



MultiChoice South Africa Holdings Proprietary Limited
(Registration number 2006/015293/07)
Financial statements
for the year ended 31 March 2020

MultiChoice South Africa Holdings Proprietary Limited

(Registration number 2006/015293/07)

Financial Statements for the year ended 31 March 2020

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MultiChoice South Africa Holdings Proprietary Limited

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Directors' Responsibilities and Approval

The annual financial statements of the company standing alone are the responsibility of the directors of MultiChoice South Africa Holdings Proprietary Limited. In discharging this responsibility, they rely on the management of the company to prepare the annual financial statements presented on pages 2 to 24 in accordance with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. As such, the 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 annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the company has adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The annual financial statements support the viability of the company. The preparation of the annual financial statements was supervised by the company's chief financial officer, Tim Jacobs CA(SA).

The independent auditing firm PricewaterhouseCoopers Inc., 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 annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on pages 8 to 10.

The annual financial statements set out on pages 2 to 24, which have been prepared on the going concern basis, were approved by the board of directors on 10 June 2020 and were signed on their behalf by:



MI Patel
Chair



CP Mawela
Chief executive officer

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Company Secretary's Certification

In terms of section 88(2)(e) of the Companies Act No 71 of 2008 I, Rochelle Joy Gabriels, in my capacity as interim company secretary of MultiChoice South Africa Holdings Proprietary Limited, confirm that for the year ended 31 March 2020 the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a private company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.



RJ Gabriels

Interim Company Secretary

10 June 2020

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Report of the audit committee

I am pleased to present the report of the audit committee for the year ended 31 March 2020. The audit committee submits this report, as required by section 94 of the Companies Act No 71 of 2008 (the Act).

Members of the audit committee and attendance at meetings

The audit committee consists of non-executive directors and meets at least three times per year in accordance with its charter. All members act independently as described in section 94 of the Act. During FY2020, four meetings were held. The internal and external auditors, in their capacity as auditors to the group, attended and reported at all meetings of the audit committee. The group risk management function was also present. The chairperson of the board, group CEO, group CFO, corporate CFO and group general counsel are not members but attend audit committee meetings by invitation.

The names of the members, who were in office during FY2020 and the details of the audit committee meetings attended by each of the members are:

Name of committee member	Qualification	Attendance	Category
DG Eriksson	Certificate in the Theory of Accounting, CA(SA)	4/4	Non-executive
S Dakile-Hlongwane	BA (Economics and Statistics) MA (Development economics)	4/4	Independent non-executive
E Masilela	BSocSci (Economics and Statistics), MSc (Economic Policy and Analysis)	4/4	Non-executive
L Stephens*	BBusSc, BComHon, CA(SA) CD(SA)	4/4	Non-executive chair

* L Stephens became chair of the committee on the 21 September 2019.

All members of the committee comply with the member requirements as set out in section 94 of the Act. OM Matloa's appointment as a director was declared by the High Court to have automatically lapsed on 31 August 2018. During the year, the decision was taken to delegate oversight for remuneration, audit and risk to the relevant MultiChoice Group committees. This decision was taken to ensure greater alignment across the entire MultiChoice Group, remove unnecessary repetition and increase the effectiveness of the committees, thus the audit committee for South Africa has been disbanded.

External auditors

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by PricewaterhouseCoopers that internal governance processes within the firm support and demonstrate the claim to independence.

The terms of engagement and audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

Responsibilities and key actions

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

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

- reviewed the annual financial statements, culminating in a recommendation to the board to adopt them.

In the course of its review the committee:

- took appropriate steps to ensure the annual financial statements were prepared in accordance with IFRS and in the manner required by the Act;
- considered and, when appropriate, made recommendations on internal financial controls;
- dealt with concerns or complaints on accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls;
- reviewed legal matters that could have a significant impact on the organisation's annual financial statements; and
- reviewed the ability of the company to continue as a going concern, including an analysis of the company's liquidity and solvency and recommended it to the board for approval.
- reviewed external audit reports on the annual financial statements;

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Report of the audit committee

- reviewed the board-approved internal audit charter;
- reviewed and approved the internal and external audit plans;
- reviewed internal audit and risk management reports and, where relevant, made recommendations to the board;
- evaluated the effectiveness of risk management, controls and governance processes;
- verified the independence of the external auditor, nominated PricewaterhouseCoopers Inc. (PwC) as auditor for FY2020 and noted the appointment of Mr DH Höll as the designated auditor;
- approved audit fees and engagement terms of the external auditor; and
- determined the nature and extent of allowable non-audit services and approved contract terms for non-audit services by the external auditor.

