

ANNUAL
report
2022

The
heartbeat
of the Nation



SCAN this QR code for more information on Archbishop Desmond Tutu's Legacy.

Vision

To become the leading, credible voice and face of the nation and the continent.

Mission

A high-performing, financially sustainable, digitised national public broadcaster that provides compelling informative, educational and entertaining content via all platforms.

Values

TRUST: To always demonstrate honesty and consistent dependability in our interactions in and outside the organisation.

RESPECT: To respect the public mandate we are entrusted with and conduct ourselves respectfully in all our engagements internally and externally.

INTEGRITY: To always conduct ourselves ethically and in the interest of the organisation, in the decisions we make in executing our responsibilities.

QUALITY: To aspire to and provide the highest standard of quality in the work we produce and experiences we exchange.



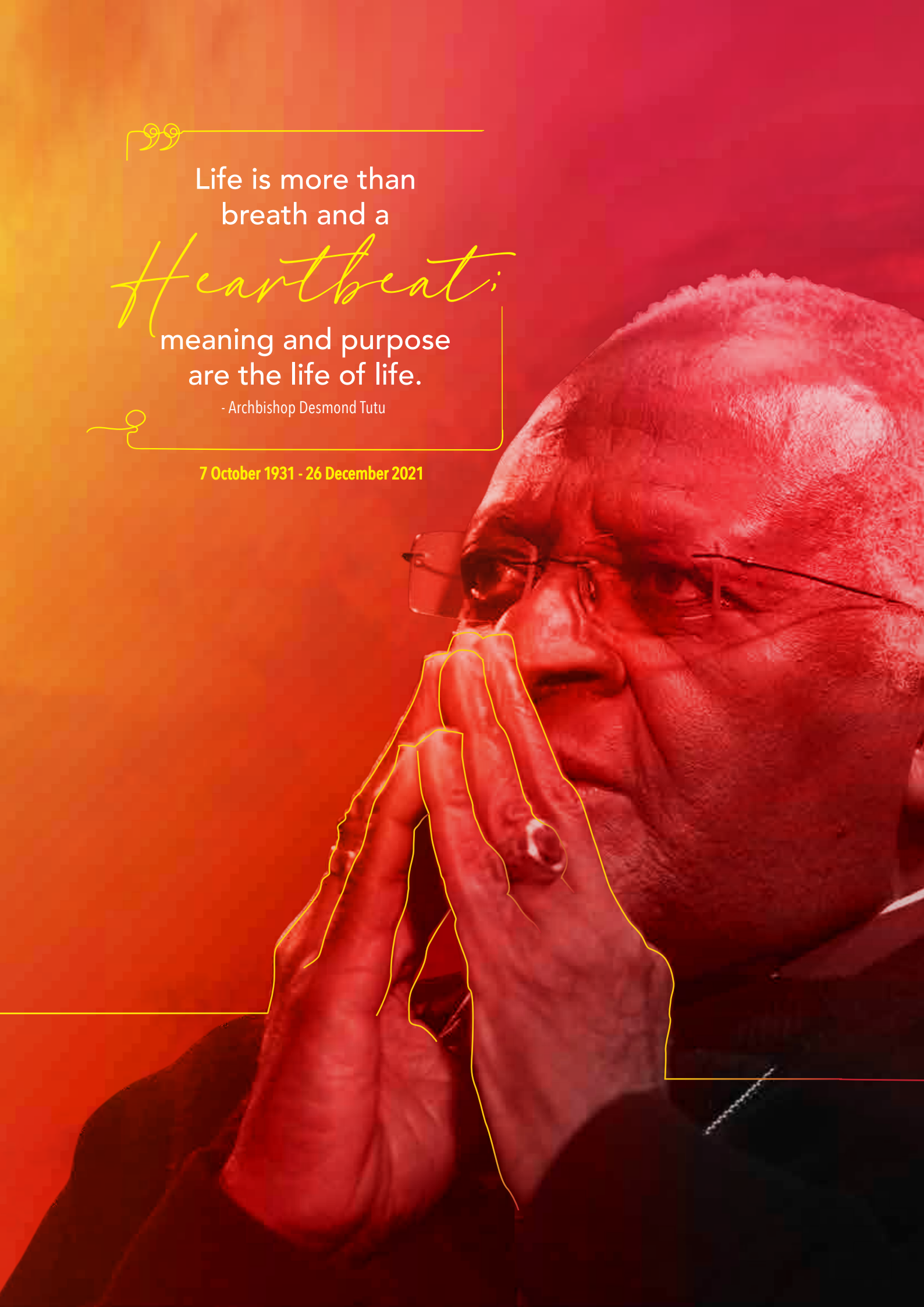
Life is more than
breath and a

Heartbeat;

meaning and purpose
are the life of life.

- Archbishop Desmond Tutu

7 October 1931 - 26 December 2021





SCAN this QR code to take a virtual tour of the SABC.

This is the 85th Annual Report of the South African Broadcasting Corporation (SBC) Limited, referred to as 'SABC', 'the Corporation' or 'the Company' (Registration Number: 2003/023915/30).

It is tabled in Parliament in terms of the Broadcasting Act No. 4 of 1999, as amended, and the Public Finance Management Act No. 1 of 1999, as amended.

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4IR	Fourth Industrial Revolution	CEO	Chief Executive Officer	FCC	Final Control Centre
15+	Over 15 years of age	CFO	Chief Financial Officer	FET	Further Education and Training
ACA	Association for Communications and Advertisements	CI	Corporate Identity	FIFA	Fédération Internationale de Football Association
ADHD	Attention Deficit Hyperactivity Disorder	CIO	Chief Information Officer	FIPCOM	Finance, Investment and Procurement Committee
AFCON	Africa Cup of Nations	CoJ	City of Johannesburg	FM	Frequency Modulation
AFS	Annual Financial Statements	COO	Chief Operations Officer	FPB	Film and Publication Board
AGM	Annual General Meeting	Covid-19	Coronavirus disease of 2019	FTA	Free-to-Air
AGSA	Auditor-General of South Africa	CPRP	Chartered Public Relations Practitioner	FY	Financial Year
ALS	African Language Stations	CRL Rights Commission	The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	GCEO	Group Chief Executive Officer
AI	Artificial Intelligence			GCIS	Government Communication and Information System
AMPS	All Media Products Survey			GE	Group Executive
ANC	African National Congress	CSA	Cricket South Africa	GIA	Group Internal Audit
AR	Audience Rating	CSI	Corporate Social Investment	GIBS	Gordon Institute of Business Science
ARA	Association for Responsible Alcohol Use	CTV	Cape Town Television	GTAC	Government Technical Advisory Centre
ARB	Advertising Regulatory Board	DA	Democratic Alliance	HCT	HIV Counselling and Testing
ATKV	Afrikaanse Taal en Kultuurvereniging	DAB	Digital Audio Broadcasting	HD	High-Definition
ASA	Athletics South Africa	DAF	Delegation of Authority Framework	HDTV	High-Definition Television
ASASA	Advertising Standards of South Africa	DEAFSA	Deaf Federation of South Africa	HR	Human Resources
AU	African Union	DEL	Department of Employment and Labour	IAAF	International Association of Athletics Federations
BA	Broadcasting Act	DoA	Delegation of Authority	IAJ	Institute for the Advancement of Journalism
BAC	Bid Adjudication Committee	DOC	Digital Operations Centre	IASB	International Accounting Standards Board
BATSAA	British-American Tobacco Southern Africa	DCDT	Department of Communications and Digital Technologies	IBA	Independent Broadcasting Association
BBC	British Broadcasting Corporation	DoH	Department of Health	ICASA	Independent Communications Authority of South Africa
B-BBEE	Broad-Based Black Economic Empowerment	DRC	Democratic Republic of Congo	ICC	International Cricket Council
BCCSA	Broadcasting Complaints Commission of South Africa	DRM	Digital Radio Mondiale ¹	ICMA	Inkomati Catchment Management Agency
BEE	Black Economic Empowerment	DRM	Digital Rights Management ²	ICT	Information Communications and Technology
BEN-Africa	Business Ethics Network of Africa	DSB	Digital Sound Broadcasting	IDZ	Industrial Development Zone
BES	Broadcast Engineering Services	DSAT	Digital Satellite	IEC	Independent Electoral Commission
BRC	Broadcast Research Council	DStv	Digital Satellite Television	IFRS	International Financial Reporting Standards
BRICS	Brazil, Russia, India, China and South Africa	DTH	Direct-to-Home	IIA	Institute of Internal Auditors
BYOD	Bring Your Own Device	DTI	Department of Trade and Industry	IIASA	Institute of Internal Auditors South Africa
CAATS	Computer Aided Audit Tools	DTT	Digital Terrestrial Television	IKB	Information Knowledge Building
CAE	Chief Audit Executive	DW	Deutsche Welle	IMPRA	Independent Music Performance Rights Association
CAF	Confederation of African Football	EAP	Employee Assistance Programme	IMT	International Mobile Telecommunications
CAGR	Compound Average Growth Rate	EBAF	Enterprise Broadcast Architecture Framework	IOC	International Olympic Committee
CANSA	Cancer Association of South Africa	ECA	Electronics Communications Act	IODSA	Institute of Directors South Africa
Capex	Capital Expenditure	ECS	Executive Committee Senate	IOD	Injury on Duty
CAPS	Curriculum Assessment Policy Statement	ED	Economic Development	IP	Internet Protocol
CCC	Complaints Compliance Committee	EE	Employment Equity	IRBA	Independent Regulatory Board of Auditors
CCMA	Commission for Conciliation, Mediation and Arbitration	EFC	Extreme Fighting Championship	ISO	International Organisation for Standardisation
CDN	Content Delivery Networks	EMC	Executive Management Committee	ISP	Internet Service Provider
		EMS	Emergency Management Services	IT	Information Technology
		EPG	Electronic Programme Guide		
		ENPS	Electronic News Production System		
		ESS	Employee Self Service		
		EVP	Employee Value Proposition		
		EXCO	Executive Committee		
		FAMSA	Family and Marriage Society of South Africa		

