



MULTI CHOICE
PHUTHUMA NATHI
SHARE THE FUTURE

Phuthuma Nathi Investments (RF) Limited

Consolidated and company annual financial statements
for the year ended 31 March 2022

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Directors' statement of responsibility

for the year ended 31 March 2022

The directors are responsible for the preparation, integrity and fair presentation of the consolidated and company annual financial statements of Phuthuma Nathi Investments (RF) Limited. The consolidated and company annual financial statements presented on pages 1 to 33, have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa, and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the consolidated and company annual financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable prudent judgements and estimates, and that all IFRS that they consider to be applicable have been followed. The consolidated and company annual financial statements fairly present the results of operations for the year and the financial position of the company at year end in accordance with IFRS.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose, with reasonable accuracy, the financial position and results of the company to enable the directors to ensure that the consolidated and company annual financial statements comply with the relevant legislation.

The group operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The going concern basis has been adopted in preparing the consolidated and company annual financial statements. The directors have no reason to believe that the group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the viability of the group.

The consolidated and company annual financial statements have been audited by the independent auditor, PricewaterhouseCoopers Inc., who were 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.

The audit report of PricewaterhouseCoopers Inc. is presented on pages 7 to 10.

The consolidated and company annual financial statements set out on pages 11 to 33, which have been prepared on the going concern basis, were approved by the board of directors on 9 June 2022 and were signed on their behalf by:

M Langa
Director
9 June 2022

CP Mack
Director
9 June 2022

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Certificate by the company secretary

for the year ended 31 March 2022

In terms of section 88(2)(e) of the Companies Act No 71 of 2008 I, Carmen Miller, in my capacity as company secretary of Phuthuma Nathi Investments (RF) Limited, confirm that for the year ended 31 March 2022 the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a 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

Group Company Secretary

9 June 2022

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Report of the audit committee

for the year ended 31 March 2022

As the company's major asset is an investment in MultiChoice South Africa Holdings Proprietary Limited (MCSAH), the board deems it appropriate that all its members be appointed to the audit committee. The audit committee has pleasure in submitting this report, as required by section 94 of the South African Companies Act No 71 of 2008 ("the Act").

RESPONSIBILITIES

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

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

Financial controls

- Review and approve for presentation to and approval by the board, the company's integrated annual report and annual financial statements. These reviews included:
 - Taking appropriate steps to ensure the annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act.
 - Considering and, when appropriate, making recommendations on internal financial controls.
 - Reviewing key audit matters raised by the external auditor and management's response thereto.
 - Compiling a report to be inserted in the 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 annual financial statements, and how these were addressed by management.
 - Reviewed the ability of the company to continue as a going concern, including an analysis of the group's liquidity and solvency and recommend it to the board for approval.

External Auditor

- Receive all audit reports directly from the external auditor.
- Annually review the external auditor's performance and disclose the committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- 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.

MEMBERS OF THE AUDIT COMMITTEE

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

The names of the members who were in office during 2022, and up to the date of this report, are reflected below.

Name of committee member	Qualification
C Mawela*	BScEng (Electrical)
M Langa	Diploma in Offset Litho Printing (London College of Printing) and Certificate in Periodical Journalism (University of London)
CP Mack	LLB - University of Cape Town
H Wessels**	BCom, CTA and CA(SA)

*Resigned effective 9 June 2021.

**Appointed 12 May 2021.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Report of the audit committee

The committee members as at date hereof are recommended for election as committee members by shareholders at the annual general meeting to be held on 24 August 2022.

ATTENDANCE

The external auditor, in their capacity as auditor to the company, attended and reported at the meeting of the audit committee. Relevant managers attended meetings by invitation.

MANDATORY AUDIT FIRM ROTATION AND EXTERNAL AUDITOR FOR 2024

During 2021, the company commenced its process in line with IRBA's mandatory audit firm rotation regulations, which requires the company to rotate auditors at the latest by 2024 (the period from 1 April 2023 to 31 March 2024). After a formal selection process concluded during 2022, the audit committee has selected EY as the recommended external auditors from 2024.

CONFIDENTIAL MEETINGS

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

INDEPENDENCE OF EXTERNAL AUDITOR

During the year under review, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor.

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.

DISCHARGE OF RESPONSIBILITIES

The committee determined that during the financial year under review it had discharged its legal and other responsibilities as outlined in terms of the Act. The board concurred with this assessment.

