PHUTHUMA NATHI INVESTMENTS (RF) LIMITED

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

MULTICHOICE
PHUTHUMA NATHI
SHARE THE FUTURE

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

PROMINENT NOTICE

These annual financial statements have been audited by our external auditors PricewaterhouseCoopers Inc. in compliance with the applicable requirements of the Companies Act, 2008. Nazeer Wadee CA (SA) supervised the preparation of the annual financial statements.

COMPANY INFORMATION

Registration number:	2006/015187/06
Registered address:	144 Bram Fischer Drive Randburg 2194
Postal address:	P O Box 1502 Randburg 2125
Auditors:	PricewaterhouseCoopers Inc.

CONTENTS

CERTIFICATE BY THE COMPANY SECRETARY
for the year ended 31 March 2016

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, I, Lurica Jineanne Klink, in my capacity as company secretary of Phuthuma Nathi Investments (RF) Limited, confirm that the company has, for the year ended 31 March 2016, lodged all returns and notices required of a public company with the Companies and Intellectual Property Commission, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

L J Klink
Company secretary
10 June 2016

DIRECTORS' STATEMENT OF RESPONSIBILITY
for the year ended 31 March 2016

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of Phuthuma Nathi Investments (RF) Limited. The annual financial statements presented on pages 8 to 24 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 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 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 financial statements comply with the relevant legislation.

The company 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 annual financial statements. The directors have no reason to believe that the company 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 company.

The annual financial statements have been audited by the independent auditors, 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 directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The audit report of PricewaterhouseCoopers Inc. is presented on page 6 - 7.

The annual financial statements were approved by the board of directors on 10 June 2016 and are signed on its behalf by:

DIRECTOR

DIRECTOR

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2016

As the company's only major asset is an investment in MultiChoice South Africa Holdings Proprietary Limited, 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").

FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has discharged the following functions:

- Reviewed the year-end 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 that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act;
  - considered and, when appropriate, made recommendations on internal financial controls;
  - dealt with concerns or complaints relating to accounting policies, the auditing or content of annual financial statements, and internal financial controls; and
  - reviewed legal matters that could have a significant impact on the organisation's financial statements.
- Reviewed external audit reports on the annual financial statements;
- Verified the independence of the external auditors and nominated PricewaterhouseCoopers Inc. as the auditors for 2016 and noted the appointment of Ms SN Madikane as the designated auditor;
- Approved audit fees and engagement terms of the external auditors;
- Approved the non-audit services provided by the external auditors.

MEMBERS OF THE AUDIT COMMITTEE

The audit committee consists of the non-executive directors of the company. All the members act independently as described in section 94 of the Act. All committee members served on the committee for the full financial year.

Name of committee member	**Qualifications**
PO Goldhawk	Chartered Accountant (SA)
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

ATTENDANCE

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

CONFIDENTIAL MEETINGS

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

INDEPENDENCE OF EXTERNAL AUDITORS

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

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.

PO Goldhawk
On behalf of the audit committee of the board
10 June 2016

DIRECTORS' REPORT
for the year ended 31 March 2016

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 only MultiChoice South Africa Holdings Proprietary Limited ordinary shares, cash and such assets as are received and acquired solely by virtue of or in relation to the holding of MultiChoice South Africa Holdings Proprietary Limited ordinary shares, and

b) receive and distribute dividends and other distributions in terms of its holding in MultiChoice South Africa Holdings Proprietary Limited.

Operating and financial review

The financial results of the company are set out on pages 8 to 24.

Share capital

Refer to note 3 for details of the authorised and issued share capital.

Dividends

The board recommends that dividends of 1,925.93 cents per ordinary share be declared (2015: An ordinary dividend of 1,837.04 cents per ordinary share was declared).

Directors, secretary and auditors

The directors of the company are listed below and the company secretary is Ms L Klink, who was appointed on 1 February 2013. The registered address and postal address for the secretary is the same as those of the company as detailed on page 1.

Name	Date last appointed	Category
CP Mack	3 September 2014	Independent, non-executive
M Langa	2 September 2015	Independent, non-executive
PO Goldhawk	4 September 2013	Independent, non-executive

PricewaterhouseCoopers Inc. will continue in office as auditors in accordance with section 94 of the South African Companies Act.