Discharge of responsibilities

The committee determined that during the financial year under review it had discharged its legal and other responsibilities as outlined in its charter, details of which are included in responsibility and key actions paragraph above. The board concurred with this assessment.

Internal Audit

The audit committee fulfils an oversight role on the company's financial statements and the reporting process, including the systems of internal financial control. It is responsible for ensuring the internal audit function is independent and has the necessary resources, standing and authority in the organisation to enable it to discharge its duties. Furthermore, the committee oversees cooperation between the internal and external auditors, and serves as a link between the board of directors and these functions.

Confidential meetings

Audit committee agendas provide for confidential meetings between the committee members and the internal and external auditors.

Expertise and experience of finance function

The committee satisfied itself that the composition, experience and skills set of the finance function met the company's requirements.



L Stephens

Chair: Audit committee

10 June 2020

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Director's Report

The directors have pleasure in submitting their report on the financial statements of MultiChoice South Africa Holdings Proprietary Limited for the year ended 31 March 2020.

1. Nature of business

The principal activities of the company are to act as an investment holding company.

2. Share capital

Refer to note 5 of the financial statements for detail of the movement in authorised and issued share capital.

3. Directorate

Mr MI Patel was appointed as the executive chair of the board with effect from 12 November 2019. Mr N Letele stepped down as MCSAH executive chair and became a non-executive director. Mr MI Patel was appointed as a executive director with effect from 12 November 2019. Mr DG Eriksson will retire as non-executive director, Ms S Dakile-Hlongwane and Mr KB Sibiyi will retire as independent non-executive directors with effect from 11 June 2020. Ms C Sabwa and Dr FA Sanusi were appointed as non-executive directors with effect from 11 June 2020. Mr JA Mabuza will take over as a lead non-executive director from Mr KB Sibiyi with effect from 11 June 2020. Mr SJZ Pacak will be retiring as a non-executive director, with effect from April 2021.

The directors' names, details and attendance are presented below and the company secretary's name and business and postal addresses are presented on page 25. Directors' shareholdings in the issued share capital of the company are disclosed in note 9 of the annual financial statements.

Directors and attendance at meetings in the 2020 financial year:

	Date first appointed in current position	Board	Audit	Risk	Remuneration	Category
		Attendance				
MI Patel	12 November 2019	2/2	*	*	*	Executive chair
FLN Letele	12 November 2019	3/6	*	*	*	Non-Executive
DG Eriksson		6/6	4/4	4/4	*	Non-Executive
JJ Volkwyn		6/6	*	*	4/4	Non-Executive
KB Sibiyi		6/6	*	*	*	Independent Non-Executive
KD Moroka		6/6	*	*	4/4	Non-Executive
S Dakile-Hlongwane		6/6	4/4	4/4	*	Independent Non-Executive
SJZ Pacak		6/6	*	4/4	4/4	Non-Executive
E Masilela		6/6	4/4	4/4	*	Non-Executive
L Stephens		6/6	4/4	4/4	*	Non-Executive
OM Matloa**		0/0	0/0	0/0	*	Independent Non-Executive
CP Mawela		6/6	*	4/4	*	Chief Executive Officer
TN Jacobs		6/6	*	4/4	*	Chief Financial Officer
J Mabuza	5 July 2019	4/4	*	*	*	Non-Executive

* Not a member.

** OM Matloa's appointment as a director was declared by the High Court to have automatically lapsed on 31 August 2018.

4. Dividends

An ordinary dividend of ZAR6.0bn (2019: ZAR6.6bn) was paid in the current year. The ordinary dividend paid was 1666.67 cents per share (2019: 1955.56 cents per share). The board recommends that an ordinary dividend of ZAR6.0bn (1666.67 cents per share) be declared for the year.