M Langa

Chair: Audit committee

9 June 2022

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Directors' report

for the year ended 31 March 2022

The directors have pleasure in submitting their report on the consolidated and company annual financial statements of Phuthuma Nathi Investments (RF) Limited and the group for the year ended 31 March 2022.

1. Nature of operations

Phuthuma Nathi Investments (RF) Limited was incorporated on 19 May 2006 under the laws of the Republic of South Africa. The principal activities of Phuthuma Nathi Investments (RF) Limited are to:

- a) carry on the main business of holding MultiChoice South Africa Holdings Proprietary Limited (MCSAH) ordinary shares, cash and such assets as are received and acquired solely by virtue of or in relation to the holding of MCSAH ordinary shares, and
- b) receive and distribute dividends and other distributions in terms of its holding in MCSAH.

2. Operating and financial review

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

The group has a strong financial position, with R6.7 billion (2021: R6.6 billion) in net assets and R55.1 million (2021: R70.7 million) of available cash. The group recorded a net profit after tax for the year ended 31 March 2022 of R1.6 billion (2021: R2 billion).

3. Share capital

Refer to note 4 for details of the authorised and issued share capital.

4. Directors, secretary and auditor

During the reporting period the Phuthuma Nathi board consisted of four directors: Calvo Mawela, Clarissa Mack, Mandla Langa and Herman Wessels. Herman Wessels was appointed as a director with effect from 12 May 2021.

Directors	Date first appointed	Category
CP Mack	5 July 2007	Non-executive
M Langa	4 August 2006	Independent, non-executive
C Mawela	12 July 2019	Non-executive
H Wessels	12 May 2021	Independent, non-executive

Carmen Miller is the group company secretary. The registered address and postal address for the company secretary is the same as those of the company as detailed on page 33.

PricewaterhouseCoopers Inc. will continue in office as auditor in accordance with section 94 of the Companies Act No 71 of 2008 (the Act).

5. Trading platform

In response to the Registrar of Securities Services (the Registrar) request to regularise our affairs in line with the Financial Markets Act, 2012 (the FM Act), Phuthuma Nathi (RF) Limited listed its shares on Equity Express Securities Exchange (ESEE) Proprietary Limited on 23 November 2018, a licensed exchange authorised in terms of the FM Act.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Directors' report

6. Events after the reporting period

Dividend

The MultiChoice South Africa board recommends a dividend of R6.0 billion (2022: R6.0 billion) to its shareholders of which R1.5 billion is attributable to Phuthuma Nathi. The Phuthuma Nathi board will declare a dividend of R1.5 billion (2022: R1.5 billion) to be declared and paid in financial year 2023. This amounts to 2 222.22 cents per Phuthuma Nathi ordinary share to be paid to shareholders (2022: 2 222.22 cents).

The declaration of this dividend is subject to the approval of the MultiChoice South Africa board, which will be confirmed by shareholders at the MultiChoice South Africa AGM on 24 August 2022. On approval, the Phuthuma Nathi dividend will be payable to shareholders in the share register on 24 August 2022 and paid on or about 5 September 2022.

After the 20% dividend tax, amounting to 444.44 cents per share is deducted, Phuthuma Nathi shareholders will receive a net dividend of 1 777.78 cents per share (2022: 1 777.78 cents per share).

7. Going concern

The directors are satisfied that the group and company are in sound financial position and that sufficient borrowing facilities and cash reserves are accessible in order to enable the group to meet their foreseeable commitment requirements. On this basis they have considered that the group has adequate resources to continue operating for the foreseeable future and therefore deem it adequate to adopt the going concern basis in preparing the consolidated and company annual financial statements for this reporting period.

Signed on behalf of the Board of Directors By:

Mandla Langa
Chairman
9 June 2022



Independent auditor's report

To the Shareholders of Phuthuma Nathi Investments (RF) Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Phuthuma Nathi Investments (RF) Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2022, and its consolidated and separate financial performance and its consolidated and 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

Phuthuma Nathi Investments (RF) Limited's consolidated and separate financial statements set out on pages 11 to 32 comprise:

- the consolidated and company statements of financial position as at 31 March 2022;
- the consolidated and company statements of profit or loss for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements 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 and 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.

