PHUTHUMA NATHI INVESTMENTS 2 (RF) LIMITED

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

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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:	251 Oak Avenue Randburg 2194
Postal address:	P O Box 1502 Randburg 2125
Auditors:	PricewaterhouseCoopers Inc.

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CERTIFICATE BY THE COMPANY SECRETARY
for the year ended 31 March 2015

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 2015, 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
26 June 2015

DIRECTORS' STATEMENT OF RESPONSIBILITY
for the year ended 31 March 2015

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Phuthuma Nathi Investments 2 (RF) Limited. The financial statements presented on pages 7 to 21 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 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 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 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 financial statements support the viability of the company.

The 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.

The financial statements were approved by the board of directors on 26 June 2015 and are signed on its behalf by:

DIRECTOR **DIRECTOR**

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 functions ascribed to it in terms of its charter and ascribed to it in terms of the Act as follows:

- 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 2015 and noted the appointment of Mrs 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 senior 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
26 June 2015

Nature of operations

Phuthuma Nathi Investments 2 (RF) Limited was incorporated on 21 Nov 2006 under the laws of the Republic of South Africa. The principal activities of Phuthuma Nathi Investments 2 (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 7 to 21.

Share capital

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

Dividends

The board recommends that dividends of 1,837.04 cents per ordinary share be declared (2014: An ordinary dividend of 165.93 cents per ordinary share and 165.60 cents per preference share were declared as well as a special dividend of 801.28 cents per ordinary share)

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
PO Goldhawk	5 September 2012	Independent, non-executive
M Langa	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 2015 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
26 June 2015

pwc

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PHUTHUMA NATHI INVESTMENTS 2 (RF) LIMITED

We have audited the financial statements of Phuthuma Nathi Investments 2 (RF) Limited set out on pages 7 to 21, which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss, 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 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 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 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 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 2 (RF) Limited as at 31 March 2015, 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 2015, 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
26 June 2015

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STATEMENT OF FINANCIAL POSITION
as at 31 March 2015

	Notes	2015 R'000	2014 R'000
ASSETS			
Non-current assets		1 511 338	1 486 092
Investment in associate	3	1 511 338	1 486 092
Current assets		10 313	15 921
Other receivables		297	672
Current tax asset		837	426
Cash and cash equivalents	14	9 179	14 823
Total assets		1 521 651	1 502 013
EQUITY AND LIABILITIES			
Capital and reserves		1 512 533	1 342 081
Share capital and premium	4	225 000	225 000
Other reserves		157 891	141 914
Accumulated profit		1 129 642	975 167
Non-current liabilities		68	90
Long-term liabilities	5	68	90
Current liabilities		9 050	159 842
Current portion of long-term liabilities	5	-	144 761
Other payables	6	9 050	15 081
Total equity and liabilities		1 521 651	1 502 013

The notes on pages 12 - 21 are an integral part of these annual financial statements

STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2015

	Note	2015 R'000	2014 R'000
Revenue	7	-	5 120
Operating expenses	9	(83)	(2 595)
Operating (loss) / profit		(83)	2 525
Finance costs	8	(4 436)	(15 727)
Finance income	8	912	700
Share of equity accounted results of associate	3	375 936	417 139
Profit before taxation		372 329	404 637
Taxation	10	(232)	(818)
Net profit for the year		372 097	403 819
Earnings per share based on 22 500 000 issued shares		R 16.54	R 17.95

The notes on pages 12 - 21 are an integral part of these annual financial statements

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015

	Note	2015 R'000	2014 R'000
Net profit for the year		372 097	403 819
Share of changes in associate's other equity items	3	15 977	(60 382)
Total comprehensive income for the year		388 074	343 437

The notes on pages 12 - 21 are an integral part of these annual financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015

	Share capital and premium R'000	Other reserves * R'000	Accumulated profit R'000	Total R'000
Balance at 1 April 2013	225 000	202 296	631 346	1 058 642
Total comprehensive income for the year	-	(60 382)	403 819	343 437
Dividend paid	-	-	(59 998)	(59 998)
Balance at 31 March 2014	225 000	141 914	975 167	1 342 081
Balance at 1 April 2014	225 000	141 914	975 167	1 342 081
Total comprehensive income for the year	-	15 977	372 097	388 074
Dividend paid	-	-	(217 622)	(217 622)
Balance at 31 March 2015	225 000	157 891	1 129 642	1 512 533

The notes on pages 12 - 21 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 2015

	Note	2015 R'000	2014 R'000
Cash flow from operating activities		361 197	301 422
Cash (utilised in)/generated from operations	11	(6 382)	722
Dividends received	3	366 667	300 000
Interest received - bank	8	912	700
Cash utilised in financing activities		(366 841)	(299 339)
Dividends paid to ordinary shareholders	15	(217 622)	(59 998)
Dividends paid on cumulative redeemable preference shares - capital	5	(144 783)	(223 614)
Dividends paid on cumulative redeemable preference shares - interest	5	(4 436)	(15 727)
Movement in cash for the year		(5 644)	2 083
Cash and cash equivalents at the beginning of the year		14 823	12 740
Cash and cash equivalents at the end of the year	14	9 179	14 823

The notes on pages 12 - 21 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.