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Director's Report

5. Company secretary

Ms Donna Maree Dickson resigned as company secretary on 30 September 2019. Mrs Rochelle Joy Gabriels was appointed as interim company secretary on 12 December 2019 until such time as a permanent appointment is made.

6. Borrowings

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

7. COVID-19

The coronavirus (COVID-19) pandemic has had a significant impact across the world, adversely affecting the lives of the company's stakeholders and its employees. In the short term, the company has reacted swiftly in implementing its business continuity plans well ahead of the forced lockdowns imposed by government. The considerations around the impact of the pandemic on the company have been documented in the annual financial statements where applicable.



Independent auditor's report

To the Shareholders of MultiChoice South Africa Holdings Proprietary Limited

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position MultiChoice South Africa Holdings Proprietary Limited (the Company) as at 31 March 2020 and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

MultiChoice South Africa Holdings Proprietary Limited's separate financial statements set out on pages 11 to 24 comprise:

- the separate statement of financial position as at 31 March 2020;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended;
- the accounting policies for the year then ended; and
- the notes to the separate financial statements.

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 separate 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 Company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*. and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled MultiChoice South Africa Holdings Proprietary Limited Financial Statements for the year ended 31 March 2020, which includes the Company secretary's certification, Report of the audit committee and Directors' Report as required by the Companies Act of

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the separate 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 separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Dirk Höll

Registered Auditor

Johannesburg

10 June 2020

MultiChoice South Africa Holdings Proprietary Limited

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Statement of financial position

	Notes	2020 R'm	2019 R'm
Assets			
Non-Current Assets			
Investments in subsidiaries	3	16 875	16 875
Investment in joint ventures	4	-	*
		16 875	16 875
Equity and Liabilities			
Equity			
Share capital and premium	5	16 875	16 875
Retained income		-	-
		16 875	16 875

* Amounts less than R1 million.

The accounting policies and the notes on pages 15 to 24 form an integral part of the financial statements.

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Statement of profit or loss and other comprehensive income

	Notes	2020 R'm	2019 R'm
Dividend received		6 000	6 600
Profit for the year		6 000	6 600
Other comprehensive income		-	-
Total comprehensive income for the year		6 000	6 600

The accounting policies and the notes on pages 15 to 24 form an integral part of the financial statements.

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Statement of Changes in Equity

	Share capital	Share premium	Retained income	Total equity
	R'm	R'm	R'm	R'm
Balance at 01 April 2018	*	16 875	-	16 875
Profit for the year	-	-	6 600	6 600
Other comprehensive income	-	-	-	-
Dividends paid**	-	-	(6 600)	(6 600)
Balance at 01 April 2019	*	16 875	-	16 875
Profit for the year	-	-	6 000	6 000
Other comprehensive income	-	-	-	-
Dividends paid**	-	-	(6 000)	(6 000)
Balance at 31 March 2020	*	16 875	-	16 875

* Amounts less than R1 million.

** Refer to note 7.

The accounting policies and the notes on pages 15 to 24 form an integral part of the financial statements.

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Statement of cash flows

	Note(s)	2020 R'm	2019 R'm
Cash flows from operating activities			
Dividends income*		6 000	6 600
Dividend paid*		(6 000)	(6 600)
		<u>-</u>	<u>-</u>

*MultiChoice South Africa Holdings (Pty) Ltd (MCSAH) receives dividend income from MultiChoice South Africa (Pty) Ltd (MCSA), to which MCSAH declares the same amount as a dividend to MCSAH shareholders, being MultiChoice Group Ltd (MCG) and Phuthuma Nathi Investments (RF) Ltd (PN). The dividend payment is made directly from MCSA to MCG and PN hence no cash flow take place in MCSAH.

The accounting policies and the notes on pages 15 to 24 form an integral part of the financial statements.

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Accounting Policies

Corporate information

MultiChoice South Africa Holdings Proprietary Limited is a private company incorporated and domiciled in South Africa.

The annual financial statements for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on Wednesday, 10 June 2020.

1. Significant accounting policies

1.1 Basis of preparation

The annual financial statements of the company are presented in accordance with, and comply with, International Financial Reporting Standards ("IFRS") issued and effective at the time of preparing these financial statements. The annual financial statements are prepared according to the historic cost convention.