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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)*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Phuthuma Nathi Investments (RF) Limited Consolidated and Company Annual Financial Statements for the year ended 31 March 2022", which includes the Directors' Report, the Report of the audit committee and the Certificate by the Company Secretary 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 "Integrated annual report to the shareholders of Phuthuma Nathi Investments (RF) Limited for the year ended 31 March 2022", 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 report thereon.

Our opinion on the consolidated and separate 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 and 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 consolidated and 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 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 and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.¹

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



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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and 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 consolidated and 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 consolidated and 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 Group's and 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 Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and 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 Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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.

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 Phuthuma Nathi Investments (RF) Limited for 16 years.

PricewaterhouseCoopers Inc.
Director: AM Motaung
Registered Auditor
Johannesburg, South Africa
9 June 2022

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Consolidated and company statements of financial position

as at 31 March 2022

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Assets					
Non-Current Assets		6 684 423	6 638 918	6 684 423	6 638 918
Investment in associate	3	6 684 423	6 638 918	6 684 423	6 638 918
Current Assets		195 898	178 044	195 898	178 044
Trade and other receivables	6	140 788	107 355	140 788	107 355
Cash and cash equivalents	13	55 110	70 689	55 110	70 689
TOTAL ASSETS		6 880 321	6 816 962	6 880 321	6 816 962
Equity and Liabilities					
Equity reserves attributable to the companies equity holders		6 681 961	6 637 032	6 681 961	6 637 032
Share capital and premium	4	2 814 075	2 814 075	2 814 075	2 814 075
Other reserves		347 681	406 673	347 681	406 673
Accumulated profit		3 520 205	3 416 284	3 520 205	3 416 284
Current Liabilities		198 360	179 930	198 360	179 930
Other payables	5	198 360	179 930	198 360	179 930
TOTAL EQUITY AND LIABILITIES		6 880 321	6 816 962	6 880 321	6 816 962

The notes on pages 16 to 32 form an integral part of the consolidated and company annual financial statements.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Consolidated and company statements of profit or loss

for the year ended 31 March 2022

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Operating expenses	7	(576)	(743)	(576)	(743)
Operating loss		(576)	(743)	(576)	(743)
Share of equity accounted results of associate		1 604 497	1 975 090	1 604 497	1 975 090
Profit before taxation		1 603 921	1 974 347	1 603 921	1 974 347
Taxation	8	-	-	-	-
Profit for the year		1 603 921	1 974 347	1 603 921	1 974 347
Earnings per share (cents)					
Earnings per share based on 67 500 000 (2021: 67 500 000) issued shares		23,76	29,25	23,76	29,25

The notes on pages 16 to 32 form an integral part of the consolidated and company annual financial statements.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Consolidated and company statements of comprehensive income

for the year ended 31 March 2022

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Net profit for the year		1 603 921	1 974 347	1 603 921	1 974 347
Total other comprehensive income, net of tax, for the year:					
Items that may be reclassified subsequently to profit or loss					
Share of comprehensive income of equity accounted investments	3	(58 992)	(889 516)	(58 992)	(889 516)
Total comprehensive income		1 544 929	1 084 831	1 544 929	1 084 831

The notes on pages 16 to 32 form an integral part of the consolidated and company annual financial statements.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Consolidated and company statements of changes in equity

for the year ended 31 March 2022

	Notes	Share capital and share premium R'000	Other reserves ¹ R'000	Accumulated profit R'000	Total equity R'000
Group					
Balance at 1 April 2020		2 814 075	1 296 189	2 941 223	7 051 487
Profit for the year		-	-	1 974 347	1 974 347
Other comprehensive loss		-	(889 516)	-	(889 516)
Liquidation distribution		-	-	714	714
Dividends declared		-	-	(1 500 000)	(1 500 000)
Balance at 31 March 2021		2 814 075	406 673	3 416 284	6 637 032
Profit for the year		-	-	1 603 921	1 603 921
Other comprehensive loss		-	(58 992)	-	(58 992)
Dividends declared		-	-	(1 500 000)	(1 500 000)
Balance at 31 March 2022		2 814 075	347 681	3 520 205	6 681 961
Company					
Balance at 1 April 2020		2 814 075	1 296 189	2 941 325	7 051 589
Profit for the year		-	-	1 974 347	1 974 347
Other comprehensive loss		-	(889 516)	-	(889 516)
Liquidation distribution		-	-	612	612
Dividends declared	14	-	-	(1 500 000)	(1 500 000)
Balance at 31 March 2021		2 814 075	406 673	3 416 284	6 637 032
Profit for the year		-	-	1 603 921	1 603 921
Other comprehensive loss		-	(58 992)	-	(58 992)
Dividends declared	14	-	-	(1 500 000)	(1 500 000)
Balance at 31 March 2022		2 814 075	347 681	3 520 205	6 681 961

¹Other reserves consist of fair value reserve from gains and losses on available-for-sale investments.