Subsequent events

No events have occurred subsequent to 31 March 2016 and up to the date of signing these financial statements that have required the company to disclose or adjust the results as presented in these annual financial statements.

Signed on behalf of the board:

M Langa
Chairman
10 June 2016

pwc

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PHUTHUMA NATHI INVESTMENTS (RF) LIMITED

Report on the Financial Statements

We have audited the financial statements of Phuthuma Nathi Investments (RF) Limited set out on pages 8 to 24, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The company's directors are responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Phuthuma Nathi Investments (RF) Limited as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act
As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: SN Madikane
Registered Auditor
Johannesburg
10 June 2016

STATEMENT OF FINANCIAL POSITION
as at 31 March 2016

	Notes	2016 R'000	2015 R'000
ASSETS			
Non-current assets		3 014 152	3 022 675
Investment in associate	2	3 014 152	3 022 675
Current assets		93 604	51 541
Other receivables		1 653	848
Current tax asset		2 444	2 234
Cash and cash equivalents	12	89 507	48 459
Total assets		3 107 756	3 074 216
EQUITY AND LIABILITIES			
Capital and reserves		3 012 789	3 021 398
Share capital and premium	3	450 000	450 000
Other reserves		333 882	315 783
Accumulated profit		2 228 907	2 255 615
Non-current liabilities		135	135
Long-term liabilities	4	135	135
Current liabilities		94 832	52 683
Other payables	5	94 832	52 683
Total equity and liabilities		3 107 756	3 074 216

The notes on pages 13 - 24 are an integral part of these annual financial statements

STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2016

	Notes	2016 R'000	2015 R'000
Operating expenses	7	(86)	(83)
Operating loss		(86)	(83)
Finance costs	6	-	(11 747)
Finance income	6	-	1 557
Share of equity accounted results of associate	2	800 046	751 871
Profit before taxation		799 960	741 598
Taxation	8	-	(413)
Net profit for the year		799 960	741 185
Earnings per share based on 45 000 000 issued shares		R 17.78	R 16.47

The notes on pages 13 - 24 are an integral part of these annual financial statements

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2016

	Notes	2016 R'000	2015 R'000
Net profit for the year		799 960	741 185
Items that may be reclassified subsequently to profit or loss			
Share of changes in associate's other equity items	2	18 099	31 952
Total comprehensive income		818 059	773 137

The notes on pages 13 - 24 are an integral part of these annual financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2016

	Share capital and premium R'000	Other reserves * R'000	Accumulated profit R'000	Total R'000
Balance at 1 April 2014	450 000	283 831	1 852 979	2 586 810
Net profit for the year	-	-	741 185	741 185
Other comprehensive income for the year	-	31 952	-	31 952
Dividend paid	-	-	(338 549)	(338 549)
Balance at 31 March 2015	450 000	315 783	2 255 615	3 021 398
Balance at 1 April 2015	450 000	315 783	2 255 615	3 021 398
Net profit for the year	-	-	799 960	799 960
Other comprehensive income for the year	-	18 099	-	18 099
Dividend paid	-	-	(826 668)	(826 668)
Balance at 31 March 2016	450 000	333 882	2 228 907	3 012 789

The notes on pages 13 - 24 are an integral part of these annual financial statements

* Other reserves consist of the company's share of its associate's existing control business combination reserve, fair value reserve, foreign currency translation reserve, hedging reserve and share-based payment reserve.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2016

	Note	2016 R'000	2015 R'000
Cash flow from operating activities		826 276	740 057
Cash (utilised in) / generated from operations	9	(392)	5 167
Dividends received from associate	2	826 668	733 333
Interest received - bank	6	-	1 557
Cash utilised in financing activities		(785 228)	(733 784)
Dividends paid to ordinary shareholders	13	(785 228)	(338 549)
Dividends paid on cumulative redeemable preference shares - capital	4	-	(383 488)
Dividends paid on cumulative redeemable preference shares - interest	4	-	(11 747)
Movement in cash for the year		41 048	6 273
Cash and cash equivalents at the beginning of the year		48 459	42 186
Cash and cash equivalents at the end of the year	12	89 507	48 459

The notes on pages 13 - 24 are an integral part of these annual financial statements

1 Summary of significant accounting policies

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

The preparation of the 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 and contingent 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.