List of Abbreviations/

Acronyms



ITIL	Information Technology Infrastructure Library	ODA	Optical Disk Archiving	SANYO	South African National Youth Orchestra
ITSM	Information Technology Service Management	ODI	One Day International	SAP	System Application and Products in Data Processing
ITU	International Telecommunication Union	OHS	Occupational Health and Safety	SATMA	South African Traditional Music Awards
JOSHCO	Johannesburg Social Housing Company	OTT	Over-The-Top	SEVA	SABC Education Virtual Academy
KPI	Key Performance Indicator	OVP	Online Video Platform	SAWID	South African Women in Development
KZN	KwaZulu-Natal	PAA	Public Audit Act No. 25 of 2004	SCM	Supply Chain Management
LAN	Local Area Network	PAC	Pan Africanist Congress	SCOPA	Standing Committee on Public Accounts
LPT	Low Power Transmitters	PanSALB	Pan South African Language Board	SEM	Socio-Economic Measure
LTD	Limited	PBS	Public Broadcasting Services	SFN	Single Frequency Network
LTO	Linear Tape Open	PCC	Portfolio Committee on Communications	SITA	State Information Technology Agency
LSM	Living Standards Measure	PCS	Public Commercial Services	SIU	Special Investigating Unit
MAM	Media Asset Management	PDOs	Predetermined Objectives	SLA	Service Level Agreement
MBA	Master of Business Administration	PEB	Public Election Broadcast	SOC	State-owned Company
MCC	Media Credit Coordinators	PFMA	Public Finance Management Act No. 1 of 1999	SOE	State-owned Enterprise
MCR	Main Control Room	PGM	Provincial General Manager	SONA	State of the Nation Address
MDM	Mobile Device Management	PIFSA	Printing Industries of South Africa	SOPs	Standard Operating Procedures
ME	Metro Ethernet	PIC	Public Investment Corporation	SOPA	State of the Province Address
MEC	Member of Executive Council	Projourn	Professional Journalism body	SRSA	Sports and Recreation South Africa
MEGA	Mpumalanga Economic Growth Agency	POWA	People Opposing Women Abuse	STB	Set Top Box
MEX	Music Exchange Conference	PPPF	Preferential Procurement Policy Framework	TAMS	Television Audience Measurement Survey
MGP	Mpumalanga Gambling Board	PR	Public Relations	THE "ACT"	The Broadcasting Act
MHz	Megahertz	PRISA	Public Relations Institute of South Africa	The "Bill"	The Copyright Amendment Bill 13B of 2017
MICT SETA	Media, Information and Communication Technologies Sector Education and Training Authority	PSA	Public Service Announcement	TGRP	Total Guaranteed Remuneration Package
MMA	Media Monitoring Africa	PSL	Premier Soccer League	TOR	Terms of Reference
MMA	METRO FM Music Awards	PTY	Proprietary	TV	Television
MMSR	Member of the Mapungubwe Society of Researchers	PWD	People with Disabilities	TVBMS	Television Broadcast Management System
Mol	Memorandum of Incorporation	QoS	Quality of Service	TVBR	Television Broadcast Resources
MoU	Memorandum of Understanding	QSE	Qualifying Small Enterprises	TVET	Technical and Vocational Education and Training
MSL	Mzansi Super League	RAMS	Radio Audience Measurement Survey	UL	University of Limpopo
MTEF	Medium-Term Expenditure Framework	RAU	Rand Afrikaanse Universiteit	UCT	University of Cape Town
MTI	Media, Technology and Infrastructure	RBF	Radio Broadcast Facilities	UN	United Nations
MTPA	Mpumalanga Tourism and Parks Authority	RIA	Regulatory Impact Assessment	UNESCO	United Nations Educational, Scientific and Cultural Organisation
MWASA	Media Workers' Association of South Africa	ROI	Return on Investment	UNISA	University of South Africa
NAB	National Association of Broadcasters	RSG	Radio Sonder Grense	UNIN	University of the North
NBA	National Basketball Association	SAARF	South African Audience Research Foundation	UK	United Kingdom
NCA	National Credit Act	SAB	South African Breweries	US	United States
NCC	National Consumer Commission	SABC	South African Broadcasting Corporation SOC Limited	USA	United States of America
NDP	National Development Plan	SABS	South African Bureau of Standards	UWC	University of Western Cape
NGOs	Non-Governmental Organisations	SADC	Southern African Development Community	VAT	Value Added Tax
NEMISA	National Electronic Media Institute of South Africa	SAFA	South African Football Association	VHF	Very High Frequency
NSFAS	National Student Financial Aid Scheme	SAFTAs	South African Film and Television Awards	VOD	Video on Demand
NFVF	National Film and Video Foundation	SAG	Strategy Architecture Group	VOV	Voice of Vietnam
NKP	National Key Point	SAICA	South African Institute of Chartered Accountants	WAN	Wide Area Network
NQF	National Qualifications Framework	SALGA	South African Local Government Association	WASPA	Wireless Application Service Providers Association
NYDA	Youth Development Agency	SAMAs	South African Music Awards	WIL	Work Integrated Learning
OB	Outside Broadcast	SAN	Storage Area Network	WITS	University of Witwatersrand
		SANBS	South African National Blood Services	WSP	Workplace Skills Plan
		SANEF	South African Editor's Forum		

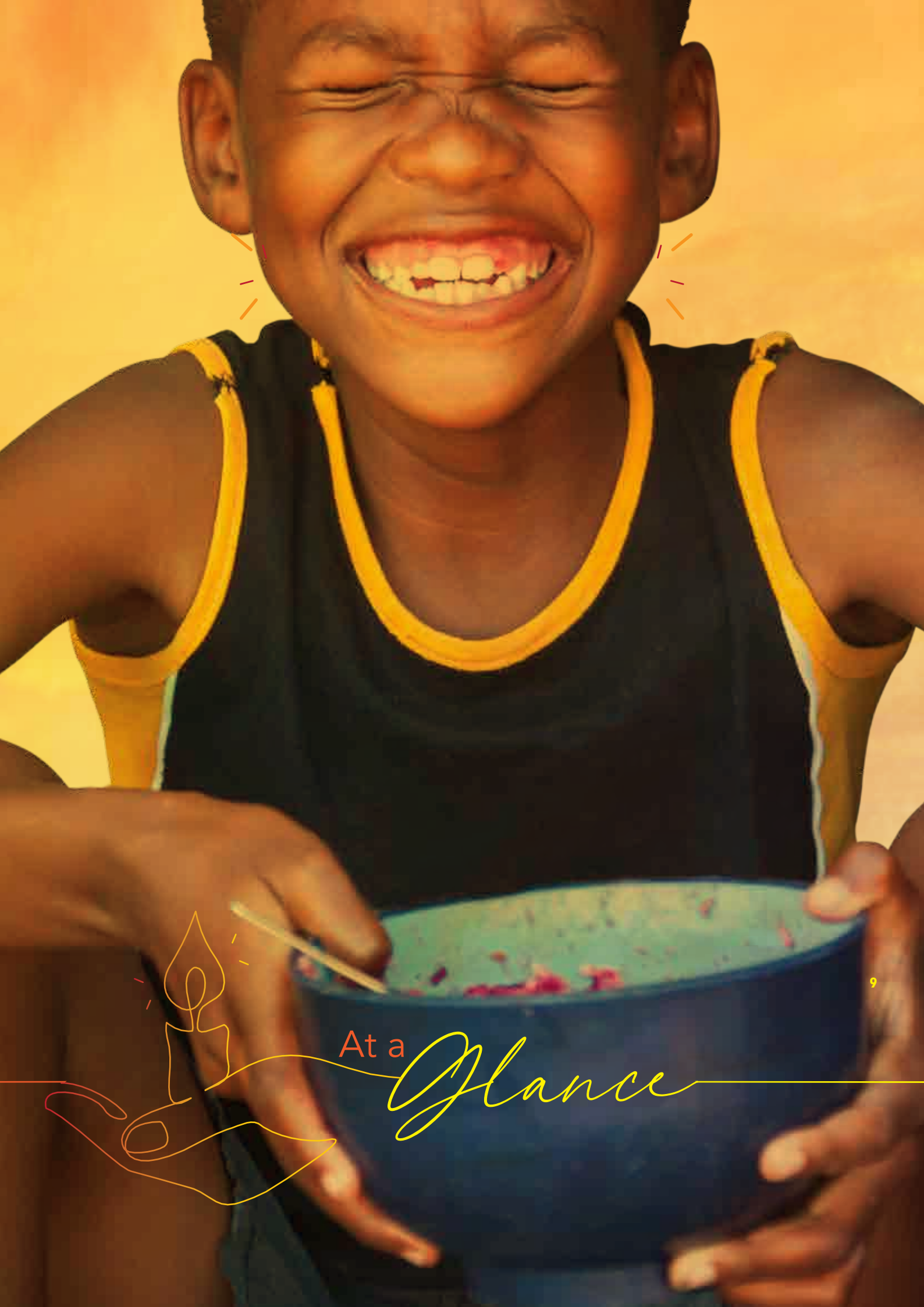


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information on our CSI initiatives.

In each of us, there
is an innate ability to
create joy
out of suffering,
to find
hope
in the most hopeless of
situations, and to heal
any relationship in need
of healing.

- Archbishop Desmond Tutu

A big thank you to all our loyal viewers and listeners who heeded the call and supported our initiatives to bring joy and hope to many of our South African families during the trying times of the pandemic and the recent floods in KZN.



At a

Glance

The South African Broadcasting Corporation (SABC) Limited (The SABC) is a Schedule 2 (Major Public Entity) entity in terms of the Public Finance Management Act No. 1 of 1999 (PFMA), as amended. The Corporation is subject to the following legislation in the course of its operations.

The Broadcasting Act

The Broadcasting Act (The Act) is the SABC's founding statute. In terms of the Act, the SABC's obligations are captured in the Independent Communications Authority of South Africa (ICASA) Regulations and licence conditions of the Corporation's six television channels and 18 radio stations.

The business of the SABC is further defined by the Act into two distinct services – Public Broadcasting Services (PBS); and Public Commercial Services (PCS) – which are to be administered separately. Each SABC radio service and television channel is licensed independently by ICASA, and each is required to adhere to its respective licence conditions and the provisions of the Broadcasting Act, including the SABC Charter. The SABC has advanced the view that the Broadcasting Act should not contain a distinction between the two services, because in practice, it has a unitary model that governs its services. Due to this arrangement, the SABC is unable to prepare separate Annual Financial Statements for each group of services (PBS 15 radio stations and two TV channels; PCS, three radio stations and one TV channel). However, after the development of a framework for the

allocation of overheads, the Management Accounts distinguishes between PCS and PBS.

Public and Commercial Broadcasting Service Mandate

The mandate of the SABC, as a public broadcaster, is embedded in a range of statutes, regulations, policies, codes of conduct and licence conditions. The SABC's statutory framework includes:

- The Constitution of the Republic of South Africa No. 108 of 1996, as amended;
- Broadcasting Act No. 4 of 1999, as amended;
- Independent Communications Authority of South Africa Act No. 13 of 2000, as amended;
- The Electronic Communications Act No. 36 of 2005, as amended; and
- The Companies Act No. 71 of 2008, as amended.

In executing its mandate, the SABC is also guided, among others, by:

- The Public Finance Management Act (PFMA) No.1 of 1999, as amended;
- The King IV Report on Corporate Governance for South Africa™;
- South African National Treasury Regulations;
- The SABC's Delegation of Authority Framework;

- Basic Conditions of Employment Act No. 75 of 1997, as amended;
- Labour Relations Act No. 66 of 1995, as amended;
- Employment Equity Act No. 55 of 1998, as amended;
- The Competition Act 89 of 1998, as amended;
- The Preferential Procurement Policy Framework Act No. 5 of 2000, as amended;
- The Skills Development Act No. 97 of 1998, as amended; and
- SABC Editorial Policies.

The Objectives of the SABC

The objectives of the Corporation, as set out in Section 8 of the Broadcasting Act are:

- To make its services available throughout the Republic;
- To provide sound and television broadcasting services, whether by analogue or digital means, and to provide sound and television programmes of information, education and entertainment funded by advertisements, subscription, sponsor-

SABC's Legislative Framework, Mandates and

Objectives



- ship, licence fees or any other means of finance;
- c) To acquire from time to time a licence or licences for such period and subject to such regulations, provisions and licence conditions as may be prescribed by the Authority;
 - d) To provide, in its public broadcasting services, radio and television programming that informs, educates and entertains;
 - e) To be responsive to audience needs, including the needs of the deaf and the blind, and account on how to meet those needs;
 - f) To provide other services, whether or not broadcasting or programme supply services, such services being ancillary services;
 - g) To provide television and radio programmes and any other material to be transmitted or distributed by the common carrier for Free-to-Air reception by the public;
 - h) To provide to other bodies by such means and methods as may be convenient, services, programmes and materials to be transmitted or distributed by such bodies and to receive from such other bodies services, programmes and materials to be transmitted by stations of the Corporation for a reception as above;
 - i) To commission, compile, prepare, edit, make, print, publish, issue, circulate and distribute, with or without charge, such books, magazines, periodicals, journals, printed matter, records, cassettes, compact disks, videotapes, audio-visual and interactive material, whether analogue or digital and whether on media now known or hereafter invented, as may be conducive to any of the objects of the Corporation;
 - j) To establish and maintain libraries and archives containing materials relevant to the objects of the Corporation and to make available to the public such libraries and archives with or without charge;
 - k) To organise, present, produce, provide or subsidise concerts, shows, variety performances, revues, musical and other productions and performances and other entertainment, whether live or recorded in connection with the broadcasting and programme supply services of the Corporation or for any purpose incidental thereto;
 - l) To collect news and information in any part of the world and in any manner that may be thought fit and to establish and subscribe to news agencies;
 - m) To carry out research and development work in relation to any technology relevant to the objects of the Corporation and to acquire by operation of law, registration, purchase, assignment, licence or otherwise copyright and designs, trademarks, trade names and any other intellectual, industrial and commercial property rights;
 - n) To nurture South African talent and train people in production skills and carry out research and development for the benefit of audiences;
 - o) To develop, produce, manufacture, purchase, acquire, use, display, sell, rent or dispose of sound recordings, films materials and apparatus; and
 - p) To develop and extend the services of the Corporation beyond the borders of South Africa.



The SABCA head office in Auckland Park.

Radio Stations

The SABC boasts a total of nineteen (19) Radio stations. The nineteenth station Channel Africa, is managed on behalf of the Department of Communications and Digital Technologies.

