



Notes to the consolidated financial statements (continued)

for the year ended 31 March 2019

	2019 ZAR'm	2018 ZAR'm
13. Interest (expense)/income (continued)		
Interest income		
Loans and bank accounts	335	322
Other	575	377
	910	699

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

Net (loss)/profit from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of liabilities	(11)	(75)
On translation of transponder leases*	(1 887)	1 150
On translation of forward exchange contracts	406	(376)
Net foreign exchange translation (losses)/gains	(1 492)	699

* Movement relates to ZAR depreciation from a closing rate of ZAR11.84 in FY2018 to ZAR14.50 in FY2019 on our US dollar transponder lease liability. Refer to note 12.

14. Commitments and contingencies

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing facilities and internally generated funds.

Commitments

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2019 amount to ZAR68.0m (2018: ZAR106.9m).

(b) Programme and film rights

At 31 March 2019 the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts amount to ZAR33.4bn (2018: ZAR33.5bn).

(c) Set-top boxes

At 31 March 2019 the group had entered into contracts for the purchase of set-top boxes (decoders). The group's commitments in respect of these contracts amount to ZAR2.0bn (2018: ZAR2.2bn).

(d) Guarantees

The group has guarantees of ZAR145m (2018: ZAR475m) mainly in respect of payments for sports rights and for service contracts.

(e) Assets pledged as security

The group pledged property, plant and equipment with a net carrying value of ZAR12.1bn (2018: ZAR12.4bn) as security against certain assets acquired in terms of finance leases. Refer note 18 for further details.

(f) Other commitments

At 31 March 2019 the group had entered into contracts for the receipt of various services. These service contracts are for the receipt of advertising, transmission services, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to ZAR2.0bn (2018: ZAR1.0bn).



Notes to the consolidated financial statements (continued)

for the year ended 31 March 2019

	2019 ZAR'm	2018 ZAR'm
--	---------------	---------------

14. Commitments and contingencies (continued)

(g) Operating lease commitments

The group has the following operating lease commitments:

	2019 ZAR'm	2018 ZAR'm
Minimum lease payments due		
Payable in year one	353	337
Payable later than one year but not later than five	695	676
Payable after five years	240	260
	1 288	1 273

The group leases office, manufacturing, warehouse and satellite uplinks under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.

Contingencies

Taxation matters

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to ZAR1.8bn (2018: ZAR1.7bn). No provision has been made as at 31 March 2019 and 2018 for these possible exposures.

15. Accrued expenses and other current liabilities

	2019 ZAR'm	2018 ZAR'm
Trade payables	2 676	1 999
Deferred income*	2 994	2 555
Accrued expenses	2 508	2 847
Taxes and other statutory liabilities	2 484	2 177
Employee benefits	941	1 014
Bonus accrual	608	593
Accrual for leave	270	230
Severance	63	191
Other current liabilities	282	838
	11 885	11 430

* Relates to subscription fees received from customers in advance.

16. Provisions

	2019 ZAR'm	2018 ZAR'm
Ad valorem duties	23	23
Warranties	33	20
Other provisions	80	126
	136	169

The group is currently involved in various litigation matters. The litigation provision has been estimated based on legal counsel and management's estimates of costs and possible claims relating to these.

Included in other provisions are estimated amounts related to other regulatory matters.