There are no critical accounting estimates, assumptions or judgements which could materially affect the financial statements.

1.1 Investments in associates

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 goodwill identified on acquisition.

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.

The company's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. 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 company determines at each reporting date whether there is any objective evidence that the investment in the associate has been impaired. If this is the case, the company calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount 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 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.

1.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

1.3 Share capital

Ordinary shares are classified as equity.

1.4 Financial assets

Financial assets are recognised when the company becomes a party to the contractual provisions of the respective instrument. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the company has transferred substantially all risks and rewards of ownership.

The company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At 31 March 2015 and 2016, the company had no financial assets carried at fair value through profit or loss, held to maturity financial assets or available for sale financial assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. The company's loans and receivables comprise cash and cash equivalents and other receivables.

Regular purchases and sales of financial assets are recognised on the trade-date the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The company assesses at each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset that has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the income statement.

Financial assets and liabilities are offset and the net amount 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 or realise the asset and settle the liability simultaneously.

1.5 Financial liabilities

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Cumulative redeemable preference shares

The cumulative redeemable preference shares are classified as debt. The liability is initially recorded at fair value, net of transaction costs incurred. These liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Other payables

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.6 Tax

Current tax assets and liabilities

The tax expense for the year comprises current 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 this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. 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%.

Deferred tax assets and liabilities

Deferred tax is provided in full using the liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements, except where the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit or loss.

Deferred tax liabilities are recognised where the carrying value of an asset is greater than its tax base, or where the carrying value of a liability is less than its tax base. Deferred tax is recognised in full on temporary differences arising from the company's investment in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

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 is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at balance sheet date. Deferred tax is measured on a non-discounted basis.

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 entity, or different taxable entities where there is an intention to settle the balances on a net basis.

There are no deferred tax assets or liabilities at 31 March 2015 and 2016.

1.7 Revenue recognition

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

Revenue from rendering of services relates to administrative fees charged for facilitation of share transactions. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue and associated costs incurred or to be incurred, can be measured reliably. The amount of revenue is not considered to be reliably measurable until all contingencies have been resolved.

1.8 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.9 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the entity financial statements in the period in which the dividends are approved by the company's shareholders.

1.10 New standards and interpretations

Standards, amendments and interpretations effective and adopted in 2016

- Amendment to the Basis of Conclusion to IFRS 1, 'First-time adoption of International Financial Reporting Standards' (effective 1 July 2014)
- Amendment to IAS 24, 'Related party disclosures' (effective 1 July 2014)

Interpretations early adopted by the company

The company has not adopted any standards or interpretations early in the current year.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

- IFRS 9, '*Financial Instruments*' (effective 1 January 2018)
  A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition:

  - IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.

  - The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.

  - IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.

  - IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.

- Amendments to IAS 27, 'Separate financial statements' on equity accounting (effective 1 January 2016)
  Amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Amendments to IAS 1,'Presentation of financial statements' disclosure initiative (effective 1 January 2016)

  Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures.

- Amendment to IAS 7 – Cash flow statements (effective 1 January 2017)
  In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.

None of these standards or interpretations are expected to have a significant financial impact on the company.

	2016 R'000	2015 R'000

2 Investment in associate

The company has a 13.33% interest in MultiChoice South Africa Holdings Proprietary Limited, a company incorporated and with its principal place of business in South Africa. This is an unlisted investment.

	2016 R'000	2015 R'000
Movement in carrying amount		
At the beginning of the year	3 022 675	2 972 185
Share of net profit	800 046	751 871
Share of changes in other reserves	18 099	31 952
Dividends received	(826 668)	(733 333)
At the end of the year	3 014 152	3 022 675

	2016 R'000	2015 R'000
Analysis of carrying amount		
Cost	2 250 000	2 250 000
Share of post-acquisition reserves	764 152	772 675
	3 014 152	3 022 675

The cost of the investment in associate includes goodwill of R2.0 billion.

Although the company holds less than 20% of the equity shares in MultiChoice South Africa Holdings Proprietary Limited, it exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that company and has the power to participate in the financial and operating policy decisions of MultiChoice South Africa Holdings Proprietary Limited.