The notes on pages 16 to 32 form an integral part of the consolidated and company annual financial statements.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Consolidated and company statements of cash flows

for the year ended 31 March 2022

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Cash flows from operating activities					
Cash outflow from operations	9	(52 384)	(52 988)	(52 384)	(52 612)
Dividends received from associate	3	1 500 000	1 500 000	1 500 000	1 500 000
Net cash generated from operating activities		1 447 616	1 447 012	1 447 616	1 447 388
Cash flows from financing activities					
Dividends paid to ordinary shareholders	14	(1 463 195)	(1 471 026)	(1 463 195)	(1 471 026)
Liquidation distribution	5	-	714	-	612
Net cash utilised in financing activities		(1 463 195)	(1 470 312)	(1 463 195)	(1 470 414)
Net movement in cash and cash equivalents		(15 579)	(23 300)	(15 579)	(23 026)
Cash and cash equivalents at the beginning of the year		70 689	93 989	70 689	93 715
Cash and cash equivalents at the end of the year	13	55 110	70 689	55 110	70 689

The notes on pages 16 to 32 form an integral part of the consolidated and company annual financial statements.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Notes to the annual financial statements

for the year ended 31 March 2022

1. Basis of preparation

The consolidated and company annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated and company annual financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The consolidated and company annual financial statements have been prepared on a historical cost basis.

The preparation of the consolidated and company annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the entity's accounting policies. These estimates and assumptions affect the reported amounts of assets, liabilities at the reporting date as well as the reported profit or loss for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the reporting date, the actual outcome may differ from these estimates, possibly significantly.

The Group's financial statements have been consolidated to include the subsidiary Phuthuma Nathi Investments 2 (RF) Limited.

2. Principal accounting policies

The accounting policies have been applied consistently compared to the prior year, with the exception of new standards required to be adopted in terms of IFRS. For further details refer to note 16.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated and company statements of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

2. Principal accounting policies (continued)

Impairment of financial assets

The company recognises a simplified loss allowance approach for expected credit losses on amounts due from related parties, sundry debtors and dividend float receivable. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, Phuthuma Nathi Investments (RF) Limited (PN) compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, PN considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the PN debtors operate, obtained from economic expert reports, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the PN core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- significant increases in credit risk on other financial instruments of the same debtor.

Irrespective of the outcome of the above assessment, PN presumes that the credit risk on a financial asset has increased significantly when contractual payments are past due.

Despite the foregoing, PN assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the beneficiary to fulfil its contractual cash flow obligations.

The group holds the following financial assets:

Cash and cash equivalents

Cash and cash equivalents are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

For the purposes of the consolidated and company statements of cash flows, cash and cash equivalents comprise deposits held on call with banks.

Bank overdrafts are included within borrowings in current liabilities on the consolidated and company statements of financial position. The group does not have any overdraft facilities in use.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

2. Principal accounting policies (continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

These comprise of sundry debtors and the dividend float receivable.

Investment in associate

The investment in associate is initially measured at cost and subsequently equity accounted. They are included in non-current assets until management dispose of the investment.

Investment in subsidiaries

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.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are recognised when the company becomes party to the contractual provisions of the relevant instrument. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

Financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months. If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis.

The group holds the following financial liabilities:

Other payables

Other payables are subsequently measured at amortised cost. These comprise of Trade payables and Ordinary shareholders for dividends.

Other payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method. These comprise of related parties, other payables and ordinary shareholders for dividends.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

2. Principal accounting policies (continued)

Significant Judgements and estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of the policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised.

Functional and presentation currency

The consolidated and company annual financial statements are presented in South African Rand, which is the company's functional and presentation currency.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

3. Investment in associate

Associates are entities over which the company exercises significant influence, but which it does not control or jointly control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Associates are all entities over which the company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The company's investment in associates includes notional goodwill identified on acquisition.

