefits.

28. Related parties

The group entered into transactions and has balances with related parties, including associates, directors (key management personnel), and shareholders. Transactions and balances that are eliminated on consolidation are not included below (note 23). The transactions and balances with related parties are disclosed below:

(a) Related party balances

		Note		
Amounts due from related parties: Non-current		(i)	**71**	54
Amounts due from related parties: Current		(ii)	**4**	10
			75	**64**
(i) Amounts due from related parties: Non-current	**Nature of relationship**			
Other	Equity investees		**71**	54
(ii) Amounts due from related parties: Current	**Nature of relationship**			
Zendascape Proprietary Limited (AURA) (Note 24)	Associate		**-**	8
Blue Lake Ventures Limited (KingMakers) (Note 24)	Associate		**2**	2
Other	Equity investees		**2**	-
			4	**10**

Balances due from equity investees are unsecured, have fixed terms of repayment and carry interest at 1 year LIBOR plus 2.25%.

The balance due from AURA was unsecured, had fixed repayment terms and carried interest at the South African prime lending rate.

The balance due from KingMakers is unsecured, interest free and has fixed repayment terms.

	2023 ZAR'm	2022 ZAR'm

28. Related parties (continued)

(b) Related party transactions

During FY23 the group received advertising and sponsorship revenue of ZAR118m (FY22: ZAR127m) from KingMakers. This revenue has been recognised by the group in advertising revenue in note 5. The group did not enter into any other material related party transactions during FY23 other than key management remuneration and directors remuneration as disclosed below.

Key management remuneration

Consolidated		
Short-term employee benefits	264	266
Long-term post-employment benefits	15	15
Share-based payment charge	175	116
Remuneration paid to key management	**454**	**397**
Non-executive directors		
Directors' fees	**35**	**32**

Key management remuneration and participation in share-based incentive plans

For shares listed on a recognised stock exchange as follows:

1 239 386 (FY22: 75 611) MCG shares were allocated during the 2023 financial year and an aggregate of 3 837 684 (FY22: 3 355 074) MCG shares were allocated and unvested as at 31 March 2023.

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

Nil (FY22: Nil) Irdeto SARs were allocated during the 2023 financial year and an aggregate of Nil (FY22: 4 666) Irdeto SARs were allocated and unvested as at 31 March 2023.

7 864 (FY22: Nil) Irdeto RSUs were allocated during the 2023 financial year and an aggregate of 27 283 (FY22: 19 419) Irdeto RSUs were allocated and unvested as at 31 March 2023.

28 912 (FY22: Nil) Phantom Performance Shares were allocated during the 2023 financial year and an aggregate of 258 792 (FY22: 265 874) Phantom Performance Shares were allocated and unvested as at 31 March 2023.

29. 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.

29. Fair value of financial instruments (continued)

(a) Fair value of instruments measured at fair value

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

Financial instrument	Fair value 2023 ZAR'm	Fair value 2022 ZAR'm	Valuation method	Level in fair value hierarchy
Financial assets				
Investments held at fair value through profit or loss (Trust Machines SPV, LLC)	**237**	146	Based on the latest value internally measured by the investee	Level 3
Investments held at fair value through profit or loss	**22**	20	Unit trusts comprising of quoted prices in a public market	Level 2
Forward exchange contracts	**1 408**	13	Fair value derived from forward exchange rates that are publicly available	Level 2
Futures contracts	**28**	97	Quoted prices in a public market	Level 1
Currency depreciation features	**42**	26	Discounted cash flow techniques	Level 3
Interest rate swap	**7**	12	Present value of the estimated future cash flows based on observable yield curves	Level 2
Financial liabilities				
Forward exchange contracts	**41**	1 109	Fair value derived from forward exchange rates that are publicly available	Level 2
Derivative option	**142**	182	Monte Carlo Simulation option pricing model	Level 3

During FY23, the group made an additional USD5m (ZAR87m) investment in Trust Machines SPV, LLC (Trust Machines) applications and platforms. The investment was made with terms consistent with the original capital investment of USD10m in FY22 and this was considered as an investment in equity. The additional acquisition transaction was effective on 5 July 2022. The group initially measured the investment at fair value and subsequently measured it at fair value through profit or loss. As at 31 March 2023, the investment had a fair value of ZAR237m (USD13m), resulting in the group recognising a net fair value gain of ZAR4m in FY23 (note 7), consisting of foreign exchange gains of ZAR33m, partially offset by a fair value loss of ZAR29m.