SABC radio stations have captured the hearts of the public through trailblazing innovations while remaining relevant, widely accessible and a key platform for the Public Broadcaster to deliver on its public service mandate. Commanding a dominant 73.2% of the radio market, SABC Radio has also fully embraced audience trends online and continues to display healthy audience growth on digital and social platforms.

Public Broadcasting Services (PBS)



Average weekly audience:
1 369 000 adults (15+)

Ikwekwezi FM is an upbeat and modern radio station that provides for the diverse needs and tastes of the IsiNdebele speaking population. The station provide information, entertainment and news that cater to both the young and old while working closely with its communities to preserve and grow the IsiNdebele language and traditions.



Average weekly audience:
4 022 000 adults (15+)

Lesedi FM has delivered high-quality informative, educational and entertaining content to predominantly Sotho-speaking South Africans, for the past 59 years. It is an interactive radio station that delves deep into issues that serve the developmental needs of its listeners. The station broadcasts from Bloemfontein in the

Free State Province, with Gauteng Province as its second stronghold.



Average weekly audience:
1 329 000 adults (15+)

Ligwalagwala FM is a vibrant radio station that resonates with the young and the young-at-heart, and upwardly mobile SiSwati-speaking people. The station reflects an urban, aspirational lifestyle, while serving the diverse needs of its rural audiences.



Average weekly audience:
260 000 adults (15+)

Lotus FM's primary target market is the South African Indian community that is firmly rooted in three main religions (Hindu, Islam and Christianity) and speaks or understands any of the four languages (Hindi, Tamil, Urdu, Gujarati and Telegu) in which the station broadcasts. Lotus FM offers an engaging mix of informative, educational and entertaining programmes, which celebrate the colourful lifestyle and traditions of its dynamic audience, and promotes a proudly South African Indian media brand.



Average weekly audience:
3 388 000 adults (15+)

Motsweding FM's core philosophy is informed by the need for personal empowerment and development of its listeners. An aspirational station that strives to be worldly and cosmopolitan, the station has spill over listenership into Botswana. It broadcasts from Mahikeng and Gauteng in Setswana, and its listeners in the hinterlands of the North West Province depend on the station as their primary source of education and entertainment.



Average weekly audience:
1 368 000 adults (15+)

Munghana Lonene FM broadcasts in XiTsonga and supports the aspirations of its listeners while ensuring the promotion of traditional norms and values. The station encourages listener participation and actively seeks expert opinion, commentary and advice on various topical issues, to deliver true empowerment to its listeners. The station has played a vital role in the development of popular XiTsonga music genres.



Average weekly audience:
1 134 000 adults (15+)

Phalaphala FM's programming inspires its listeners to succeed and gives them a platform to share and gain knowledge and expertise across a range of subjects and issues. The station broadcasts from Polokwane and targets young aspirant and upwardly mobile Tshivenda-speaking listeners, while keeping older listeners informed about the world around them.



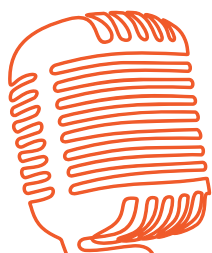
Average weekly audience:
1 974 000 adults (15+)

Radio 2000 is a facility radio station that broadcasts nationwide in English. It reflects South Africa's diverse cultures and attempts to unite the nation through sport and events of national importance. The station's programming mix includes adult crossover music, magazine, live sports commentary, and talk. Radio 2000 provides quality content and engages audiences in empowering discussions and debates on a wide range of subjects.



Average weekly audience:
1 373 000 adults (15+)

RSG is a contemporary Afrikaans radio station that represents a modern, all-inclusive way of life. RSG provides a home for progressive, forward-thinking, loyal and family-oriented Afrikaans-speaking audiences that are proudly South African. Sports and Arts are some of RSG's key programming drivers.



Showcasing SABC

Platforms



Average weekly audience:
762 000 adults (15+)

SAfm aims to engage the nation in robust but progressive conversations about topical issues of the day, while delivering credible, up-to-the-minute news coverage. In accordance with its full-spectrum PBS mandate, SAfm also explores broader nation-building themes through its talk format that appeals to discerning, mature and sophisticated listeners nationally. Its primary focus is on decision-makers seeking insightful and enabling information throughout the day.



Average weekly audience:
2 942 000 adults (15+)

Thobela FM dedicates its programming to supporting its listeners' personal growth, preserving culture within a modern context, and enhancing individual economic development. Its programme offering includes news, current affairs, drama, education, the latest music trends, religion and culture. The station broadcasts from Polokwane in Northern Sotho or SePedi and appeals to young and old alike.



Average weekly audience:
261 000 adults (15+)

Tru FM views youth and youthfulness as an opportunity and young people as a resource. The station broadcasts in isiXhosa and English and creates a platform for young people of the Eastern Cape to creatively express themselves and tell their own stories. Tru FM empowers its listeners to improve their quality of life and focus on self-development.



Average weekly audience:
7 925 000 adults (15+)

Ukhozi FM is South Africa's biggest radio station. It focuses on educational, informative and entertaining programming that prioritises audiences' personal development, economic growth and spiritual upliftment. Broadcasting in isiZulu, Ukhozi FM is a leading African Language Station (ALS) that stands for the preservation and development of South African indigenous languages and culture. Strong traditional,

choral and spiritual music genres set this station apart from its competitors. The station has maintained weekly audiences in excess of 7 million for the past five years.



Average weekly audience:
4 599 000 adults (15+)

Umhlobo Wenene FM broadcasts in isiXhosa and seeks to serve its listeners with integrity by continuously providing quality education and entertainment content that inspires positive thinking and personal growth for its listeners. The station is widely known for its quality sports coverage, riveting dramas and enthralling traditional music genres, which continue to inspire its listeners to excel. Broadcasting from Port Elizabeth in the Eastern Cape Province, the station also boasts a national reach that makes it the second-biggest radio station in the country.



Average weekly audience:
6 000 adults (15+)

XK FM caters for the San people of Platfontein in the Northern Cape. The community mainly speaks Xuntali (!Xu) and Khwedam (Khwe) languages. The station currently plays a critical role in preserving the two languages and culture of the oldest inhabitants of South Africa. The station is also seen as a community developer as it champions most of the projects that uplift the community.

Public Commercial Services (PCS)



Average weekly audience:
1 088 000 adults (15+)

5FM is an entertainment powerhouse for South African youth, offering the most popular current hit music and entertainment on radio. Daring to walk on the wild side, the station inspires personal development and freedom of expression for its listeners is at the core of its

values. The station has the largest social media following in South African media with more than a 1.5 million Facebook and Twitter followers combined.



Average weekly audience:
774 000 adults (15+)

Good Hope FM encapsulates the fun, energy and funkiness of urban Cape Town. It entertains and actively engages Capetonians through music, relevant lifestyle news and events. The station is well-positioned to meet the lifestyle needs of its audience by showcasing high-quality events and highlighting public concerns.



Average weekly audience:
5 314 000 adults (15+)

METRO FM is the most influential radio brand for youthful urban adults that embrace a pragmatic and successful lifestyle. It is the largest commercial radio station in South Africa with listeners in excess of 5 million. Though primarily a music station, METRO FM also delivers credible news reporting and robust talk shows that keep its listeners engaged and informed. Due to its reach, the station plays a critical role in the development of musical talent in South Africa through its various initiatives.

Administered for the Department of Communications and Digital Technologies (DCDT)



CHANNEL AFRICA is an international radio station that currently broadcasts online only, mainly to the Southern, Eastern and Western African audiences in six languages: English, French, Chinyanja, Portuguese, Silozi and Swahili. The station's mandate is to promote South Africa's foreign policy to the rest of Africa and the world.



Behind the scenes with on air personality Thuso Motaung from Lesedi FM.

TV Channels

SABC Television currently offers five Free-to-Air (FTA) channels, two of which are exclusively available on the DTT platform. In addition, it offers one additional news channel (404) on subscription satellite. Collectively, these channels deliver a wide variety of compelling local and international content offering in all South Africa's languages throughout the country and beyond. FTA channels SABC1, SABC2 and S3 attract, on average, 24.6 million South African viewers in a typical month.

PBS



All Adults (15yrs+) performance period audience reach: 22.2 million South African viewers in a typical month.

SABC1 is a Free-to-Air channel that provides public service programming which caters to content needs and preferences of the youth, as defined by age, attitude or aspiration. It reflects a society that is in motion, evolving and progressive. Offering factuality and entertainment programming, the channel broadcasts in indigenous South African languages of the IsiNguni group, including IsiNdebele, Siswati, IsiZulu and IsiXhosa, as well as English. Its coverage via analogue and Digital Terrestrial Transmitter (DTT) networks reaches 81% of the population. It is also available on the DStv, OVHD, and StarSat (DTH) digital satellite platforms, and the Telkom ONE streaming platform.



All Adults (15yrs+) performance period audience reach: 20.1 million South African viewers in a typical month.

SABC2 is a full public service Free-to-Air channel, which places family, community and culture at the centre of its programming and activities. The channel provides educational, informative and entertaining content in Sesotho, Setswana, Sepedi, Tshivenda, Xitsonga, as well as Afrikaans and English. The coverage is via analogue and DTT networks, reaching 82% of the population. It is also available on the DStv, OVHD, and StarSat (DTH) digital satellite platforms, and the Telkom ONE streaming platform.

PCS



All Adults (15yrs+) performance period audience reach: 15.1 million South African viewers in a typical month.

S3 is a public commercial television channel, offering its diverse viewership content that presents a kaleidoscope of views and experiences. It broadcasts primarily in English and carries 10% of its programmes in indigenous South African languages. The channel's coverage is via analogue and DTT networks, covering just below 80% of the population. It is also available on the DStv, OVHD, and StarSat (DTH) digital satellite platforms, and the Telkom ONE streaming platform.

Digital Terrestrial Television (DTT) and Satellite Network Channels

The SABC DTT channels include the Parliamentary Channel, SABC Education and SABC Sport. SABC ENCORE was discontinued on the DTT Platform and will be relaunched at a later stage.



All Adults (15yrs+) performance period audience reach: 2.8 million South African viewers in a typical month.

SABC SPORT is a 24x7 South African Free-to-Air sports television channel owned by the SABC, broadcasting on OVHD. The channel broadcasts a variety of sports, including soccer, rugby, cricket, boxing, and hockey, among others.