The company applies the "cost accumulation" method for an increased stake in an existing associate. With this method the cost of an associate acquired in stages is measured as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Any acquisition-related costs are treated as part of the investment in the associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

When the company ceases to exercise significant influence, any retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, any amounts previously recognised in other comprehensive income in respect of the disposed associate are accounted for as if the company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

The company's share of other comprehensive income and other changes in net assets of the associate is recognised in the statement of comprehensive income. When the company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the company does not recognise any further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

Investments in associates are assessed for impairment where indicators of impairment are present. If impaired, the carrying value of the company's investment in the associate is adjusted to its recoverable amount and the resulting loss allowance is included adjacent to "Share of equity accounted results of associates" in the income statement.

Profits or losses resulting from upstream and downstream transactions between the company and its associate are recognised in the company's consolidated and company annual financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated, unless the loss provides evidence of impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency of the policies adopted by the company.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

The company's total investment in MCSAH is 25% (2021: 25%) as at the end of the financial period.

The principal activities of MCSAH is the operation of video-entertainment services both via satellite and online platforms. This is an unlisted investment that is accounted for using the equity method of accounting.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Group and Company	
	2022 R'000	2021 R'000
3. Investment in associate (continued)		
Movement in carrying amount		
At the beginning of the year	6 638 918	7 053 344
Share of net profit	1 604 497	1 975 090
Share of changes in other reserves	(58 992)	(889 516)
Dividends received	(1 500 000)	(1 500 000)
	6 684 423	6 638 918
Analysis of carrying amount		
Cost	2 250 000	2 250 000
Additional investment	2 364 075	2 364 075
Share of equity accounted results of associate	(1 149 728)	(40 195)
Share of changes in associate's other comprehensive income	2 369 069	1 214 031
Gain on empowerment transaction	851 007	851 007
At the end of the year	6 684 423	6 638 918
Reconciliation of carrying amount		
Share of net assets of associate	3 174 191	2 883 720
Notional goodwill on initial acquisition	1 910 000	1 910 000
Fair value uplift on net identifiable assets	1 512 262	1 757 228
Notional goodwill on additional investment	87 970	87 970
Carrying amount	6 684 423	6 638 918

There has been no objective evidence of impairment of the associate in the current or prior years.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	2022 R'm	2021 R'm
3. Investment in associate (continued)		
Summarised financial information of unlisted associate as per its annual financial statements		
Summarised Statement of Financial Performance		
Revenue	43 350	41 034
Cost of providing services and sale of goods	(23 218)	(20 247)
Gross profit	20 132	20 787
Other operating (losses)/gains	(277)	41
Net impairment loss on trade receivables	(88)	(121)
Selling, general and administration costs	(9 116)	(8 683)
Operating profit	10 651	12 024
Interest income	393	330
Net foreign exchange translation (losses)/gains	(275)	701
Reversal of impairment of equity accounted investments	8	-
Share of equity-accounted results	8	(18)
Interest expense	(603)	(649)
Profit before taxation	10 182	12 388
Taxation	(2 930)	(3 536)
Profit for the year	7 252	8 852
Other comprehensive loss	(449)	(2 734)
Total comprehensive income	6 803	6 118

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	2022 R'm	2021 R'm
3. Investment in associate (continued)		
Summarised Statement of Financial Position		
Assets		
Non-current	13 835	14 706
Current	18 573	17 688
Total assets	32 408	32 394
Liabilities		
Non-current	7 771	9 658
Current	11 940	11 197
Total liabilities	19 711	20 855
Total net assets	12 697	11 539
Equity reserves attributable to the companies equity holders	12 697	11 534
Non-controlling interest	-	5
	12 697	11 539
Reconciliation of equity reserves carrying amount		
Opening balance	11 534	12 212
Profit for the year	7 272	8 847
Other comprehensive loss	(449)	(2 734)
Share-based compensation movement	(55)	(37)
Dividends declared	(5 979)	(5 979)
Hedging reserve basis adjustment	402	(775)
Transactions with non-controlling shareholders	(28)	-
Closing balance	12 697	11 534
Group and company share (%)	25	25
Group and company share (R)	3 174	2 884

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Group and Company	
	2022 R'000	2021 R'000

4. Share capital and premium

Ordinary shares are classified as equity.

Authorised

90 000 000 ordinary shares of R0.0001 each

* Amounts below R1 000.

Issued (and fully paid up)

67 500 000 ordinary shares of R0.0000001 each

Share premium

* Amount less than R1 000.