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 4.84%. 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.

During FY22, as part of the additional acquisition of shares in KingMakers (note 24), 10% of the shares in KingMakers were issued to the KingMakers share scheme. This resulted in the group reducing its shareholding to 18% (before the acquisition transaction was finalised). The subscription was for an amount of USD11m (ZAR199m) (FY22: USD11m (ZAR163m)) on loan account to the KingMakers share scheme. The loan account will be due and payable after 10 years. The only source of return for the ESOP will be through the shareholding in KingMakers. The only security on the loan for the group are the KingMakers shares themselves that have been issued. Management assessed the transaction and concluded that the substance is that the group issued an instrument with a similar profile as an option instrument and therefore accounted for the transaction as such. The derivative option liability was initially measured at fair value and subsequently measured at fair value through profit or loss. As at 31 March 2023, the derivative option liability had a fair value of USD8.0m (ZAR142m) (FY22: USD12.4m (ZAR182m)), resulting in the group recognising a USD4.4m (ZAR79.5m) fair value gain (note 7) during FY23. Exchange losses arising from change in USD exchange rate from 31 March 2022 amounted to ZAR39.5m and were recognised in consolidated statement of comprehensive income during FY23. The key inputs in using the Monte Carlo Simulation included the fair value of KingMakers of USD500m (ZAR8.9bn) (FY22: USD850m (ZAR12.4bn)), a volatility of 50.9% (FY22: 62.9%) and a dividend yield of 5% (FY22: 5%). The group used the USD overnight index swap (OIS) curve to determine the risk-free rate. A 24% increase or decrease in the fair value of KingMakers would result in the option liability increasing or decreasing by USD2.5m or ZAR44m. A 5% decrease in the volatility rate would result in the option liability decreasing by USD0.4m or ZAR6.7m (FY22: USD0.4m or ZAR6.5m), a 5% increase in the volatility rate would result in the option liability increasing by USD0.4m or R6.6m (FY22: USD0.4m or ZAR6.0m).

29. Fair value of financial instruments (continued)

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

30. Subsequent events

MultiChoice and Comcast's NBCUniversal partnership

During FY23, the group entered into an agreement to form a new partnership with Comcast Corporation, through its subsidiary NBCUniversal Media, LLC (NBCUniversal). This new Showmax group is 70% owned, and controlled, by MultiChoice and 30% by NBCUniversal. The total subscription price for the sale of 30% of the existing Showmax business was an amount of USD29m (ZAR500m), which will be contributed into the new Showmax group. Following SARB approval for the transaction and all other conditions precedent being met, the transaction closed on 4 April 2023. The group will account for the new Showmax group as a subsidiary due to having the majority of voting rights and 100% board representation.

Other

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

31. Recently issued accounting standards

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2023 and have not been early adopted by the group. The group does not expect the changes to materially impact the consolidated annual financial statement.

Standard/Interpretation	Title	Effective date
IAS 1 Presentation of Financial Statements	*Classification of liabilities as current or non-current*	Deferred until accounting periods starting on or after 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 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

IFRS 17 Insurance Contracts

IFRS 17 brings significant change in policy to the recognition, measurement, presentation and disclosure of insurance contracts. It aims to provide investors and customers with a more realistic insight into the performance of an insurer. IFRS 17 Insurance contracts was issued in May 2017, is effective for annual reporting periods beginning on or after 1 January 2023 and will supersede IFRS 4 for reporting periods starting on or after this date. The group will apply IFRS 17 from 1 April 2023 (the 2024 financial year) on a retrospective basis.

IFRS 17 requires a company to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the company receives premiums. In addition, IFRS 17 requires that insurance revenue excludes the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, IFRS 17 requires that companies present deposit repayments as settlements of liabilities rather than as insurance expenses.

	2023 ZAR'm	2022 ZAR'm

31. Recently issued accounting standards (continued)

The group does not expect IFRS 17 to have a significant impact on its existing revenue recognition practices and consolidated annual financial statements. IFRS 17 provides enhanced requirements for the measurement and disclosure of the insurance liability, which will be provided in subsequent annual reporting periods.