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

Summarised financial information of unlisted associate as per its annual financial statements

	2016 R'000	2015 R'000
Non-current assets	12 787 990	12 359 673
Current assets	10 674 900	8 628 579
Assets of disposal group classified as held for sale	139 624	108 662
Total assets	**23 602 514**	**21 096 914**
Non-current liabilities	5 616 303	4 612 964
Current liabilities	9 689 145	8 121 689
Liabilities of disposal group classified as held for sale	14 627	15 901
Total liabilities	**15 320 075**	**12 750 554**
Revenue	35 703 691	31 580 077
Net profit	6 004 877	5 639 035
Other comprehensive income	115 712	194 907
Total comprehensive income	6 120 589	5 833 942

As at 31 March 2016 the company's associate had a contingent liability of R340 million (2015: nil) as an estimate of potential liabilities.

	2016 R'000	2015 R'000

3 Share capital and premium

	2016 R'000	2015 R'000
Authorised		
90 000 000 ordinary shares of R0.0000001 each	*	*
Issued (and fully paid up)		
45 000 000 ordinary shares of R0.0000001 each	*	*
Share premium	450 000	450 000
	450 000	450 000

* Amount less than R1 000.

Capital management

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders.

4 Long-term liabilities

	2016 R'000	2015 R'000
Variable rate, cumulative redeemable preference shares with issue price of R10 each	135	135
Current portion of long-term liabilities	-	-
	135	135

At 31 March 13,501 (2015: 13,501) preference shares were in issue.

Preference share liability reconciliation

	2016 R'000	2015 R'000
Opening balance at 01 April	135	383 623
Interest on preference share liability - note 6	-	11 747
Repayment	-	(395 235)
Closing balance at 31 March	135	135

In accordance with the Preference Share Subscription Agreement, these preference shares bore interest at 75% of the prime rate, compounded monthly, until such a time that the preference shares remaining are less than or equal to the Preference Threshold, which was reached at 3 September 2014. Once the threshold has been met the preference shares do not bear interest. Further to this, the term of the remaining preference shares was extended at the discretion of the preference shareholders. These preference shares are held by MIH Holdings Proprietary Limited. The carrying amount at amortised cost approximates the fair value of these instruments.

	2016 R'000	2015 R'000

5 Other payables

	2016 R'000	2015 R'000
STT and VAT	79	254
Accrued expenses	-	291
Ordinary shareholders for dividends (refer to note 12)	73 723	32 283
Amounts owing to investors (refer to note 12)	6 145	10 588
Related party payables	12 894	7 178
Other payables	1 991	2 089
	94 832	52 683

6 Finance costs - net

	2016 R'000	2015 R'000
Interest on preference shares	-	11 747
	-	11 747
Interest received - bank	-	(1 557)
	-	(1 557)
Finance costs - net	-	10 190

7 Operating expenses

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

	2016 R'000	2015 R'000
Audit fees	86	83
	86	83

8 Taxation

	2016 R'000	2015 R'000
South African normal taxation- current year	-	413
	-	413

	2016	2015
Tax rate reconciliation		
Statutory tax rate	28.0%	28.0%
Non-taxable income	-28.0%	-28.4%
Non-deductible expenditure	0.0%	0.5%
Effective tax rate	0.0%	0.1%

9 Cash generated from operations

	2016 R'000	2015 R'000
Profit before taxation	799 960	741 598
Adjusted for:		
Share of equity accounted results of associate	(800 046)	(751 871)
Finance costs	-	11 747
Interest received - bank	-	(1 557)
	(86)	(83)
Changes in working capital:		
Trade and other receivables	(1 015)	94
Payables	709	5 156
	(392)	5 167

10 Related parties

Associate - MultiChoice South Africa Holdings Proprietary Limited - refer to note 2
Subsidiary of associate - MultiChoice South Africa Proprietary Limited

	2016 R'000	2015 R'000
Amounts due to relates parties: Current		
MultiChoice South Africa Proprietary Limited	12 894	7 178
	12 894	7 178

Consulting fees paid by other related parties to Goldhawk Corporate Advisory amounted to R365 370 (2015: R27 788). Goldhawk Corporate Advisory is a company owned by PO Goldhawk.