	*	*
	*	*
	2 814 075	2 814 075
	2 814 075	2 814 075

Capital management

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders. The group relies upon distributions, including dividends, from its associate company to generate the funds necessary to meet the obligations and other cash flow requirements of the group. The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders. The group does not have a formally targeted leverage policy.

5. Other payables

Accounts payable are presented as current liabilities since payment is due or could be demanded within 12 months. Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Dividend distributions

Dividend distributions to the company's shareholders are recognised as a deduction to equity in the company's consolidated and company annual financial statements in the period in which the dividends are approved by the company's shareholders. Ordinary shareholder for dividends relates to dividends still outstanding to shareholders at year end.

Other payables

Trade payables - related parties

Other payables

Ordinary shareholders for dividends

10	6 959	4 905
	4	3
	191 398	175 022
	198 360	179 930

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Group and Company	
	2022 R'000	2021 R'000

6. Trade and other receivables

The dividend float receivable relates to unclaimed dividend float receivables from Singular services for cash held on behalf of the company by Singular services to administer the disbursement of unclaimed dividends to shareholders as and when shareholders come forward.

Dividend float receivable	140 788	107 355
	140 788	107 355

7. Operating expenses

The following items have been charged in arriving at operating profit:

Audit fees	576	691
Sundry debtors write-off	-	52
	576	743

8. Taxation

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The normal South African company tax rate applied for the year ending 31 March 2022 is 28% (2021: 28%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in South Africa. 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.

Dividend withholding tax

Dividend withholding tax is payable at a rate of 20% on dividends distributed to certain shareholders. This tax is not attributable to the company but is collected by a 3rd Party and paid to the tax authorities on behalf of the shareholders.

Deferred tax assets and liabilities

Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of notional goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither the accounting nor the taxable profit or loss. 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.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that future taxable profit will be available against which the temporary differences (including carried forward tax losses) can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to income taxes levied by the same taxation authority on either the taxable company, or different taxable entities where there is an intention to settle the balances on a net basis.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Group and Company	
	2022 R'000	2021 R'000

8. Taxation (continued)

There are no deferred tax assets or liabilities at 31 March 2022 and 2021.

During the 2022 budget speech by the South African minister of finance on 23 February 2022, the minister confirmed a rate change from 28% to 27% which was considered to be substantively enacted from this date. The rate change has no material impact on the 2022 amounts.

Tax rate reconciliation

Reconciliation between applicable tax rate and average effective tax rate.

Statutory tax rate	28,00 %	28,00 %
Earnings from associate recognised post tax	(28,00)%	(28,00)%
	-	-

No deferred tax has been recognised on the associate because dividends received from MCSAH are exempt from tax as the company has no intention to dispose of the investment.

Group		Company	
2022 R'000	2021 R'000	2022 R'000	2021 R'000

9. Cash outflow from operations

Profit before taxation	1 603 921	1 974 347	1 603 921	1 974 347
Adjustments for:				
Non-cash and other	(1 604 497)	(1 975 038)	(1 604 497)	(1 975 037)
Share of equity accounted results of associate	(1 604 497)	(1 975 090)	(1 604 497)	(1 975 089)
Sundry debtor write-off	-	52	-	52
Changes in working capital	(51 808)	(52 297)	(51 808)	(51 921)
Cash movement in trade and receivables	(33 382)	(48 071)	(33 382)	(48 071)
Cash movement in trade and other payables	(18 426)	(4 227)	(18 426)	(3 851)
	(52 384)	(52 988)	(52 384)	(52 612)

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Note	Group and Company	
		2022 R'000	2021 R'000
10. Related parties			
Associate - MultiChoice South Africa Holdings Proprietary Limited. Subsidiary of associate - MultiChoice South Africa Proprietary Limited.			
Dividend received			
MultiChoice South Africa Holdings Proprietary Limited	5	1 500 000	1 500 000
Amounts due to related parties			
MultiChoice South Africa Proprietary Limited	5	6 959	4 905

The above current balance, with MultiChoice South Africa Proprietary Limited, is unsecured, interest free and has no fixed terms of repayment.

As per the memorandum of incorporation (MOI), Phuthuma Nathi Investments (RF) Limited shall not earn any revenue and/or incur any expenses related to the trading of Phuthuma Nathi Investments (RF) Limited shares. MultiChoice South Africa Proprietary Limited shall incur all expenses related to the trading of Phuthuma Nathi Investments (RF) Limited shares.