32. Directors' emoluments

Executive directors and prescribed officers emoluments	**44.98**	**38.03**
Non-executive directors		
Fees for services as directors of the group	**34.31**	31.65
Fees for services as directors of other group companies	**0.76**	0.77
	35.07	32.42
	80.05	**70.45**

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

Executives' contracts do not contain guaranteed payments on termination.

The individual directors received the following remuneration and emoluments:

2023	**Salary and other allowances**	**Annual cash bonuses and performance related payments**	**Pension contributions paid on behalf of the director**	**Total**
Executive directors	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**
CP Mawela[1]	15.11	9.21	1.40	25.72
TN Jacobs[1,2]	7.83	10.91	0.52	19.26
	22.94	**20.12**	**1.92**	**44.98**

1 Prescribed officer
2 The annual cash bonuses and performance related payments includes ZAR4.57m received as a result of the sale of MCG shares in June 2022. These shares were initially acquired through the exercise of MultiChoice Group RSU offers.

2022	**Salary and other allowances**	**Annual cash bonuses and performance related payments**	**Pension contributions paid on behalf of the director**	**Total**
Executive directors	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**
CP Mawela[1]	13.55	8.38	1.18	23.11
TN Jacobs[1]	7.46	6.82	0.64	14.92
	21.01	**15.20**	**1.82**	**38.03**

1 Prescribed officer

Executive directors' annual performance payment is based on financial, operational and discrete objectives, which were approved by the remuneration committee in advance. The on-target percentage of the bonus is 80% of annual total cost to company. With exceptional company and individual performance, an executive can earn in excess of this, however this is capped at 106% of total annual cost to company. Remuneration is earned for services rendered in connection with the carrying on of the affairs of the company.

32. Directors' emoluments (continued)

2023	Directors' remuneration		Directors' fees[1]		Committee and trustee fees[2,3]		
Non-executive directors	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Total ZAR'm
JH du Preez	-	-	0.78	-	0.52	-	1.30
E Masilela	-	-	0.78	-	0.36	-	1.14
KD Moroka[4]	1.56	-	0.78	-	0.50	0.29	3.13
L Stephens	-	-	0.78	-	0.82	0.36	1.96
JJ Volkwyn[4]	5.14	-	-	-	-	-	5.14
CM Sabwa	-	-	0.78	-	0.60	0.11	1.49
FA Sanusi	-	-	0.78	-	0.12	-	0.90
MI Patel[5]	20.01	-	-	-	-	-	20.01
	26.71	**-**	**4.68**	**-**	**2.92**	**0.76**	**35.07**

1 Non-executive directors receive an annual fee for their attendance at board meetings.
2 Committee fees include fees for the attendance of the audit committee, risk committee, remuneration committee, nomination committee and the social and ethics committee meetings of the board.
3 Trustee fees include fees for the attendance of the various trustee meetings of the group. An additional fee may be paid to directors for work done as directors with specific expertise.
4 Director's remuneration based on consultancy agreement for professional advisory services to the group and its subsidiaries.
5 Director remuneration based on a service and restraint agreement for the provision of various strategic and advisory support services to the group.

2022	Directors' remuneration		Directors' fees[1]		Committee and trustee fees[2,3]		
Non-executive directors	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Paid for services to the group ZAR'm	Paid for services to other group companies ZAR'm	Total ZAR'm
JH du Preez	-	-	0.75	-	0.46	-	1.21
FLN Letele[4]	-	-	0.56	-	0.09	0.14	0.79
E Masilela	-	-	0.75	-	0.34	-	1.09
KD Moroka[5]	1.50	-	0.75	-	0.48	0.28	3.01
SJZ Pacak[6]	-	-	-	-	-	-	-
L Stephens	-	-	0.75	-	0.79	0.35	1.89
JJ Volkwyn[5]	5.15	-	-	-	-	-	5.15
CM Sabwa	-	-	0.75	-	0.58	-	1.33
JA Mabuza[7]	-	-	0.27	-	0.10	-	0.37
FA Sanusi	-	-	0.75	-	0.12	-	0.87
MI Patel[8]	16.71	-	-	-	-	-	16.71
	23.36	**-**	**5.33**	**-**	**2.96**	**0.77**	**32.42**

1 Non-executive directors receive an annual fee for their attendance at board meetings.
2 Committee fees include fees for the attendance of the audit committee, risk committee, remuneration committee, nomination committee and the social and ethics committee meetings of the board.
3 Trustee fees include fees for the attendance of the various trustee meetings of the group. An additional fee may be paid to directors for work done as directors with specific expertise.
4 Retired with effect from 1 December 2021.
5 Director's remuneration based on consultancy agreement for professional advisory services to the group and its subsidiaries.
6 Resigned 1 April 2021.
7 JA Mabuza passed away on 16 June 2021.
8 Director remuneration based on a service and restraint agreement for the provision of various strategic and advisory support services to the group.