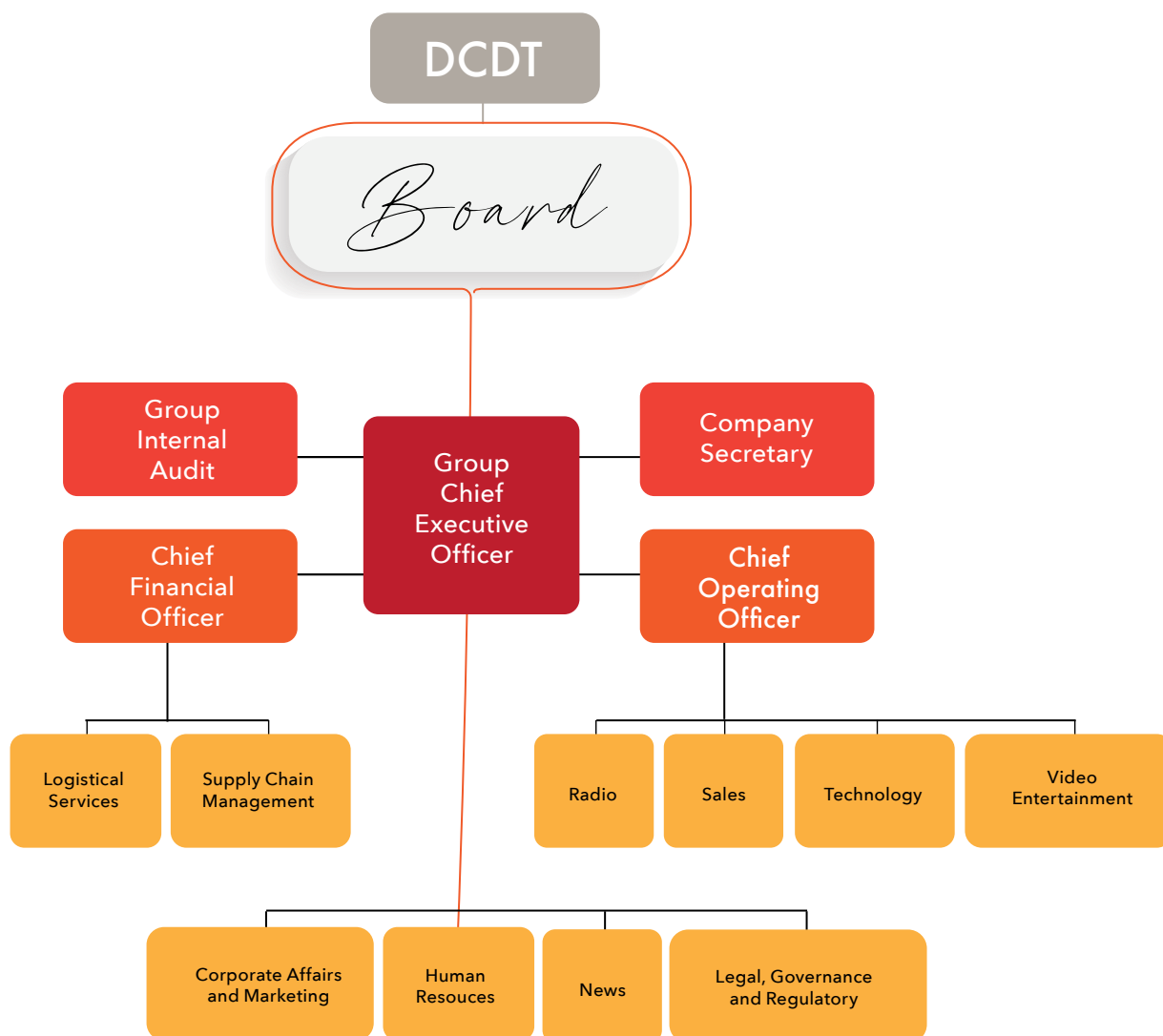


All Adults (15yrs+) performance period audience reach: 5.6 million South African viewers in a typical month.

SABC News a full spectrum factuality platform, which carries news and current affairs programming. It is the national market leader in the South African 24-hour news domain. Broadcast on the DStv network (404), the channel offers rolling news, in-depth coverage and current affairs programming. It broadcasts in English and reaches 51 African countries, as it aspires to be a distinguished Pan African public news service. The channel continues to record impressive growth and boasts 18 hours of live coverage daily.



The cast of one of our local content dramas 'The Estate' featured on S3.



Organisational Structure

Note: Functionally Internal Audit and the Company Secretary reports to the SABC Board and administratively to the GCEO



The SABC as a public service broadcaster must promote alternative views to *encourage debate* that is vital to the functioning of democracy. A healthy democracy requires that the public be able to discuss, share and receive information relating to political, social, and cultural matters affecting their lives. The public broadcaster plays a crucial role in strengthening democracy and democratic governance by ensuring that the public, in particular, those with neither political nor economic influence or power, have access to a broad spectrum of views on issues of public concern".

- Justice Keogile Elias Matojane, 2017¹

In the last four and a half years, the SABC has demonstrated the importance of maintaining the sound governance and ethical leadership required to build a sustainable public broadcasting service that supports all South African citizens and constitutional democracy.

As the world faced arguably the worst global pandemic for a century, alongside an 'infodemic' of pervasive mis/disinformation, the role of an independent, trusted public broadcaster became more important than ever. As noted last year, this mis/disinformation continues to undermine trust in public institutions across the globe, and fuels division through conspiracy theories, hate speech, racism and xenophobia. Thus,

the SABC remains steadfast in attaining its strategic imperatives governed by its Turnaround Plan.

The SABC's Turnaround Plan is based on the principle that the sustainability of the public broadcaster – through the financing of public mandate programming – is crucial to constitutional democracy. The courts have recognised the vital relationship between public broadcasting and the proper functioning and strengthening of democracy. It therefore follows that the funding of the public broadcaster should be seen as a constitutional imperative.

In the context of ongoing policy review processes, led by the Department of Communications and Digital Technologies (DCDT), the SABC Board and management have submitted proposals for funding public broadcasting that consider the Corporation's unique role, public mandate, and cost base. These publicly available proposals include:

- The implementation of a technology-neutral, device-independent, public media levy to replace the existing television licence, exempting the indigent and including part-collection of the levy by the dominant subscription broadcaster, on the public broadcaster's behalf;
- An increase in direct funding for public interest programming by relevant government departments without compromising SABC's independent editorial independence. These departments include: Education; Sports, Arts and Culture; and Health. Currently, direct government funding for the public broadcaster amounts to only 3% of total revenue; and
- A reduction in the SABC's signal distribution costs. In this regard, the SABC and Sentech are currently involved in a process with the Competition Commission to address what the public broadcaster sees as monopoly pricing for terrestrial television and radio signal distribution.

When taken together, the successful implementation of these three policy and funding goals, through legislation and regulation, should have a significant impact on both the long-term sustainability of the SABC, and funding of the SABC's unfunded public mandate, which costs the Corporation around R421 million annually.

These policy changes have not been proposed to afford the SABC a 'free pass' on operational efficiency and competitiveness. We take it as given that the SABC must be properly governed and competitively managed to solve the Corporation's sustainability challenges. In fact, internal operational and commercial imperatives, together with the proposed policy and legislative changes, are all core to the SABC's Turnaround Plan.

In this regard, there have been two significant policy and regulatory developments which should be acknowledged. Firstly, ICASA amended the Must Carry regulations. The new regulations require that subscription broadcasters carry the SABC's channels, "subject to commercially negotiable terms". While these regulations took four-and-a-half years to amend after the Board's first letter to ICASA in November 2017, the SABC is pleased that the substantive flaw in the regulations has now been corrected. Since the regulations were first passed in 2008, the Pay TV broadcaster carried SABC channels without charge. The amended regulations now envisage that Multichoice will have to pay the SABC carriage fees.

Secondly, the SABC is finally challenging what it believes are anti-competitive actions by SuperSport and sports bodies, with regard to the acquisition and licensing of sports rights. The SABC believes that this anti-competitive conduct unlawfully impacts both the cost of sports rights and the ability of the SABC to monetise these rights via its sports channel on other platforms, like satellite and streaming. In July 2022,

Foreword by the

Chairperson

¹ SOS Support Public Broadcasting and Others vs the SABC, Minister of Communications and Hlaudi Motsoeneng, 2017.

the Corporation lodged a comprehensive complaint against SuperSport and sports bodies at the Competition Commission, alleging, among other things, that:

- Unreasonable, restrictive and unlawful conditions are imposed by SuperSport when sub-licensing rights to the SABC; and
- Sports bodies are engaging in prohibited concerted practices on pricing.

The SABC looks forward to the successful conclusion of this process.

While policy processes unfold, the SABC continues to operate in a highly commercialised and competitive environment and remains one of the world's public broadcasters that is most dependent on commercial revenue, with 75% of total revenue generated from advertising, sponsorship, and programme exploitation. Without sustained investment in the right digital infrastructure and compelling content, a public media organisation cannot survive.

While the SABC was significantly exposed to declining advertising spend during the first 18 months of the pandemic, the Board believes that the Corporation needs to up its game, as our competitors have largely recovered from the impact of the pandemic. We cannot stress enough the importance of increased investment in new television content. It is critical that SABC content procurement and commissioning processes are streamlined, for the SABC to be able to compete with other broadcasters and global streaming giants for top content. Now that the SABC, through the welcome intervention of the Minister, has been given exemption from certain PFMA stipulations in the procuring of television content, the Board expects significant improvement in acquiring quality content that meets audience, revenue and public mandate targets.

With the intense focus on television, it is important not to forget that radio remains a very important platform for the SABC, with 18 radio and audio services in all the official languages. It is vital that SABC Radio retains its public mandate objectives, despite commercial pressures and limited funding for the unfunded mandate. We can never compromise on the public mandate, as it is the reason for the SABC's existence.

During the year under review, the SABC remained fully committed to expediting two essential digital distribution projects: the broadcasting digital migration project; and the launch of an SABC streaming platform.

At the time of writing this Annual Report, the Constitutional Court had set aside both the cut-off date of 31 October 2021 for set-top box (STB) registrations and the analogue switch off (ASO) date of 30 June 2022. The SABC expects further discussions and consultations with the Minister in this regard. While the SABC had already switched off analogue transmitters in five provinces (Free State, North West, Northern Cape, Limpopo, and Mpumalanga), concerns had been raised about millions of indigent households being left behind. The delay in digitising television distribution over the last decade has hurt the SABC's ability to compete with other players. Therefore, the SABC reiterates its strong commitment to

completing digital migration, while stressing that the process must happen in a way which does not undermine the public broadcaster's sustainability and constitutional role.

The second project is just as important to the SABC's future. After completion of the required procurement processes, the SABC will implement an Over-the-Top (OTT) streaming strategy, with the short-term goal of leveraging online and mobile platforms to allow customers to access all SABC content and services anywhere, anytime, and on any device. The streaming platform will consolidate all SABC television and radio content for IP transmission over mobile and web. The potential for this platform is limitless, and remains one of the missing pieces of the SABC's distribution strategy.

Currently, the SABC is a 'pure-play' content provider that is required to do distribution deals with third-party platforms, including Sentech, OpenView and TelkomONE. By procuring its own streaming platform, the SABC will be able to control its destiny in this regard. It is our sincere hope that telecommunications companies will make good on their promise to drop data prices in lieu of the additional spectrum obtained through the digital dividend. At current rates, our poorer households cannot afford to stream SABC video and/or audio services on their mobile devices.





SABC and Openview carriage agreement.

With this Board's five-year term coming to an end on 15 October 2022, we look forward to facilitating a smooth transition and handover for the new Board, to ensure that they can hit the ground running and tackle priority areas. In my view, these areas include:

1. Maintaining strong governance and operational excellence at all levels of the Corporation with zero tolerance for corruption and maladministration. At the time of writing, the final State Capture Report was still to be tabled at the SABC Board for due consideration. However, I am pleased to note that many of the recommendations made by the Chief Justice on the SABC, including acting against individuals and companies involved in state capture, have already been implemented or actioned;
2. Promoting and supporting a strong ecosystem and framework for the SABC that ensures all key role-players are aligned in building a sustainable SABC. This includes forward-looking policy development and legislative proposals by government; strong, informed oversight by Parliament, and expeditious regulation by ICASA. While we acknowledge that much has been achieved, more still needs

to be done to address structural, market and regulatory issues that continue to prejudice the public broadcaster;

3. Ensure that the SABC retains strong operational and editorial independence. It is clear from recent history that the more outside interference in the corporation's affairs, the more unstable the Corporation became regarding governance and financial matters. It is crucial that the SABC's special constitutional role is acknowledged and protected;
4. Entrenching the digital transformation and long-term financial sustainability of the public broadcaster. While we believe there are structural and policy changes required, the SABC must ensure that it is commercially competitive and operationally efficient as we strive to attract increasingly fragmented audiences; and
5. Ensuring that the Board, management and Corporation's decisions are guided by the moral compass of the Interests of the Public and the Public Interest.

In conclusion, it is important to acknowledge that the SABC has been through major, and sometimes painful, changes in the past

few years. The Board salutes the SABC management and employees who continue to show great dedication and resilience in these difficult economic and social conditions.

As we hand over the baton to a new Board, I want to express my gratitude for being given the opportunity and honour to serve as Chairperson of such an important national treasure and pillar of democracy. Long may the SABC endure and grow.

Mr Bongumusa Makhathini
Chairperson of the SABC Board



1. Mr Bongumusa Makhathini
Chairperson



2. Ms Mamodupi
Mohlala-Mulaudzi
Deputy Chairperson



3. Prof Sathasivan Cooper



4. Dr Renee Horne*



5. Adv Benjamin Motshedi
Lekalakala



6. Mr David Maimela



7. Mr Michael Markovitz



8. Mr Dinkwanyane Mohuba



9. Ms Jasmina Patel



10. Mr Jack Phalane



11. Ms Mary Papayya



12. Dr Marcia Socikwa



13. Mr Madoda Mxakwe
Group Chief Executive Officer



14. Ms Yolande van Biljon
Chief Financial Officer



15. Mr Ian Plaatjes
Chief Operations Officer

SABC *Board*

*Appointed 15 June 2022

The SABC has a unitary Board structure, which in terms of the Broadcasting Act No. 4 of 1999, as amended, comprises 12 Non-Executive Directors and three Executive Directors.