Refer to note 2 as well as the individual notes for details of estimates, assumptions and judgements used.

1.1 Investments in associate

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 investments 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

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 2014 and 2015, 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 "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, 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

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 Current and deferred income tax

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 liabilities at 31 March 2015 have been calculated using this rate, being the rate that the entity expects to apply to the periods when the liabilities are settled.

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 adpoted in 2015

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) (effective 1 Jan 2014)
- IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (effective 1 Jan 2014)
- IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting (effective 1 Jan 2014)
- IFRS 10, IFRS 12 and IAS 27 – Investment Entities (effective 1 Jan 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)
- IFRS 11, '*Joint arrangements on acquisition of an interest in a joint operation*' (effective 1 January 2016)
- IAS 16, '*Property, plant and equipment*' and IAS 38, '*Intangible assets*' (effective 1 January 2016)
- IFRS 5, '*Revenue from contracts with customers*' (effective 1 January 2017)

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

	2015 R'000	2014 R'000

2 Critical accounting estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company applies judgement when assessing the impairment of goodwill included in its investment in associate carrying amount (refer to note 3).

3 Investment in associate

The company has a 6.67% interest in MultiChoice South Africa Holdings Proprietary Limited, a company incorporated in South Africa. This is an unlisted investment.

	2015 R'000	2014 R'000
Movement in carrying amount		
At the beginning of the year	1 486 092	1 429 335
Share of net profit	375 936	417 139
Share of changes in other reserves	15 977	(60 382)
Dividends received	(366 667)	(300 000)
At the end of the year	1 511 338	1 486 092
Analysis of carrying amount		
Cost	1 125 000	1 125 000
Share of post-acquisition reserves	386 338	361 092
	1 511 338	1 486 092

The cost of the investment in associate includes goodwill of R1.0 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

	2015 R'000	2014 R'000
Non-current assets	12 359 673	11 517 925
Current assets	8 628 579	8 569 419
Assets of disposal group classified as held for sale	108 662	-
Total assets	**21 096 914**	**20 087 344**
Non-current liabilities	4 612 964	4 720 318
Current liabilities	8 121 689	7 399 336
Liabilities of disposal group classified as held for sale	15 901	-
Total liabilities	**12 750 554**	**12 119 654**

Revenue	31 580 077	27 464 776
Net profit	5 639 035	6 295 719
Other comprehensive income/(losses)	194 907	(901 696)
Total comprehensive income	5 833 942	5 394 023

The company's associate had no contingent liabilities as at 31 March 2015 and 2014.

4 Share capital and premium

Authorised		
90 000 000 ordinary shares of R0.0000001 each	*	*
Issued (and fully paid up)		
22 500 000 ordinary shares of R0.0000001 each	*	*
Share premium	225 000	225 000
	225 000	225 000

* 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.

5 Long-term liabilities

Variable rate, cumulative redeemable preference shares with issue price of R10 each	68	144 851
Current portion of long-term liabilities	-	(144 761)
	68	90

At 31 March 6,751 (2014: 14,485,059) preference shares were in issue.

Preference share liability reconciliation

Opening balance at 01 April	144 851	368 465
Interest on preference share liability - note 8	4 436	15 727
Repayment	(149 219)	(239 341)
Closing balance at 31 March	68	144 851

These preference shares bear interest at 75% of the prime rate, compounded monthly. There are no fixed terms of payment of interest. Interest payments will be made upon approval by the directors. During the current year, an interest expense of R4.4 million (2014: R16 million) has been accrued. The preferences shares are held by MIH Holdings Limited. The carrying amount at amortised cost approximates the fair value of these instruments. These preference shares are redeemable on any of the following preference redemption dates:

- compulsorily after 10 years or such extended period as permitted by the preference shareholders
- after a trigger event as defined in the preference shareholders' agreement at the option of the preference shareholders, or
- after three years out of sufficient cash resources upon approval by the directors.