32. Directors' emoluments (continued)

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

Directors' interest in the group's share incentive schemes

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

2023

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-23	130.80
		18-Jun-19	61 162	0.00	18-Jun-24	130.80
		10-Jun-20	51 147	0.00	10-Jun-23	87.00
		10-Jun-20	51 147	0.00	10-Jun-24	82.32
		10-Jun-20	51 149	0.00	10-Jun-25	77.91
		17-Nov-20	60 615	0.00	17-Nov-23	109.92
		17-Nov-20	10 102	0.00	17-Nov-23	109.92
		17-Nov-20	10 103	0.00	17-Nov-24	105.08
		31-Mar-21	120 809	0.00	31-Mar-24	113.06
		18-Jun-22	143 872	0.00	18-Jun-25	100.93
			621 268			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	42 767	0.00	31-Mar-25	100.84
		31-Mar-21	42 767	0.00	31-Mar-26	97.53
		20-Jun-22	4 720	0.00	20-Jun-26	231.76
		20-Jun-22	4 721	0.00	20-Jun-27	220.85
			94 975			

2023

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-23	130.80
		18-Jun-19	15 769	0.00	18-Jun-24	130.80
		10-Jun-20	21 207	0.00	10-Jun-23	87.00
		10-Jun-20	21 207	0.00	10-Jun-24	82.32
		10-Jun-20	21 207	0.00	10-Jun-25	77.91
		17-Nov-20	7 456	0.00	17-Nov-23	109.92
		17-Nov-20	44 739	0.00	17-Nov-23	109.92
		17-Nov-20	7 457	0.00	17-Nov-24	105.08
		31-Mar-21	80 732	0.00	31-Mar-24	113.06
		18-Jun-22	90 383	0.00	18-Jun-25	100.93
			325 925			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	28 579	0.00	31-Mar-25	100.84
		31-Mar-21	28 580	0.00	31-Mar-26	97.53
		20-Jun-22	2 965	0.00	20-Jun-26	231.76
		20-Jun-22	2 966	0.00	20-Jun-27	220.85
			63 090			

32. Directors' emoluments (continued)

2023

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-23	130.80
		18-Jun-19	25 774	0.00	18-Jun-24	130.80
			51 548			

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-22	130.80
		18-Jun-19	61 162	0.00	18-Jun-23	130.80
		18-Jun-19	61 162	0.00	18-Jun-24	130.80
		10-Jun-20	25 574	0.00	10-Jun-22	91.92
		10-Jun-20	25 573	0.00	10-Jun-22	91.71
		10-Jun-20	51 147	0.00	10-Jun-23	87.00
		10-Jun-20	51 147	0.00	10-Jun-24	82.32
		10-Jun-20	51 149	0.00	10-Jun-25	77.91
		17-Nov-20	10 102	0.00	17-Nov-23	109.92
		17-Nov-20	60 615	0.00	17-Nov-23	109.79
		17-Nov-20	10 103	0.00	17-Nov-24	105.08
		31-Mar-21	120 809	0.00	31-Mar-24	113.06
			589 705			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	42 767	0.00	31-Mar-25	100.84
		31-Mar-21	42 767	0.00	31-Mar-26	97.53
			85 534			

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-22	130.80
		18-Jun-19	15 768	0.00	18-Jun-23	130.80
		18-Jun-19	15 769	0.00	18-Jun-24	130.80
		10-Jun-20	10 604	0.00	10-Jun-22	91.92
		10-Jun-20	10 603	0.00	10-Jun-22	91.71
		10-Jun-20	21 207	0.00	10-Jun-23	87.00
		10-Jun-20	21 207	0.00	10-Jun-24	82.32
		10-Jun-20	21 207	0.00	10-Jun-25	77.91
		17-Nov-20	7 456	0.00	17-Nov-23	109.92
		17-Nov-20	44 739	0.00	17-Nov-23	109.79
		17-Nov-20	7 457	0.00	17-Nov-24	105.08
		31-Mar-21	80 732	0.00	31-Mar-24	113.06
			272 517			
	Phantom Performance Share Plan 2021[2]	31-Mar-21	28 579	0.00	31-Mar-25	100.84
		31-Mar-21	28 580	0.00	31-Mar-26	97.53
			57 159			