These separate annual financial statements contain information about MultiChoice South Africa Holdings Proprietary Limited as an individual company and do not contain financial information as the parent of a group.

The financial statements are prepared in South African Rands (ZAR), which is the company's functional currency and reporting currency. All amounts are disclosed in millions of Rands.

1.2 Investments in subsidiaries and joint ventures

Subsidiaries are all entities (including special purpose entities) over which the company has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

The company's accounting policy is to recognise investments in subsidiaries at cost in accordance with IAS 27. The initial cost is determined based on the fair value of the assets received or the shares issued.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments.

Acquisition-related costs are expensed as incurred.

1.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.4 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations where the applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

The normal South African company tax rate used at the reporting date is 28%.

The company earns income through dividends received which is exempt from income tax.

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Accounting Policies

1.5 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

1.6 COVID-19 considerations

As noted in the director's report on page 6 - 7, the company has considered the impact of COVID-19 to the annual financial statements. The accounting considerations have been provided for the following:

The coronavirus (COVID-19) pandemic has had a significant impact across the world, adversely affecting the lives of the group's customers and its employees. Based on the magnitude of the pandemic and its potential impact on the South African economy, management has conducted a review of all possible financial effects the virus could have on the measurement, presentation and disclosure provided.

Consideration of potential impact

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

COVID-19 consideration	Assessment	Potential Impact	Note reference
Subsequent events	COVID-19 was assessed as being prevalent in the South African market before 31 March 2020. Recognised assets and liabilities at reporting date are to be presented, measured and disclosed after taking into account the effect/impact of material adjusting subsequent events.	High *	Note 8

** These items have been assessed as potentially having a high/moderate impact on the group and therefore specific accounting policies have been developed outlining the recognition, measurement and disclosures principles to be applied.*

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Accounting Policies

1.7 Recently issued accounting standards

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2020. The company is currently evaluating the effects of these standards and interpretation, which have not been early adopted. The company has done an initial assessment and tentatively concluded that the implementation of these changes will not have a material impact on the financial statements.

Standard/Interpretation	Title
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IFRS 3	<i>Definition of a business</i>
Amendments to IAS 1 and IAS 8	<i>Definition of material</i>
Conceptual Framework	<i>Amendments to References to the Conceptual Framework in IFRS Standards</i>

The company does not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods, except as noted below:

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

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Accounting Policies

1.7 Recently issued accounting standards (continued)

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

2 Critical estimates and judgements

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

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Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

	2020 R'm	2019 R'm
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3. Investments in subsidiaries

Name of company	% voting power 2020	% voting power 2019	Cost 2020	Fair value 2019
	MultiChoice South Africa Proprietary Limited	100.00 %	100.00 %	16 875

The company has a 100% interest in MultiChoice South Africa (Pty) Ltd, which is incorporated in South Africa, is an investment holding company and which has the South African rand as its functional currency. A register containing the number of shares and class of shares for this investment is available for inspection at the company's registered office.

4. Investment in joint venture

Unlisted Investment - At cost less accumulated impairment

Name of company	Held by	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
		Yizani Phuthuma Nathi (RF) Proprietary Limited**		- %	50.00 %

*Amounts less than R1 000 000.

**MultiChoice SA Holding had a 50% interest in Yizani Phuthuma Nathi (RF) Proprietary Limited at a value of R50. Yizani Phuthuma Nathi (RF) Proprietary Limited was deregistered on the 26th June 2019.

5. Share capital and premium

Authorised

3 000 000 000 ordinary shares of R0.0001 each

Issued (fully paid up)

360 000 000 ordinary shares of R0.0001 each (2019: 360 000 000)

Share premium

*	*
16 875	16 875
16 875	16 875

* Amounts less than R1 million

The directors of the company have unrestricted authority until after the following annual general meeting to allot and issue the unissued ordinary shares in the company, subject to the provisions of the Companies Act.

In the prior year the company issued 22.5 million shares to the two Phuthuma Nathi entities as part of the unbundling of MultiChoice Group Limited from Naspers Limited. The empowerment transaction resulted in the Phuthuma Nathi entities acquiring an additional 5% stake increasing their overall investment in MultiChoice South Africa Holdings (Pty) Ltd from 20 - 25%.