The Broadcasting Act No. 4 of 1999, as amended, provides that the SABC will be governed and controlled, in accordance with this Act, by a Board of Directors. The Non-Executive Directors are appointed by the President on the advice of the National Assembly and the Non-Executive Directors are required to appoint the Executive Directors independently in consultation with the Minister of Communications and Digital Technologies.

The Honourable State President appointed eight Non-Executive Directors (NEDs) on 11 April 2019 and the appointment resulted in a fully quorate and functional Board. One vacancy arose as a result of a resignation in the previous financial year. Dr Renee Horne was subsequently appointed on 15 June 2022 to the Board of 12 Non-Executive Directors and three Executive Directors and currently serves in the following Committees: Finance Investment and Procurement, Digital and Technology, and News and Editorial Committee. The term of the current Board shall expire in October 2022.

Directors

1. Mr Bongumusa Emmanuel Makhathini Chairperson

Appointed to the Board on 16 October 2017

Masters of Commerce in Business Management (MCom), University of Johannesburg, South Africa - 2007 to 2009; Business Management & Economics Certificate, University of Johannesburg, South Africa - 2004; BA Honours Degree in Geography (BAHons), University of Zululand, South Africa - 2000; B. Paed Degree in Geography & Business Management, University of Zululand, South Africa - 1999; General Management Program (GMP), Harvard Business School, USA, - 2016; Executive Leadership Development Certificate, University of Cambridge Judge Business School, UK - 2010; Scenario Planning and Strategic Thinking Certificate, Gordon Institute of Business Science, South Africa - 2011.

Mr Makhathini currently serves as the Chairperson of the SABC Board; CEO for the Empowerment Capital Investment Partners; Chairperson of SAion; Chairperson of PinkDrive; Board member of the Ekurhuleni World Outreach Centre Advisory; Board member of Kinektek and Board member of ZULZI.

Mr Bongumusa Makhathini has served on various bodies. These include being an Executive Board member of British American Tobacco Southern Africa (BATSAA); Executive Board member of the South African Breweries; member of the SAB Thrive Fund; Board member of The Sports Trust; Board member of the Industry Association for Responsible Alcohol Use (ARA) where he chaired the Board Committee on Responsible Drinking and Advocacy; the President of Convocation at the University of Zululand and a Member of the University of Zululand Council.

Mr Makhathini held a senior management position at Accenture, where he spent eight years in business consulting and strategy, handling complex IT and business transformation projects; Executive Director of Corporate Affairs and Transformation at the South Africa Breweries (Pty) Ltd, a subsidiary of SABMiller (Pty) Ltd, Johannesburg, South Africa; Executive Director of Legal and External Affairs Director at British American Tobacco (Pty) Ltd, (BAT) Cape Town, South Africa.

2. Ms Mamodupi Mohlala-Mulaudzi Deputy Chairperson

Appointed to the Board on 11 April 2019

BA Law (University of Swaziland); LLB (University of Witwatersrand); LLM (University of Witwatersrand); Mini-MBA Telecommunications (Telecoms Academy- London, United Kingdom); World Bank Training Program on Utility Regulation and Strategy (University of Florida, Gainesville); Senior Executive Programme - Advanced Executive Management Programme (University of London).

Ms Mohlala-Mulaudzi currently serves as the CEO of the Estate Agency Affairs Board; director of Mohlala Attorneys; Independent Expert to the Supervisory committee of the Department of Correctional Services; Chairperson of the Gauteng Rental Housing Tribunal; Board member of the South African Diamond and Precious Metals Regulator Board; Audit Committee member of the Department of Transport; Chairperson Appeal Authority of the Emfuleni Municipality Land Planning and Chairperson of Tshwane Mental Health Review Board.

She was Acting Judge of the Gauteng Local Division of the High Court, Johannesburg; Director General of the Department of Communication; Pension Fund Adjudicator (Chief Executive Officer/ Specialist Judge) at the Office of the Pension Funds Adjudicator; National Consumer Commissioner of the Office of the National Consumer Commissioner; Councillor of the Independent Communications Authority of South Africa (ICASA) and Lecturer at the University of South Africa (UNISA).

Ms Mohlala-Mulaudzi has published six articles: 'Sequestration: is it a real solution' - CODICILUS - June 2000-UNISA Publication; 'Marriage and its consequences' - Tribute-August 1999; 'Affirmative Action: is it a real contributor in the reconstruction and development process' - unpublished; 'Land redistribution - unpublished; 'Lessons to be learnt from the ethnic contact' - unpublished; and 'Sins of the Father visited upon the Daughter' - Black Lawyers Association Bulletin.

3. Prof Sathasivan Cooper

Appointed to the Board on 11 April 2019

PhD, MA (Boston University: Fulbright Scholar); BAHons (University of Witwatersrand); BA (University of South Africa).

A Fellow of the British, Indian, Irish, and South African Psychological Societies, he was Vice Chancellor of the University of Durban-Westville, is Extraordinary Professor at the University of Pretoria and Visiting Professor at the University of Johannesburg. Having spent nine years in apartheid prisons - serving five years in the same Robben Island cell block as President Mandela - he obtained his PhD in Clinical/Community Psychology as a Fulbright Scholar in 1989 from Boston University, USA. He is also President of the Pan-African Psychology Union, immediate Past President of the International Union of Psychological Science, and Governing Board Member of the International Science Council.

4. Dr Renee Horne

Appointed to the Board on 15 June 2022

PhD (Political Economy): School of Oriental and African Studies, SOAS, University of London, MSc (International Politics): University of London, MA (Politics): South African Politics; University of KwaZulu-Natal, (Formerly University of Natal -South Africa), BA (Honours): International Relations; University of KwaZulu-Natal (formerly University of Durban Westville-UDW)

BA (Law): University of KwaZulu-Natal (UDW)

With more than twenty years' experience as an award-winning political journalist, war correspondent, editor and political economist, Dr Horne has been acknowledged by government, business and academics as an expert political economist and journalist on Sub Saharan Africa and the Middle East. Internationally, Dr Horne has advised governments, media, and business on the political and economic policy of South Africa, Iraq, Kenya, the Democratic Republic of Congo, Nigeria, and Uganda. She has worked extensively in various regions in Africa, the Middle East, Europe, North and South America and Europe.

Composition
of the

Board

Dr Horne has worked with institutions such as Transparency International, Delta Economics, Royal Africa Society, Exclusive Analysis, Royal United Services Institute, BBC, SKY, ITV, SABC and the World Entrepreneur Society. During this period, she interviewed politicians and high-profile personalities such as South African (SA) Presidents, Nelson Mandela, Thabo Mbeki, Jacob Zuma, Former Finance Minister, Trevor Manuel, Former Palestinian National Authority (PNA) President, Yasser Arafat and Former Israeli Prime Minister, Shimon Peres.

Since 1994, Dr Horne has been a course designer, facilitator, lecturer and guest speaker on Global Business, Political Economy and International Relations in Africa and the Middle East at numerous institutions such as the London School of Economics, School of Oriental and African Studies (SOAS), University of London, KwaZulu-Natal, Rhodes, and Johannesburg University- South Africa, John Hopkins University, Centre for Strategic and International Studies (CSIS) and Howard University- Washington DC. Dr Horne was the Principal to Nex Rubica Capital (Africa Division), an international company based in London. Passionate about enterprise and skills development, she was also the Wits Business School MBA Director and the Head of the Gordon Institute of Business Science (GIBS) Broad-Based Black Economic Empowerment (BBBEE) Unit. She has recently founded and designed the South African Supplier Diversity Council International Leadership Executive Development Programme.

5. Adv Benjamin Motshedi Lekalakala

Appointed to the Board on 11 April 2019

BA (Law), LLB, HDIP (CO. Law) (Wits University); LLM (Tax) (RAU), Executive Development Programme (Wits Business School); Executive Development Programme (University of Reno, Nevada); Executive Development Programme (Stanford University, California) Post Graduate Certificate - Broadcasting (Wits Business School), Executive Development Programme (University of Pretoria).

Adv Lekalakala practised both as an attorney and an advocate, worked for the public service as Director, Chief Director and Chief of Staff. He previously worked for Telkom as an Executive responsible for Public Policy and Legislation. He was also appointed as Chief Executive Officer - Gauteng Gambling Board and Secretary to Council, City of Johannesburg and City of Ekurhuleni.

6. Mr David Maimela

Appointed to the Board on 11 April 2019

MA (Politics) Cum Laude (University of Johannesburg); BAHons (International Relations); BPolSci (University of Pretoria).

Mr Maimela is an International Relations and Foreign Policy specialist, a writer, researcher, public speaker, manager and public policy strategist. He has more than 10 years of experience as a professional straddling the public, research and academic, civil society and consultancy sectors. His previous work experience includes serving as Chief of Staff: Office of the Commissioner at the Competition Commission SA, as a Researcher: Political Economy Faculty at MISTRA and as Deputy Director: Policy and Governance, in the Office of the Premier, Gauteng.

He is the former Head of Office (Chief of Staff) in the Office of the Member of Executive Council for Gauteng Health, and notably a member of the University of Limpopo Council, as well as a member of the Mapungubwe Society of Researchers (MMSR). He serves on the Gauteng Growth and Development Agency (GGDA) Board and elsewhere, and is the Founder of The Polisee Space a pan-African public policy think-tank.

7. Mr Michael Grant Markovitz

Appointed to the Board on 16 October 2017

LLB (Wits); MA in Southern African Studies (University of York); BAHons in African Studies (Rhodes University); BA Journalism and Media Studies (Rhodes University).

Mr Michael Markovitz is currently head of the GIBS Media Leadership Think Tank - an independent research and advocacy platform founded to support democracy through research and solutions for the media and audiovisual sectors in Africa. Mr Markovitz is regarded as a leading expert on media, regulation and tech policy and has held executive and non-executive positions across the industry, including at Primedia and the regulator, ICASA.

In 2022, Mr Markovitz was chosen by the Rhodes University Journalism and Media Studies school as one of the school's top 50 alumni over the last 50 years.

Mr Markovitz's media activism goes back a long way. He played a central role in the "Free the Airwaves" campaign in the early 1990s and was involved in negotiations to ensure the first independently appointed SABC Board in 1993. As a member of the Film and Allied Workers Organisation in 1993, Mr Markovitz was selected by civil society organisations to serve on a technical committee at the Multiparty Negotiating Process in Kempton Park. This Committee drafted the Independent Media Commission Bill and the Independent Broadcasting Authority Bill, with the latter becoming the foundational legislation for broadcasting regulation in South Africa.

In 2020, Mr Markovitz was appointed by the South African government to head up a panel of experts that produced the draft White Paper on Audio and Audiovisual Content Services in 2021 as part of a

comprehensive review of all broadcasting legislation.

Since his appointment to the SABC Board in 2017, Mr Markovitz has served as Chairperson of the Board's Digital Technology Committee.

8. Mr Dinkwanyane Kgalema Mohuba

Appointed to the Board on 16 October 2017

BAPaed, BEd (UNIN now UL); Management Development Programme (Unisa SBL); Higher Education and Leadership and Management (Wits School of Governance); Executive Management Programme (Turfloop Graduate School of Leadership, UL); Executive Development Programme (University of Stellenbosch Business School); MBA (Regenesys Business School); Certificate in Theology and Diploma in Ministries (Teamwork Bible College International).

Mr Mohuba is Chartered Public Relations Practitioner (CPRP) of Public Relations Institute of Southern Africa (PRISA) and also an Individual Member of both Institute of Directors South Africa (IODSA) and The Business Ethics Network of Africa (BEN-Africa). Mr Mohuba is currently a Non-Executive Director of PRASA and served as the Executive Director: Marketing and Communication and has been Acting Dean of Student Affairs at the University of Limpopo from February 2017 until November 2018. He served among others in the following governance and management structures, i.e. Council, Audit Committee of Council, Risk Management Committee, Senate, Executive Management Committee (EMC), Executive Committee Senate (ECS).

He served as Director of Endecon Ubuntu (PTY) Ltd for ten years and also Chairperson: Board of Trustees for Mpumalanga Department of Agriculture, IDC, and UL Nguni Cattle Development Project. He has recently been appointed by the City of Johannesburg to serve as a Board Member of Johannesburg Social Housing Company (JOSHCO) Development Committee. Mohuba has a passion for community development programmes and has an excellent track record of serving for two terms (six years) as Chairperson of the School Governing Body at Pietersburg English Medium Primary School in Polokwane.