MultiChoice South Africa Proprietary Limited has earned and incurred the following income and expenses related to the trading of Phuthuma Nathi Shares for the year ended 31 March 2022 in terms of the MOI requirements:

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Income	1 492	2 025	1 492	2 025
Expenses	(14)	(17)	(14)	(17)
Other amounts received/(paid)	576	(5 206)	576	(5 104)
	2 054	(3 198)	2 054	(3 096)

Related party income relates to interest earned on unclaimed dividends and expenses relate to bank charges on bank accounts and audit fees paid by MCSA on behalf of the group. Other amounts received/(paid) relates to repayments of the outstanding balances during the year.

Transactions with non-executive directors

As per the MOI, directors of Phuthuma Nathi Investments (RF) Limited shall not earn directors fees from either the company or any related company as compensation for their duties as Phuthuma Nathi Investments (RF) Limited directors.

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Group and Company	
	2022 R'000	2021 R'000

10. Related parties (continued)

Non-executive directors shareholdings

The directors of Phuthuma Nathi Investments (RF) Limited had the following interests in Phuthuma Nathi Investments (RF) Limited ordinary shares as at 31 March 2022:

Name	Number of shares held	Number of shares held
CP Mack *	50 001	50 001
M Langa *	4 582	4 582
C Mawela *	4 000	4 000
	58 583	58 583

* Shares were purchased by directors at the fair market value per share.

11. Financial risk management

Categories of financial assets

Group and Company - 2022

	Note	Amortised cost R'000	Total R'000
Trade and other receivables	6	140 788	140 788
Cash and cash equivalents	13	55 110	55 110
		195 898	195 898

Group and Company - 2021

	Note	Amortised cost R'000	Total R'000
Trade and other receivables	6	107 355	107 355
Cash and cash equivalents	13	70 689	70 689
		178 044	178 044

Categories of financial liabilities

Group and Company - 2022

	Note	Amortised cost R'000	Total R'000
Other payables	5	198 360	198 360

Group and Company - 2021

	Note	Amortised cost R'000	Total R'000
Other payables	5	179 930	179 930

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Group and Company	
	2022 R'000	2021 R'000

11. Financial risk management (continued)

Credit risk

The company is exposed to certain concentrations of credit risk relating to its cash. It places its cash mainly with major banking companies and high-quality institutions that have high credit ratings. The counterparties that are used by the company are evaluated on a continuous basis. As at 31 March 2022, the company held the majority of its cash and deposits with local banks with a 'Ba2-' credit rating (Moody's International's long-term deposit rating). At 31 March 2022, the maximum amount of credit risk that the company is exposed to is as follows:

Cash and cash equivalents	55 110	70 689
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The company is exposed to certain concentrations of credit risk relating to other receivables. Other receivables primarily consists of unclaimed dividend float receivables from Singular services for cash held on behalf of the company by Singular services to administer the disbursement of unclaimed dividends to shareholders as and when shareholders come forward. An initial float amount of R20 million was paid to Singular services post the migration to the EESE trading platform on 23 November 2018 for the disbursement of unclaimed dividends, which is replenishable monthly by the company. The dividend float is monitored to ensure that the funds are utilized in the prescribed manner. At 31 March 2022, the maximum amount of credit risk that the company is exposed to is as follows:

Trade and other receivables	140 788	107 355
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As at 31 March 2022, the company assessed the credit risk of other receivables to be low. Factors considered in determining the expected credit loss allowance are adjusted to reflect current and forward looking information on macroeconomic factors affect the ability of the debtor to settle the receivable. The identified loss allowance was considered immaterial.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. In terms of the Memorandum of Incorporation of the company, no limitation is placed on its borrowing capacity. All balances due equal their carrying balances as the impact of discounting is not significant.

Financial liabilities consist of other payables comprising of related parties, other payables and ordinary shareholders for dividends. The amount due in terms of the remaining contractual maturity for these financial liabilities is R198.4 million (2021: R179.9 million), payable within the next 12 months.

Foreign currency risk

The company is not exposed to any significant foreign exchange or price risk.

12. Fair value of financial instruments

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

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

	Group and Company	
	2022 R'000	2021 R'000

13. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at fair value which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

Cash and cash equivalents

55 110

70 689

Cash and cash equivalents includes cash of R55.1 million (2021: R67.6 million) which relates to unclaimed dividends due to ordinary shareholders. The board of the company at this time has resolved not to prescribe unclaimed dividends.