During FY2020, following the implementation of a scheme arrangement, Phuthuma Nathi Investments (RF) limited acquired 100% of the share capital of Phuthuma Nathi Investments 2 (RF) Limited, from the Phuthuma Nathi Investments 2 (RF) Limited shareholders. As a result, Phuthuma Nathi Investments 2 (RF) Limited became a wholly owned subsidiary of Phuthuma Nathi Investments (RF) Limited. Phuthuma Nathi Investments 2 (RF) limited distributed its 8.33% interest in MultiChoice South Africa Holdings Proprietary Limited (MCSAH), as a dividend in specie to its parent, Phuthuma Nathi Investments (RF) Limited. As a result of the scheme, Phuthuma Nathi Investments (RF) Limited owns the full 25% share in MCSAH.

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Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

	2020 R'm	2019 R'm
6. Taxation		
Reconciliation of the tax expense		
Reconciliation between accounting loss and tax expense.		
Accounting profit	6 000	6 600
Tax at the applicable tax rate of 28% (2019: 28%)	1 680	1 848
Adjusted for:		
Non-taxable income - dividends received	(1 680)	(1 848)
	<u>-</u>	<u>-</u>
7. Dividends paid		
Dividends*	<u>(6 000)</u>	<u>(6 600)</u>

*Dividend received of R6.0bn (2019 R6.6bn) from MCSA was declared and paid to MCG and PN.

8. Subsequent events

The company considers information obtained subsequent to the reporting date, in relation to known or knowable events and expected eventualities identified as at 31 March 2020, as adjusting subsequent events. With regards to financial reporting impacts associated with COVID-19, the key principle is that COVID-19 is considered to be sufficiently prevalent in South Africa at 31 March 2020. Therefore, COVID-19 related events that arise in the post balance sheet period, that provide additional information in relation to assets and liabilities in existence at 31 March 2020, have been considered adjusting subsequent events. New events which occur after 31 March 2020, which do not relate to existing assets and liabilities related to COVID-19 at the reporting date, are considered to be non-adjusting subsequent events, and these, together with their relating financial effects, have been disclosed to the extent that they are considered to be material.

The company is satisfied that the appropriate considerations have been taken into account with regards to the impact of COVID-19 to the annual financial statements for the year ended 31 March 2020 with regards to subsequent events.

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

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Notes to the Financial Statements

9. Directors' emoluments

	2020 R'000	2019 R'000
Executive Directors and prescribed officers emoluments	55 657	48 907
Non-executive directors		
Fees for services as directors of the group	6 520	5 696
Remuneration for services to other group companies	10 344	36 811
Fees for services as directors of other group companies	5 804	13 945
	<u>22 668</u>	<u>56 452</u>
	<u>78 325</u>	<u>105 359</u>

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

The group directors' service contracts do not include predetermined compensation as a result of termination that would exceed one year's salary and benefits and none are linked to any restraint payments.

The individual directors received the following remuneration and emoluments:

2020	Salary and other allowances	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
	ZAR'000	ZAR'000	ZAR'000	ZAR'000
Executive directors				
CP Mawela	11 714	8 918	1 023	21 655
MI Patel	18 991	6 111	697	25 799
TN Jacobs	5 447	2 000	756	8 203
	<u>36 152</u>	<u>17 029</u>	<u>2 476</u>	<u>55 657</u>
2019	Salary and other allowances ³	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
	ZAR'000	ZAR'000	ZAR'000	ZAR'000
Executive directors				
FLN Letele ¹	8 125	3 395	-	11 520
TN Jacobs ⁽²⁾⁽⁶⁾	2 077	3 810	281	6 168
MI Patel ⁽²⁾⁽⁵⁾	8 437	7 940	306	16 683
CP Mawela ⁽²⁾⁽⁶⁾	2 402	-	306	2 708
U Raman ⁽¹⁾⁽²⁾⁽⁴⁾	6 260	4 802	766	11 828
	<u>27 301</u>	<u>19 947</u>	<u>1 659</u>	<u>48 907</u>

(1) Director and prescribed officer.

(2) Paid by other companies in the group.