6 Other payables

STT and VAT	162	97
Accrued expenses	390	199
Ordinary shareholders for dividends (refer to note 14)	2 452	1 210
Amounts owing to investors (refer to note 14)	2 462	2 122
Other payables	3 584	11 453
	9 050	15 081

7 Revenue

Administration fee for services rendered	-	5 120

8 Finance costs - net

Interest on preference shares	4 436	15 727
Interest received - bank	(912)	(700)
Finance costs - net	3 524	15 027

9 Operating expenses

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

Audit fees	83	53
Administration costs	-	2 495
Other expenses	-	47
	83	2 595

10 Taxation

South African normal taxation- current year	232	903
South African normal taxation- prior year	-	(85)
	232	818

Tax rate reconciliation		
Statutory tax rate	28.0%	28.0%
Non-taxable income	-28.3%	-28.9%
Non-deductible expenditure	0.4%	1.1%
Effective tax rate	0.1%	0.2%

11 Cash generated from operations

Profit before taxation	372 329	404 637
Adjusted for:		
Share of net profit of associate	(375 936)	(417 139)
Finance costs	4 436	15 727
Interest received - bank	(912)	(700)
	(83)	2 525

Changes in working capital:		
Other receivables	375	(1 017)
Payables	(6 674)	(786)
	(6 382)	722

12 Related parties

Associate - MultiChoice South Africa Proprietary Limited - refer to note 3

The directors hold in aggregate 134 276 (2014: 134 276) ordinary shares in the company. No directors' fees or remuneration have been paid to the directors of the company. Consulting fees paid to directors by other related parties amount to R27 788 (2014: R117 500)

13 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.

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 2015, the maximum amount of credit risk that the company is exposed to is as follows:

Cash and cash equivalents	9 179	14 823

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 a decrease of R0.5m (2014: R2.8m).

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.

13 Financial risk management (continued)

	Carrying amount R'000	Contractual cash flows R'000	0-12 months R'000	1-5 years R'000
2015				
Cumulative redeemable preference shares	68	-	-	-
Other payables	3 974	3 974	3 974	-
Ordinary shareholders for dividends	2 452	2 452	2 452	-
Amounts owing to investors	2 462	2 462	2 462	-
	8 956	8 888	8 888	-
2014				
Cumulative redeemable preference shares	144 851	149 823	149 823	-
Other payables	11 652	11 652	11 652	-
Ordinary shareholders for dividends	1 210	1 210	1 210	-
Amounts owing to investors	2 122	2 122	2 122	-
	159 835	164 807	164 807	-

Fair value of financial instruments

	Carrying amount R'000	Fair value R'000	Interest income / (expense) R'000
2015			
Assets			
Loans and receivables			
Other receivables	297	297	-
Cash and cash equivalents	9 179	9 179	912
	9 476	9 476	912
Non-financial assets	1 512 175		
Total assets	1 521 651		
Liabilities			
Financial liabilities at amortized cost			
Cumulative redeemable preference shares	68	68	(4 436)
Other payables	3 974	3 974	-
Ordinary shareholders for dividends	2 452	2 452	-
Amounts owing to investors	2 462	2 462	-
	8 956	8 956	(4 436)
Non-financial liabilities	162		
Total liabilities	9 118		

13 Financial risk management (continued)

2014	Carrying amount R'000	Fair value R'000	Interest income / (expense) R'000
Assets			
Loans and receivables			
Other receivables	672	672	-
Cash and cash equivalents	14 823	14 823	700
	15 495	15 495	700
Non-financial assets	1 486 518		
Total assets	1 502 013		
Liabilities			
Financial liabilities at amortized cost			
Cumulative redeemable preference shares	144 851	144 851	(15 727)
Other payables	11 652	11 652	-
Ordinary shareholders for dividends	1 210	1 210	-
Amounts owing to investors	2 122	2 122	-
	159 835	159 835	(15 727)
Non-financial liabilities	97		
Total liabilities	159 932		

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

14 Cash and cash equivalents

Cash and cash equivalents	9 179	14 823

Cash and cash equivalents includes cash of R2.5 million (2014: R2.1 million) which relates to cash held on behalf of investors.

Cash and cash equivalents includes cash of R2.5 million (2014: R1.2 million) which relates to unclaimed dividends due to ordinary shareholders.

15 Dividends per share

During the year dividend of 165.93 cents per ordinary share and per preference share were declared (2014: 142.22 per ordinary share and per preference share), as well as a special dividend of 801.29 cents per ordinary share (2014: 124.44 cents per ordinary share and preference share).

16 Subsequent events

No events have occurred subsequent to 31 March 2015 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.