14. Dividends per share

During the year a dividend of 2 222.22 cents (2021: 2 222.22 cents) per ordinary share, totalling R1.5 billion (2021: R1.5 billion) was declared and R1 447.0 million (2021: R1 445.2 million) was paid. R53.0 million (2021: R54.8 million) was unclaimed and not paid over to shareholders at balance sheet date, and is included in the ordinary shareholders for dividends amount disclosed in note 5. In addition, R16.1 million (2021: R25.8 million) was paid out to shareholders relating to prior year unclaimed dividends. The remaining unclaimed dividend balance from the prior year amounting to R138.4 million remains unclaimed at balance sheet date and is included in the ordinary shareholders for dividends amount disclosed in note 5.

15. Events after the reporting period

Dividend

The MultiChoice South Africa board recommends a dividend of R6.0 billion (2022: R6.0 billion) to its shareholders. The Phuthuma Nathi board will declare a dividend of R1.5 billion (2022: R1.5 billion) to be declared and paid in financial year 2023. This amounts to 2 222.22 cents per Phuthuma Nathi ordinary share to be paid to shareholders (2022: 2 222.22 cents).

The declaration of this dividend is subject to the approval of the MultiChoice South Africa board, which will be confirmed at the MultiChoice South Africa AGM on 24 August 2022. On approval, the Phuthuma Nathi dividend will be payable to shareholders in the share register on 24 August 2022 and paid on or about 5 September 2022.

After the 20% dividend tax, amounting to 444.44 cents per share is removed, Phuthuma Nathi shareholders will receive a net dividend of 1 777.78 cents per share (2022: 1 777.78 cents per share).

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

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022

Notes to the annual financial statements

16. Recently issued accounting standards

Recently issued accounting standards

The IASB issued a number of standards, amendments to standards and interpretations during the year ended 31 March 2022. The following amended accounting standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2022. These pronouncements had no significant effect on the consolidated financial statements:

Accounting pronouncement	Adoption impact
<i>COVID-19-Related Rent Concession - Amendment to IFRS 16 Leases</i>	In May 2020, the IASB amended IFRS 16 Leases to provide lessees with a practical expedient that relieves a lessee from assessing whether a COVID-19-related rent concession is a lease modification. In March 2021, the IASB issued COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16). This amendment extends the date a lessee is permitted to apply the practical expedient by a year from payments due on or before 30 June 2021 to payments due on or before 30 June 2022. The amendments did not have a material impact for the group.
<i>IFRS 4 Insurance Contracts — deferral of IFRS 9 (effective 1 January 2021)</i>	These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023. The amendments did not have a material impact for the group.
<i>Interest Rate Benchmark Reform Phase 2 — The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</i>	Amendment requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform. The amendments to IAS 39 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform by requiring companies to amend their hedging relationships to reflect: <ul style="list-style-type: none">• designating an alternative benchmark rate as the hedged risk;• changing the description of the hedged item, including the designated portion, or of the hedging instrument; or• changing the description of how the entity would assess hedge effectiveness The amendments did not have a material impact for the group.

Phuthuma Nathi Investments (RF) Limited

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Notes to the annual financial statements

16. Recently issued accounting standards (continued)

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2022. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted.

Standard/Interpretation	Title	Effective date
IAS 1 Presentation of Financial Statements	Classification of liabilities as current or non-current	Effective 1 January 2024
IFRS 17 Insurance contracts	IFRS 17 replaces IFRS 4	Effective 1 January 2023
IFRS 4 Insurance Contracts	Extension of the temporary Exemption	Effective 1 January 2023
IFRS 3 Business Combinations	Referencing update	Effective 1 January 2022
Annual Improvements to IFRS Standards 2018–2020	IAS 41, IFRS 9 and IFRS 1	Effective 1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts— Cost of Fulfilling a Contract	Effective 1 January 2022
IAS 16 Property, Plant and Equipment	Proceeds before intended use	Effective 1 January 2022
IFRS 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 and its Associate or Joint Venture 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

COVID-19 consideration

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

Phuthuma Nathi Investments (RF) Limited

Consolidated And Company Annual Financial Statements for the year ended 31 March 2022



Administration and corporate information

for the year ended 31 March 2022

Group Company Secretary

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