32. Directors' emoluments (continued)

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-22	130.80
		18-Jun-19	25 774	0.00	18-Jun-23	130.80
		18-Jun-19	25 774	0.00	18-Jun-24	130.80
			77 322			

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

Directors' interest in MultiChoice Group Limited shares

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

2023

Name	Direct	Indirect	Total
MI Patel[1]	-	-	-
CP Mawela[2]	173 471	-	173 471
TN Jacobs[3]	31 431	-	31 431
JJ Volkwyn[4]	-	-	-
	204 902	**-**	**204 902**

1 25 774 shares acquired through exercise of MultiChoice Group RSU offer in June 2022. 52 960 shares were sold on 6 March 2023.
2 112 309 shares acquired through exercise of MultiChoice Group RSU offers in June 2022.
3 36 975 shares acquired through exercise of MultiChoice Group RSU offers in June 2022. 9 670 were sold on 10 June 2022, while 7 212 shares were sold on 20 June 2022.
4 5 000 shares were sold on 6 March 2023.

2022

Name	Direct	Indirect	Total
MI Patel[1]	27 186	-	27 186
CP Mawela[2]	61 162	-	61 162
TN Jacobs[3]	11 338	-	11 338
JJ Volkwyn	5 000	-	5 000
FLN Letele[4]	88 836	-	88 836
	193 522	**-**	**193 522**

1 25 774 shares acquired through exercise of MultiChoice Group RSU offer in June 2021.
2 61 162 shares acquired through exercise of MultiChoice Group RSU offer in June 2021.
3 15 768 shares acquired through exercise of MultiChoice Group RSU offer in June 2021. 7 161 shares were sold on market on 18 June 2021.
4 Retired as a non-executive director with effect from 1 December 2021.

There have been no further changes to the directors' interests in the table above between the end of the financial year and 13 June 2023.

Administration and Corporate Information

for the year ended 31 March 2023

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Registration number

2018/473845/06
Incorporated in South Africa

External Auditor

FY23 - PricewaterhouseCoopers Inc.
FY24 - Ernst and Young Inc.

Transfer secretaries

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Analysis of shareholders

for the year ended 31 March 2023

Size of holdings	Number of shareholders	Ordinary shares	% held
1 – 1000 shares	39 206	5 125 642	1.16 %
1001 – 10 000 shares	2 843	7 798 657	1.76 %
10 001 – 100 000 shares	605	20 241 549	4.57 %
100 001 – 1 000 000 shares	194	52 434 721	11.85 %
More than 1 000 000 shares	37	356 912 109	80.66 %
	42 885	**442 512 678**	**100.00 %**

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

Name	Ordinary shares	% held
Groupe Canal+ S.A.	140 160 277	31.67 %
Public Investment Corporation	54 226 444	12.25 %
M&G Investments	33 873 887	7.65 %
Allan Gray	26 644 273	6.02 %

Public shareholder spread

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2023 was 51.75%, represented by 42 879 shareholders holding 229 018 921 ordinary shares in the group. The non-public shareholders of the group, comprising 6 shareholders, holding 48.25% represented by 213 493 757 ordinary shares, are analysed as follows:

Category	Ordinary shares	% of ordinary issued share capital
Share schemes[1]	14 990 297	3.39 %
Treasury shares	89 461	0.02 %
Directors	204 902	0.05 %
Beneficial holders > 10%[2]	198 209 097	44.79 %

1 At 31 March 2023, the groups share register reflected that the groups share schemes held 15.0m shares, however due to JSE Limited's T+3 trading cycle, 0.2m shares traded by the groups share scheme on 29 and 30 March 2023 had not yet reflected on the share register. 0.2m shares traded by the groups share scheme were considered to have transferred as at 31 March 2023 and therefore the group has disclosed 14.8m treasury shares in the consolidated annual financial statements.
2 Beneficial ownership includes the direct shareholding held by an entity, as well as its indirect shareholding (i.e. held by institutions who manages funds on its behalf).