9. Ms Jasmina Patel

Appointed to the Board on 11 April 2019

Diploma in Municipal Governance (Rand Afrikaans University); Bachelor of Accounting Science (University of South Africa); Certificate in Control Self-Assessment (Institute of Internal Auditors); Certification in Risk Management Assurance (Institute of Internal Auditors); MBL (UNISA - School of Business Leadership).

Ms Patel is currently the Chief Audit Executive at University of Limpopo responsible for performing advanced-level and/or managing as-

insurance and consulting services for projects as per risk-based audit plan. She provides training, coaching and supervision to internal audit team members.

She has been a member of the Institute of Internal Auditors South Africa (IIASA) since 2000. Ms Patel served as the Regional Governor at the IIA-SA Limpopo Region. She was a Senior Manager at PwC Risk Advisory Services. She gained extensive experience at PwC in internal controls and corporate governance through her involvement in internal audit assignments for both public and private sector clients, ranging from local government, parastatals, tertiary institutions and banks.

10. Mr Jack Howard Phalane

Appointed to the Board on 16 October 2017

BA, LLB, and LLM (Wits University), MBA (Wits Business School); MCom (North West University); Certificate in Advanced Corporate Law and Securities (UNISA); Teachers Diploma (Dr CN Phatudi College of Education).

Mr Phalane is an experienced commercial attorney specialising in mergers and acquisitions. He advises clients on corporate and commercial transactions including sales of shares and businesses, shareholders agreements and transactions involving broad-based black economic empowerment, corporate governance, telecommunications and broadcasting law. He is an experienced director of companies and trustee.

11. Ms Mary Bernadette Papayya

Appointed to the Board on 11 April 2019

Master's degree in Journalism (Stellenbosch University); Bachelor's degree in Journalism; Post Graduate Management Diploma; advanced Diploma in Human Resources Management.

Ms Papayya is a journalist, media trainer, mentor, coach, strategist and diversity consultant. She is an Executive Director of Papayya Media, a social enterprise entity, dedicated to personal development of journalists in mainstream and community media. She sits on the Board of the GBVF Response Fund 1, the South African Press Council and also on the oversight committee of the environmental media entity, Roving Reporters. Ms Papayya is a trainer with the Institute for Advancement of Journalism (IAJ). She is a founder member of the SA National Editor's Forum (SANEF) and serves as a council member and the Chair of Media Freedom.

Ms Papayya has served in a range of decision-making positions in the broadcast and print media industry for more than three decades. She has worked in the media industry in SA and continent in a range of leadership positions including

Senior Journalist, Bureau Chief, Editor, News Manager, and News Project Initiator/director.

Ms Papayya serves as a judge on various journalism awards and recognition platforms, and is the Convener of the KZN Newsmaker of the Year Award and Convener of Nat Nakasa Bringing Home a Hero Project.

12. Dr Marcia Socikwa

Appointed to the Board on 11 April 2019

PhD Philosophy (University of Stirling, UK); MA in International Communication (City University, UK); BAHons (Wits); Certificate Program in Innovation for Economic Development (Harvard Kennedy School, US); Utility regulation and Strategy (University of Florida); Diploma in Applied Telecommunications Studies (Cable and Wireless College, UK).

She previously served as a Board Member of the Printing Industries Federation of South Africa (PIFSA) until 29 August 2019, the Executive: Government Relations at Cell C and was an ICASA Councillor for two terms. She was the Acting Executive Director: Corporate Affairs at Unisa. She was appointed as a Senior Lecturer and later Deputy Head of Department in the Department of Communication Science at Unisa. She has also served as a Member of the ICT Policy Review Committee and Broadband Policy Review Committee.

Executive Members of the Board

13. Mr Madoda Mxakwe

Group Chief Executive Officer (GCEO)

Appointed on 1 July 2018

MA (Global Political Economy) (Sussex University, UK); MA and BA (Hons) (University of Cape Town); Executive Leadership Development Certificates (London Business School); Post Graduate Diploma in Business Administration (Gordon Institute of Business Science); BA (Education) (Central University of Technology).

Mr Mxakwe is the Group Chief Executive Officer for the South African Broadcasting Corporation. His extensive experience emanates from a broad combination of skills and expertise he derived from senior executive positions he held in business, communications and public affairs, both in the public service and the private sector, at national and global levels, with evidence of turning businesses around.

Mr Mxakwe has successfully managed businesses and led diverse teams in Southern Africa, East Africa, West Africa and Europe within the fast-moving consumer goods industry. Prior to joining the SABC, he was Nestle's Country Head responsible for Mozambique, Namibia, Botswana, Swaziland and Lesotho. In this role he provided strategic, commercial and financial leadership in the five countries, with a focus on driving sustainable profitable growth.

14. Ms Yolande van Biljon

Chief Financial Officer (CFO)

Appointed on 25 June 2018

MCom Taxation; BCom (Hons) (University of Pretoria); BCompt (Hons) (University of South Africa); BCom Accounting (Rand Afrikaans University); CA(SA).

Ms van Biljon is the Chief Financial Officer of the South African Broadcasting Corporation. She gained in-depth and broad experience in Finance Departments of a number of small, medium and larger companies she served in previous years. Her career, which spans more than 20 years, depicts her skills and contribution to transformation, turnaround and growth strategies and implementation thereof.

In 2014, Ms van Biljon was appointed as the Chief Financial Officer of the Road Accident Fund where she contributed to the successful turnaround of the organisation. This is evident in the institution's achievement of four consecutive clean audits and the scores achieved against its Annual Performance Targets.

Ms van Biljon's career also includes seven years she spent in strategic positions at Denel Dynamics a division of Denel SOC Ltd. She joined this company as Manager: Finance Accounting in 2007 before being appointed Chief Financial Officer in 2008. As a member of the Executive team, she contributed to the transformation of Denel Dynamics from an organisation that was faced with insurmountable sustainability challenges, to being able to tick off all indicators of medium to long-term sustainability including, among others, industry acceptable financial results, strong internal controls, exceptional client relations and a healthy order book, in seven years. Following the completion of her articles, she had a brief stint at a Private Investment Bank in London.

15. Mr Ian Plaatjes

Chief Operations Officer (COO)

Appointed on 1 November 2019

MBA, BA, HDip Management Practice (Nelson Mandela University); Diploma in Electronics (Telkom Technical College: Port Elizabeth); Diploma in Project Management (Newport University).

Mr Plaatjes has more than 30 years' experience in various industries, including telecommunications, mining, banking and the financial services' sector. Prior to joining the SABC, Mr Plaatjes held the position of Chief Digital Officer at the South African Bureau of Standards (SABS). Previously, Mr Plaatjes held the senior executive positions of Group Chief Information Officer (GCIO) at SBV and Chief Operating Officer (COO) for Absa Group Payments, respectively.



Mr Madoda Mxakwe
Group Chief Executive Officer



Ms Yolande van Biljon
Chief Financial Officer



Mr Ian Plaatjes
Chief Operations Officer



Ms Lindiwe Bayi
Company Secretary



Dr Mojaki Mosia
GE: Human Resources



Adv Ntuthuzelo Vanara
GE: Legal, Governance and Regulatory



Ms Gugu Ntuli
GE: Corporate Affairs and Marketing



Mr Reginald Nxumalo
GE: Sales



Mr Merlin Naicker
GE: Video Entertainment



Mr Nkgakga Monare
GE: News and Current Affairs *



Ms Nada Wotshela
GE: Radio



Mr Lungile Binza
GE: Technology



Ms Valencia Njoko
Head: Supply Chain Management **



Ms Sylvia Tladi
Head: TV Licences



Mr Jobe Zulu
Head: Real Estate and Logistics

SABC *Leadership*

* Appointed 1 June 2022
** Appointed 1 June 2022



Ms Ayanda Makaula
ROM: Eastern Cape



Mr Mandla Mbusi
ROM: Free State and Northern Cape



Mr Lungile Nduvane
ROM: Gauteng



Mr Simphiwe Ngcobo
ROM: KwaZulu Natal



Mr Oupa Mamabolo
ROM: Limpopo*



Mr Hosea Jiyane
ROM: Mpumalanga



Mr Raymond Makgopa
ROM: North West



Mr Kenneth Makatees
ROM: Western Cape

The SABC operations include a provincial office in each of the nine provinces. Each provincial office is headed by a Regional Operations Manager (ROM), representing the Corporation in all the corners of the country.

While they operate on a smaller scale, each provincial office is fully equipped to perform many of the functions of the Head Office. They serve as hubs for news gathering and processing, host radio stations, and provide diversity to the SABC's content by reflecting the lives and cultures of the people in their respective locations. They also provide support for TV Licence revenue collections.

Provincial
Offices and

Leadership

* Appointed 11 April 2022



*Stay focused
on your mission,
remain steadfast
in your pursuit of
excellence, and always
do the right
thing.*

- Mark Esper

The performance of the SABC over the past year highlights not only the positive results of the tremendous work that has been done over the past few years to stabilise the Corporation and set it up for growth and sustainability, but also brings into sharp relief the quantum and nature of work that still lies ahead if our goal of a high-performing, financially sustainable, and digitised national public broadcaster is to be realised.

The year under review was the first under the new organisational structure informed by the SABC's new Target Operating Model. After the initial slight instability at the beginning of the year caused by the higher-than-planned number of employees who opted for severance packages, the organisation quickly settled down into a rhythm that enabled the achievement of the performance contained in this annual report.

In terms of mandate delivery, the Corporation continued to excel in its quest to keep the nation informed, educated and entertained through content that also promotes social cohesion. In addition to near-flawless broadcast performance for the year, two occasions from the year under review stand out. The first was the coverage of the unfortunate July 2021 unrest. Alongside

unparalleled news coverage of the unrest by our dedicated and knowledgeable SABC News teams, all SABC platforms, with their extensive reach, responded immediately with on-air campaigns aimed at helping to restore order and stability to the affected communities. The outstanding coverage of the local government elections held in November 2021 was the second highlight. Through innovation and determination, SABC News was able to provide unrivalled coverage of the elections, including pre- and post-election coverage, despite resource constraints. Our Radio and Sport divisions did an outstanding job in ensuring that fresh content is disseminated through our various platforms, and the improvement in listenership is quite commendable.

The commercial environment, in which the SABC derives most of its revenue, remained challenging. Initial improvements in revenue generation witnessed in the early part of the year could unfortunately not be sustained due to internal and external factors. Internal factors related to continued audience declines due to our challenges in timeously securing new television content and sufficiently marketing it. External factors, included shifts in audience viewing and consumption patterns, made permanent by the extended duration of the Covid-19 pandemic, aggressive competition and marketing from OTT platforms, analogue switch-off, and the global geopolitical situation.

We have since temporarily addressed the content acquisition challenge through conditional approval from National Treasury for a process that allows for more agile television content acquisition. The marketing challenge has been addressed through a significantly increased marketing budget allocation for the 2022/23 financial year to support an aggressive marketing drive around the incredible content that the SABC has on offer. Being able to quickly acquire fresh content and also strongly market it should result in an increased share of audiences on our television platforms.

The Corporation has intensified its efforts to address the challenge posed by changed viewing and consumption patterns, and increased competition from OTT platforms. The SABC's own OTT platform will be launched during the 2022/23 financial year.

The challenge presented by the ongoing Russia-Ukraine conflict, the adverse effects of which have been felt globally, will continue to call for innovation on our part, both in terms of revenue generation as well as capital expenditure project implementation.

Against this backdrop of an unrelenting and sustained tough operating environment, the financial performance of the SABC – though not what we aimed to achieve – remains commendable and encouraging. Despite lower advertising revenues, overall revenues ended the year 2% higher than those from 2020/21, buoyed by significantly better than budgeted sponsorship revenue. In response to the revenue performance, expenditure was prudently managed to result in a 62% reduction in the loss incurred compared to last year. Employee compensation was managed to end the year at 38% of expenditure, compared to 48% of expenditure the prior year. The solid cash management practices put in a place and strengthened over the last few years remained adequate, as demonstrated by the improved creditors' payment days and debtors' days.