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

Name	**2016 Number of shares held**	**2015 Number of shares held**
CP Mack	5 324	5 324
M Langa *	5 451	5 324
	10 775	10 648

** During 2016, M Langa purchased 127 shares at R154 per share.*

11 Financial risk management

The company's activities expose it to a variety of financial risks, specifically interest rate risk, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the company's financial performance. Risk management is carried out under policies approved by the board of directors.

11 Financial risk management (continued)

Foreign exchange and price risk

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

Credit Risk

The company is exposed to certain concentrations of credit risk relating to it's 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. At 31 March 2016, the maximum amount of credit risk that the company is exposed to is as follows:

	2016 R'000	2015 R'000
Cash and cash equivalents	89 507	48 459

Interest rate risk

The company's interest rate risk arises from its long-term borrowings issued at a variable interest rate. Based on simulations performed, the impact on profit or loss of a 100 basis-point increase in the prime interest rate would be Rnil (2015: R1.4m).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the articles of association of the company, no limitation is placed on its borrowing capacity. The following table details the company's remaining contractual maturity for its financial liabilities. The table is based on undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows.

	Carrying amount R'000	Contractual cash flows R'000	0-12 months R'000	1-5 years R'000
2016				
Cumulative redeemable preference shares	135	-	-	-
Other payables	1 991	1 991	1 991	-
Related party payables	12 894	12 894	12 894	
Amounts owing to investors	6 145	6 145	6 145	-
Ordinary shareholders for dividends	73 723	73 723	73 723	-
	94 888	94 753	94 753	-
2015				
Cumulative redeemable preference shares	135	-	-	-
Other payables	2 380	2 380	2 380	-
Related party payables	7 178	7 178	7 178	
Amounts owing to investors	10 588	10 588	10 588	-
Ordinary shareholders for dividends	32 283	32 283	32 283	-
	52 564	52 429	52 429	-

11 Financial risk management (continued)

Fair value of financial instruments	Carrying amount R'000	Fair value R'000	Interest income / (expense) R'000
2016			
Assets			
Loans and receivables			
Other receivables	1 653	1 653	-
Cash and cash equivalents	89 507	89 507	-
	91 160	91 160	-
Non-financial assets	3 016 596		
Total assets	3 107 756		
Liabilities			
Financial liabilities at amortised cost			
Cumulative redeemable preference shares	135	135	-
Other payables	1 991	1 991	-
Related party payables	12 894	12 894	
Amounts owing to investors	6 145	6 145	-
Ordinary shareholders for dividends	73 723	73 723	-
	94 888	94 888	-
Non-financial liabilities	79		
Total liabilities	94 967		
2015			
Assets			
Loans and receivables			
Other receivables	848	848	-
Cash and cash equivalents	48 459	48 459	1 557
	49 307	49 307	1 557
Non-financial assets	3 024 909		
Total assets	3 074 216		
Liabilities			
Financial liabilities at amortised cost			
Cumulative redeemable preference shares	135	135	(11 747)
Other payables	2 380	2 380	-
Related party payables	7 178	7 178	
Amounts owing to investors	10 588	10 588	-
Ordinary shareholders for dividends	32 283	32 283	-
	52 564	52 564	(11 747)
Non-financial liabilities	254		
Total liabilities	52 818		

The carrying amount of all financial instruments approximate their fair values.

	2016 R'000	2015 R'000

12 Cash and cash equivalents

Cash and cash equivalents	89 507	48 459

Cash and cash equivalents includes cash of R6.1 million (2015: R10.6 million) which relates to cash held on behalf of investors.

Cash and cash equivalents includes cash of R73.7 million (2015: R32.3 million) which relates to unclaimed dividends due to ordinary shareholders.

13 Dividends per share

During the year dividend of 1 837.04 cents per ordinary share was declared (2015: 165.93 per ordinary share and per preference share). No special dividend was declared during the year (2015: 586.40 cents per ordinary and 53.40 cents per preference share).

During the year dividends to the value of R785.2 million was paid in cash while the remaining balance of R41.4 million was unclaimed and not paid over to shareholders in cash (Refer to note 5).

14 Subsequent events

No events have occurred subsequent to 31 March 2016 and up to the date of signing these financial statements that have required the company to disclose or adjust the results presented in these annual financial statements.