(3) Includes director's fees

(4) Resigned on 31 October 2018.

(5) Resigned on 1 November 2018.

(6) Appointed on 1 November 2018.

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Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

9. Directors' emoluments (continued)

2020	Directors' remuneration		Directors' fees		Committee and trustee fees		Total
	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	
Non-executive directors	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000
DG Eriksson	-	-	511	540	520	335	1 906
FLN Letele ⁽¹⁾	-	5 695	170	180	34	29	6 108
E Masilela	-	-	511	540	306	-	1 357
KD Moroka ⁽²⁾	-	535	511	540	482	725	2 793
SJZ Pacak	-	-	511	540	207	933	2 191
L Stephens	-	-	511	540	535	435	2 021
JJ Volkwyn ⁽⁴⁾	-	2 891	-	-	-	-	2 891
KB Sibiyi ⁽³⁾	-	1 223	511	-	-	-	1 734
JA Mabuza ⁽⁵⁾	-	-	384	405	-	62	851
S Dakile-Hlongwane	-	-	511	-	305	-	816
	-	10 344	4 131	3 285	2 389	2 519	22 668

(1) FLN Letele changed role from MCSA Executive Chairman to a Non Executive Director in the year.

(2) In addition to Director's fees, emoluments shown are based on a consultancy agreement whereby Adv Moroka provides professional advisory services to the company and its subsidiaries.

(3) In addition to Director's fees, emoluments shown are based on a consultancy agreement whereby Khulu Sibiyi provides consultancy services to the company.

(4) Emoluments shown are based on a consultancy agreement whereby Jim Volkwyn provides consultancy services to MultiChoice Group.

(5) Appointed 5 July 2019.

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

2019	Directors' remuneration		Directors' fees		Committee and trustee fees		Total
	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies		
Non-executive directors	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000	ZAR'000
S Dakile-Hlongwane ⁽¹⁾⁽²⁾	-	483	-	288	-	-	771
D G Eriksson ⁽¹⁾⁽²⁾	-	483	3 510	706	3 650	-	8 349
E Masilela ⁽¹⁾	-	483	256	288	-	-	1 027
O M Matloa ⁽¹⁾	-	241	-	144	-	-	385
K D Moroka ⁽¹⁾⁽²⁾	-	483	408	519	181	-	1 591
S J Z Pacak ⁽¹⁾⁽²⁾	-	483	3 805	227	687	-	5 202
K B Sibiyi ⁽¹⁾	-	483	1 130	-	-	-	1 613
L Stephens ⁽¹⁾	-	241	180	144	137	-	702
B van Dijk ⁽⁴⁾	34 173	-	-	-	-	-	34 173
JJ Volkwyn ⁽⁵⁾	2 639	-	-	-	-	-	2 639
	36 812	3 380	9 289	2 316	4 655	56 452	

Notes

(1) Directors' fees include fees for services as directors, where appropriate for NMS Insurance Services Limited.

(2) Committee fees include fees for the attendance of the audit committee, risk committee, human resources and remuneration committee, the nomination committee and the social and ethics committee meetings of the board. Other fees relate to payments for other services to the group.

(3) Trustee fees include fees for the attendance of the various retirement fund trustee meetings of the group's retirement funds. An additional fee may be paid to directors for work done as directors with specific expertise.

(4) Remunerated as an employee of another Naspers group company.

(5) Remunerated as an employee of MultiChoice Africa Services BV.

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Notes to the Financial Statements

9. 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 Companies Act.

Directors' interest in the group's share incentive schemes

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

2020

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
Calvo Mawela	MCA 2008 SAR Plan	15-Sep-15	16 242	113.19	15-Sep-2020	17.19	
		01-Sep-16	13 958	116.30	01-Sep-2020	18.18	
		01-Sep-16	13 958	116.30	01-Sep-2021	20.40	
		28-Jun-17	10 594	94.39	28-Jun-2020	22.06	
		28-Jun-17	10 594	94.39	28-Jun-2021	26.07	
		28-Jun-17	10 595	94.39	28-Jun-2022	30.01	
		27-Jun-18	26 119	77.19	27-Jun-2021	32.80	
		27-Jun-18	26 119	77.19	27-Jun-2022	37.30	
	27-Jun-18	26 119	77.19	27-Jun-2023	41.16		
				154 298			
	MultiChoice Group RSU		18-Jun-19	61 162	0.00	18-Jun-2021	130.80
			18-Jun-19	61 162	0.00	18-Jun-2022	130.80
			18-Jun-19	61 162	0.00	18-Jun-2023	130.80
			18-Jun-19	61 162	0.00	18-Jun-2024	130.80
			244 648				