The year ended with the SABC having implemented 96% of the key actions in the SABC Turnaround Plan that were within its control. The turnaround – and indeed the Turnaround Plan of the SABC has required changes in the management of

Group Chief
Executive Officer's

Overview





Celebrating 25 years of investing in our local content production 'Muvhango' broadcast on SABC2.

the Corporation and, its policies, and more importantly the legislative and regulatory environment in which the SABC operates. The SABC's management team, under the guidance of the Board, has aggressively and successfully pursued the internal changes required. Strong governance has been restored, and work continues to strengthen it further. Employee compensation has been reigned in, and focus on this is continuous to ensure any growth in employee compensation in the future is aligned to revenue growth. Television content acquisition is progressing better, aided significantly by the approval granted by National Treasury.

In pursuit of more cost optimisation, we have approached the Competition Commission to assist with the resolution of two significant cost drivers – signal distribution and sports rights. We are hopeful, upon conclusion of the Commission's processes, for a pricing regime that will be in the best interests of the millions of South Africans who rely on the SABC for credible information, education and entertainment.

Two regulatory and legislative change highlights from the year under review deserve mention. One was the temporary approval granted by National Treasury referred to above. The other was the long-overdue amendment of the Must-Carry

Regulations by ICASA, to recognise the need for, and fairness in, commercial compensation for the SABC by subscription broadcasters in exchange for carrying its channels. I am hopeful that our ongoing negotiations with the subscription broadcasters will indeed culminate in mutually beneficial commercial agreements.

Under the leadership of the Board, and with the support of the Shareholder Representative, the Corporation will continue to actively pursue changes to the remaining restrictive policy, legislative, and regulatory imperatives that stand to undo the gains achieved and prevent achievement of the goal of a financially sustainable public broadcaster.

This integrated report tells the story of a Corporation that is certainly on the right path. The strategic direction remains relevant and correct. The task ahead is to continuously seek innovative ways to navigate the constraints of the current operating environment, improve internal operational efficiencies, and hasten the implementation of our strategy, so that South Africa and the continent can realise the envisioned benefits.

On behalf of the Executive Management team and SABC's employees, I wish to thank the outgoing Board for their stewardship. The task that befell them at the start of their

term was monumental, and much has been achieved since. Despite the challenges, they have been good stewards. They leave the public broadcaster in a more improved state than they found it. They leave the SABC correctly orientated and ready to benefit from accelerated implementation of existing plans.

I also wish to thank our Shareholder Representative for the support provided in furthering the goal of rebuilding a high-performing, financially sustainable, digitised national public broadcaster that provides compelling informative, educational and entertaining content via all platforms.

To the SABC employees, I remain inspired by your dedication and commitment to our vitally important institution.

Mr Madoda Mxakwe
Group Chief Executive Officer



Local talent sharing broadcasting memories and educating audiences on the value of paying their TV licence.

From time to time, the SABC's public service mandate requires deviation from normal scheduling to broadcast programming of national interest. To accommodate public service announcements under the State of Disaster regulations, and to mitigate the impact of lockdowns on the industry, ICASA mandates were relaxed. With the lifting of the State of Disaster, it remains the SABC's priority to deliver compelling news, current affairs, educational and entertaining programming within the ICASA mandates. All SABC Radio and Video Entertainment plans are designed to achieve this.

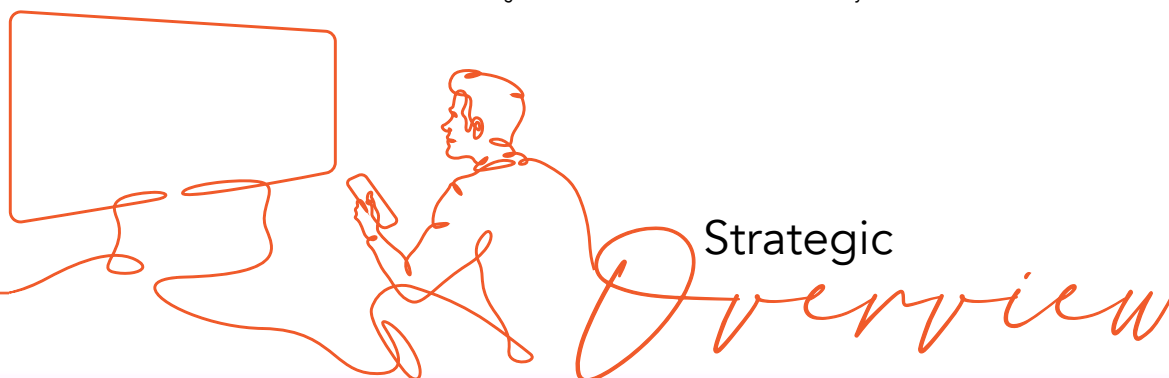
Video Entertainment (TV) Audience Share has declined to 22% over the past five years, which has led to a decrease in advertising revenue. The reason for this decline is multi-causal, with both external and internal drivers, and the solutions must address these causes.

The most critical external driver of audience share is stable and growing platforms. Over the past five years, there has been a steady migration of audience from analogue to the digital platforms of DsTV and OVHD. While the DTT service's audience share has underperformed between 2017 and 2022, not reaching the minimum threshold for BRC measurement, it is anticipated that a better penetration of the Sentech DTT/DTH Set Top Boxes (STBs) via the ASO project will mitigate this.

As an additional mitigation action, the SABC has extended its DTT Sport Channel onto the OVHD platform. The immediate growth in audience share experienced enables the organisation to better monetise the already

sunk cost of existing sports rights, and better exploit the costs of new sports rights. The same will be done for the DTT Encore channel that will be relaunched on both the DTT and OVHD platforms to ensure the channel's financial viability.

Despite the setbacks and challenges of past year, the key internal drivers to grow the SABC's audience share are enjoying the highest priority in the growth phase of the organisation. These drivers include acquiring new compelling content, aggressive above-the-line marketing, an enabling content acquisition process, and a supportive Video Entertainment Operating model and structure. All of these are being finalised to generate the required benefits during the 2022/23 financial year. The technologies required to meet the digital needs of the business are a key enabler of sustainability, and the SABC expects to see the benefits of these infrastructure replacements toward the later part of this financial year, ramping up in 2023/24.



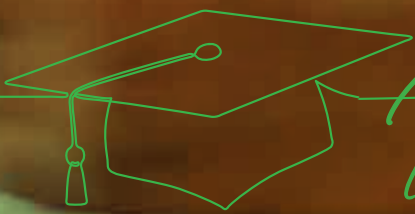


SCAN this QR code for more
information on our Educational
initiatives.

It is our moral
obligation
to give every child
the very best
education
possible.

- Archbishop Desmond Tutu

Educational programmes, initiatives and
partnerships ensured that children had
access to much needed educational
support and material.



Performance

Service Delivery Environment

The SABC's Public Service mandate, which emanates from the Charter laid down in Chapter IV of the Broadcasting Act of 1999, requires the SABC to encourage the development of South African expression by:

- providing, in all 11 official languages, a wide range of programming that offers a plurality of views and a variety of news, information, and analysis from a South African point of view; and
- advancing the national and public interest.

Both globally and locally, the media landscape has been undergoing rapid, significant challenges. With the third year of the worst global pandemic in a century and misinformation on the rise, the role of an independent, trusted public broadcaster became more important than ever. Furthermore, the pandemic continues to adversely impact both the SABC and other media entities that rely on commercial revenue to sustain their operations. Through the Board's able guidance and the leadership team's astuteness, the SABC was able to navigate these difficult times. Although the pandemic is far from being eradicated, over the last two years the Group has established itself as a company that can adapt and weather the storm.

The following briefly outlines the context in which the SABC had to operate in the year under review:

- The SABC, as the sole public broadcaster, is mandated to provide informative, educational and entertaining content in all of South Africa's 11 official languages. It does this through its 18 radio stations, and six television stations, three of which are Free-to-Air channels. For a significant proportion of the South African population, the SABC is the sole source of information. This makes the SABC's responsibility, as the only public broadcaster, very important. The importance of this mandate was evident in the manner in which the Corporation responded to the pandemic by educating, informing and mobilising the nation.
- The fulfilment of the SABC's mandate comes at great cost. Licence conditions require the broadcasting of programming that, while being of value to the target audiences, does not necessarily attract advertisers.

Consequently, such programming is produced at a financial loss.

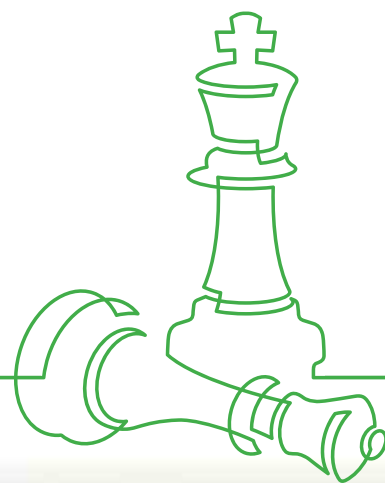
- The year saw a positive development in the Department of Communications and Digital Technologies' publication of the Audio and Audiovisual Content Services Draft White Paper for comment. The White Paper seeks to address critical policy issues that affect the future sustainability of the public broadcaster such as the funding model and the licensing framework. The SABC submitted its comprehensive comments by the due date set by DCDT.
- Meeting licence conditions for all our various platforms is a matter that we take seriously, as this is how we demonstrate our commitment to the fulfilment of our public mandate. The S3 language quota challenges are receiving our attention.
- In the past two years, the Corporation has been able to honour all its obligations. There are solid cash and expense management practices, and strong relationships with financial institution partners in place.
- The Corporation is budgeting for break-even over the MTEF period. However, it is critical that externalities, such as the analogue switch-off, Sentech's monopoly pricing, and the legislative and regulatory environment, do not negatively impact revenue projections or continue to burden the Corporation's expense framework. Furthermore, the SABC remains concerned about significant audience losses due to the ASO process but will address these in consultation with the Shareholder. Should these externalities not negatively impact the Corporation, the medium-to-long-term liquidity and solvency positions will be strengthened, even as the ringfenced bailout funding is applied to long-overdue long-term capital and infrastructure investment, and content rejuvenation programmes.
- The SABC actively participated in Shareholder representative-led and regulator-led processes. As at the end of March 2022, there was no SABC input outstanding in any of these processes. The Corporation continues to closely monitor these processes, as they are critical to the SABC's transition to commercial revenue growth, funding the unfunded mandate, and financial sustainability.

- Understanding that the State of Disaster and associated regulations would result in significant disruptions, ICASA suspended the requirement to adhere to the licence conditions for the duration of the State of Disaster. The SABC nevertheless continued to strive to meet the licence conditions, despite this temporary relief.
- The SABC has also employed various revenue strategies that direct it in executing against revenue objectives. The SABC endeavours to monetise various SABC media products to enterprise, corporate, public, and small-medium enterprise customers. Various pricing methodologies and trading models are used, while media solutions are tailored to address customer needs in respective segments. All sales initiatives are based on audience performance; consequently, decline adversely impacts revenue collection.
- Unlike commercial broadcasters who are able to drive audience growth without limitations, the SABC has extensive public mandate, nation building and language obligations. This, coupled with the licence mandate of content percentages, both within and out of primetime, makes it challenging to compare the SABC directly with commercial broadcasters. However, the SABC acknowledges that it has not invested enough in its brands or marketed content as aggressively as it should have. As a result, the process to address this shortcoming is underway.

The SABC has also been working on digitising its content commissioning process. This will ensure that the public broadcaster does not only get to market faster, but also increases efficiencies. With the 12-month exemption from the restrictive elements of the PFMA received from the National Treasury, the SABC can create greater stability in terms of our broadcast schedules, which in turn will lead to greater revenue opportunities as advertisers seek a stable platform.

Situational

Analysis



The SABC continued working towards realising the aims of the Strategic Roadmap by focusing on the ongoing SABC Turnaround Plan. This allows the SABC to deliver across six strategic pillars of financial sustainability, content and platforms, digital, human resources, governance, and partnerships.

Goal 1: Financial Sustainability

General economic activity remained subdued from the previous year, as a result of the Covid-19 pandemic which stalled local productions and saw a significant drop in advertising revenue in the previous financial year. Nevertheless, markets opened somewhat during the 2021/22 period.

The SABC was in a position to use R201 million of the bail-out funds to invest in various infrastructure and content during the year and expects to ramp up these acquisitions in the coming year.