2020

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
Tim Jacobs	MCA 2008 SAR Plan	03-Dec-18	151 142	77.19	03-Dec-2021	35.15	
		03-Dec-18	151 142	77.19	03-Dec-2022	39.48	
		03-Dec-18	151 143	77.19	03-Dec-2023	43.19	
				453 427			
	MultiChoice Group RSU		18-Jun-19	15 768	0.00	18-Jun-2021	130.80
			18-Jun-19	15 768	0.00	18-Jun-2022	130.80
			18-Jun-19	15 768	0.00	18-Jun-2023	130.80
18-Jun-19			15 769	0.00	18-Jun-2024	130.80	
			63 073				

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Notes to the Financial Statements

9. Directors' emoluments (continued)

2020

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
Imtiaz Patel	MCA 2008 SAR Plan	15-Sep-15	82 276	113.19	15-Sep-2020	17.19	
		01-Sep-16	58 369	116.30	01-Sep-2020	18.18	
		01-Sep-16	58 370	116.30	01-Sep-2021	20.40	
		28-Jun-17	67 996	94.39	28-Jun-2020	22.06	
		28-Jun-17	67 996	94.39	28-Jun-2021	26.07	
		28-Jun-17	67 996	94.39	28-Jun-2022	30.01	
		27-Jun-18	119 527	77.19	27-Jun-2021	32.80	
		27-Jun-18	119 527	77.19	27-Jun-2022	37.30	
	27-Jun-18	119 529	77.19	27-Jun-2023	41.16		
				761 586			
	MultiChoice Group RSU	18-Jun-19	51 548	0.00	18-Jun-2021	130.80	
		18-Jun-19	51 548	0.00	18-Jun-2022	130.80	
		18-Jun-19	51 548	0.00	18-Jun-2023	130.80	
		18-Jun-19	51 549	0.00	18-Jun-2024	130.80	
			206 193				

2019

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
J J Volkwyn	MCG - MIH Services FZ LLC - N - ZAR (Naspers shares)	24-Jul-15	3 636	0.00	24-Jul-19	106.10
		24-Jul-15	3 638	0.00	24-Jul-20	106.10
		7 274				
	MIH Services FZ LLC - N - ZAR (Naspers shares)	24-Jul-15	3 636	1 822.89	24-Jul-19	829.44
		24-Jul-15	3 638	1 822.89	24-Jul-20	903.61
		7 274				
Calvo Mawela	MCA 2008 SAR Plan	15-Sep-14	5 087	125.60	15-Sep-19	58.08
		15-Sep-15	16 240	113.19	15-Sep-19	46.75
		15-Sep-15	16 242	113.19	15-Sep-20	51.69
		01-Sep-16	13 958	116.30	01-Sep-19	39.54
		01-Sep-16	13 958	116.30	01-Sep-20	45.30
		01-Sep-16	13 958	116.30	01-Sep-21	50.62
		28-Jun-17	10 594	94.39	28-Jun-20	35.73
		28-Jun-17	10 594	94.39	28-Jun-21	39.73
		28-Jun-17	10 595	94.39	28-Jun-22	43.51
		27-Jun-18	26 119	77.19	27-Jun-21	29.48
		27-Jun-18	26 119	77.19	27-Jun-22	32.92
		27-Jun-18	26 119	77.19	27-Jun-23	36.00
	189 583					
Tim Jacobs	MCA 2008 SAR Plan	03-Dec-18	151 142	77.19	03-Dec-21	30.37
		03-Dec-18	151 142	77.19	03-Dec-22	33.97
		03-Dec-18	151 143	77.19	03-Dec-23	37.27
		08-Sep-17	-	2 861.73	08-Sep-21	1 084.59
	453 427					

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