During the past year, no borrowings took place, and the SABC has a working capital facility. The Corporation continues to engage with financial institutions and other funders to establish strong relationships and provide for when the need arises for borrowings.

The SABC participated in the DCDT's public hearings on 20 September 2021 and further submitted additional information to the DCDT on 5 October 2021. Thereafter, the alternative SABC Bill was submitted to the DCDT on 29 October 2021. The next step is for the DCDT to obtain Parliamentary approval.

The SABC has done everything in its power to stabilise and position itself for growth. Achieving its growth goals depends on finalising the key actions in the Turnaround Plan relating to legislative and regulatory reforms.

Goal 2: A Competitive and Innovative Multi-Channel Portfolio.

While Covid-19 hampered the SABC's plans for the delivery of new productions, especially in the provinces, the Corporation was able to launch some new productions during this period.

The SABC's public service announcements (PSAs) were extensive, focusing on live broadcasts of events of national importance, which included virtual briefings on

government's Covid-19 vaccine rollout strategy by the Health Ministry, as well as various briefings on Covid-19 gazetted rules and regulations by the National Coronavirus Command Council, briefings by President Cyril Ramaphosa and other Ministers. In addition, the SABC provided full coverage of the local elections, the State of the Nation address, as well as the funeral of Archbishop Desmond Tutu.

The SABC Education channel, launched on DTT and Online during the previous period, continued to provide matriculants with quality educational content and revision programmes to help them prepare for their exams.

Goal 3: Content Everywhere for Everyone

The SABC continued to expand on its third-party digital streaming platform strategy by launching the partnership with TelkomONE. This partnership includes a commitment of 1 000 hours of content on Video on Demand and the streaming of the Free-to-Air linear channels as well as SABC Education and SABC Sport.

The SABC plans to launch its own OTT streaming platform are advanced. SABC content and channels on this platform will provide audiences with more choice and FTA services. The ongoing digitalisation project also included redeveloping all the SABC platforms' websites, and securing new mobile applications to ensure that SABC content is available to its target audience in a platform-agnostic format.

Goal 4: A Competent, Dynamic Workforce That Is Fit For Purpose

A key pillar of any organisation's performance is directly linked to its Human Capital geared in a manner that propels an organisation to meet its strategic objectives and targets. The new TOM structure was launched, in an effort to continue to mitigate the impact of the pandemic on productivity.

Following the restructuring of the organisation, the SABC experienced a high number of vacancies. Human Resources in conjunction with divisional leadership embarked on a drive to fill these vacancies to ensure a functional workforce. During the 2021/2022 year 671 vacancies were advertised and 414 appointments were made. These appointments were aligned to Corporation's employment equity targets and the SABC performed very well from an EE perspective, achieving most of its targets, except for the Employees with Disabilities target. HR will implement focused recruitment initiatives in the new year to ensure that this target is met.

During the previous financial year, the SABC engaged in a skills audit. During the 2021/22 year, the SABC responded to the findings,

offering 164 employees bursaries for study to ensure they meet the minimum requirements of their positions.

Goal 5: Compliant Governance Practices, Risk Management and Sound Internal Controls

The SABC continued in its efforts to strengthen its governance practices, risk management and internal controls.

During the year under review, an external quality assurance review was conducted, which found that the SABC conforms with the IIA Code of Ethics and Standards. Group Internal Audit provided assurance on risk management efforts, control systems and governance processes, and the Internal Audit Annual Plan for the financial year 2021/22. The SABC achieved 89% progress against the plan.

The SABC also implemented a revised Enterprise Risk Management Policy, Framework and Strategy during the year to increase risk integrated thinking and promote risk awareness.

Goal 6: Strategic and Sustainable Partnerships

In order to mitigate the impact of increasing competition within the industry, State-Owned Entities are progressively exploring collaboration and partnership opportunities as a means of reducing costs of operation. The SABC was no exception, as it also pursued beneficial partnerships during the year under review.

On 1 April 2021, the SABC and Telkom launched the new TelkomONE Streaming channel. The mobile operator channel houses the public broadcaster's Free-to-Air radio and TV channels on a non-exclusive base.

The five-year partnership, a first-of-its-kind digital carriage agreement for the SABC, showcases South Africa's most-watched TV programmes and most-listened-to radio platforms, on one online platform. TelkomONE live-streams SABC's television channels, SABC1, SABC2, Sport and Education, as well as all 19 SABC radio stations.

The partnership is significant in ensuring that the SABC's content, in all its formats, reaches consumers everywhere, anytime. The SABC will also create added opportunities for talented local producers to showcase more of their work on a platform, which will enable content to live longer compared to traditional media platforms. The TelkomONE partnership is part of the SABC's overall strategy to see it become a competitive multichannel and multiplatform public content provider.

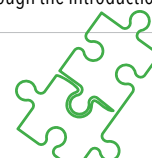
Strategic Outcome
Oriented

Goals

OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	Comments
FINANCIAL SUSTAINABILITY - GOAL: A Financially Sustainable Organisation				
STRATEGIC OBJECTIVE: To be a preferred service provider to our clients and a preferred client to our service providers				
Revenue and expenditure managed in accordance with the approved budget	Annual net (profit)/loss before interest and tax (R'000)	622,022	258,518	Target achieved
Working capital and investment management	Debtors' days	45 days	44 days	Target achieved
	Creditors' days	159 days	24 days	Target achieved
Approved Procurement Plan implemented according to the Divisional plans	Percentage of Annual Procurement Plan completed	70%	66%	SCM capacity constraints affected completion of more projects. Additional SCM capacity will be acquired to improve the project completion rate during the next fiscal.
CONTENT AND PLATFORMS - GOAL: Offer a Competitive and Innovative Multichannel Portfolio				
STRATEGIC OBJECTIVE: To be a preferred broadcaster within our communities through the provision of compelling, informative, educational and entertaining content				
Shares of screen ratings on Free-to-Air television channels achieved	Performance Period Share of Television Screen Ratings (%)	SABC1: 27%	SABC1: 15.47%	A combination of a lack of key local properties in key slots, poor marketing, and staff shortages affected performance during the year. Corrective actions will centre around the filling of vacancies, conducting of research to inform content acquisition, and implementation of strong marketing plans.
		SABC2: 12%	SABC2: 5.23%	Aggressive competitors and poor marketing explain the performance achieved. This will be corrected through activations and increased marketing to support content in the next fiscal.
		S3: 5%	S3: 2.11%	The loss of key local properties without timeous replacements and the re-launch of the channel during Covid-19 adversely impacted the performance of the channel. Introduction of more local content supported by strong marketing will be used to improve performance in the next fiscal.
ICASA licence conditions met	Percentage of local content broadcast on PBS television channels during performance period	SABC1: 65% (ICASA adjusted this target from 65% to 45% in May 2021 as part of State of Disaster amendments)	69.5%	Target achieved
		SABC2: 65% (ICASA adjusted this target from 65% to 45% in May 2021 as part of State of Disaster amendments)	60.1%	Target achieved
	Percentage of local content broadcast on PCS television channels during performance period	S3: 45% (ICASA adjusted this target from 45% to 35% in May 2021 as part of State of Disaster amendments)	47.5%	Target achieved
	Broadcast of content in languages other than English on PBS Channel	SABC1: 75% SABC2: 75%	110.3% 92.3%	Target achieved Target achieved
	Broadcast of content in languages other than English on PCS Channels	S3 10%	5.7%	Performance was affected by delays in acquiring the required local content. This will be remedied during the next fiscal though the introduction of more local content.

Delivery on predetermined

Objectives 2022



OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	Comments
CONTENT AND PLATFORMS - GOAL: Offer a Competitive and Innovative Multichannel Portfolio				
STRATEGIC OBJECTIVE:	To be a preferred broadcaster within our communities through the provision of compelling, informative, educational and entertaining content			
Opportunities provided to new production houses	Percentage of local programmes sourced from new production houses	20%	35%	Target achieved
Compelling television Content delivered	Number of SABC TV programmes in the terrestrial top 20	15	12	Strong properties introduced by competitors and weak marketing explain the performance. Introduction of local properties and strong marketing support are the focus of the mitigation efforts for the next fiscal.
	Percentage of new programmes broadcast within the year	20%	N/A	Due to the limitations of the current scheduling system, we are unable to report performance against this indicator as intended. The planned new system will enable easier and quicker reporting of performance against this indicator.
Promote the celebration of national days on an intercultural basis, fully inclusive of all South Africans	Number of national days covered on television	7 days	7 days	Target achieved
Compelling Sport Content delivered	Number of live sports events broadcast on SABC terrestrial TV	250	632	Target achieved
	Number of live sports events broadcast on SABC terrestrial Radio channels	300	357	Target achieved
	Number of sports events broadcast on OTT digital platforms (Wireless and Mobile)	210	749	Target achieved
	Percentage of sports events broadcast in marginalised languages.	25%	35%	Target achieved
	Number of new sports rights acquired.	3	34	Target achieved
Share of diary quarter-hours listened on SABC Radio stations protected	Share of diary quarter-hours listened (%)	PBS: 67%		The new industry measurement is not comparable with the previous measurement. Appropriate metrics will be used in the next fiscal.
		PCS: 8%		The new industry measurement is not comparable with the previous measurement. Appropriate metrics will be used in the next fiscal.
ICASA licence conditions met	Percentage of local music broadcast on PBS radio stations during performance period	PBS:70%	70%	Target achieved
	Percentage of local music broadcast on PCS radio stations and Lotus FM during performance period	PCS:35%	39%	Target achieved
	Number of PBS radio stations (excluding Radio 2000) that achieved full compliance with ICASA-specified genre quotas	14/14 Radio Stations	13/14 radio stations	One station was not compliant in terms of Current Affairs. Management will work with the station to ensure it achieves the required levels of compliance.
Celebration of national days on an intercultural basis, fully inclusive of all South Africans promoted	Number of national days covered on Radio.	7 days	7 days	Target achieved
Public news service mandate fulfilled	Number of dedicated African language news channels introduced on Digital platforms	2	9	Target achieved
	Percentage of marginalised languages with dedicated news channels on digital platforms	45%	81%	Target achieved
	Number of annual news calendar events broadcast on Free-to-Air channels	16	13	The Nelson Mandela Annual Lecture could not be accommodated on the terrestrial channels. The National Day of Prayer did not take place due to Covid-19 restrictions. The planned Post-SONA Interview did not take place due to the unavailability of the Presidency.

OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	Comments
DIGITAL - GOAL: SABC Everywhere for Everyone				
STRATEGIC OBJECTIVE:	To be a preferred broadcaster within our communities through the provision of compelling informative, educational and entertaining content that is accessible on all platforms			
Digitalisation – Digital workflows and infrastructure for SABC content implemented	Capex projects implemented for TV News	Operational News Production System	Negotiations were concluded in January 2022. Draft contract was received from Legal and reviewed by business and supplier in February 2022. Meeting held with Legal in March 2022.	Delays were experienced in the SCM process, and these affected the overall timelines of the project. The SCM process is set to be completed during Q1 of the next fiscal, and implementation will commence thereafter.
		Operational Newsroom Computer System	Negotiations were concluded in January 2022. SLA information issued to technical support manager for review. Once confirmed that all is in order, contract will be approved for signatures.	
		Operational News Branding and Graphic Playout System	Contracting completed. Detailed planning in progress. PDD reviewed and currently being updated by the supplier. Operational workshops continuing as planned.	
	Operational SABC Enterprise Digital Library	Contracting completed with appointed service provider/s	LTO acquisition – In cancellation stage. Complete system acquisition - BSC concluded. Targeting BAC in April 2022.	Delays were experienced during the SCM process. For the LTO acquisition, the tender will be re-published. For the Complete system acquisition, the target period for tender publication is Q1 of the next fiscal.
	Number of additional sites with functional new Radio playout systems installations	6	National Rollout – National Computer Equipment – complete. Studio Equipment for National Rollout: As of 28 March 2022, only 3 quotes were obtained from the bidders and hoping to issue award letters by 1 April 2022 Emergency System Software – As of 28 March 2022, SCM await a financial report and SAPS clearance to be received	Delays were experienced in the SCM process. The roll-out schedule has been re-adjusted. Contracting for studio equipment is set to be finalised in Q1 of the next fiscal, and implementation expected to commence thereafter
	Digitised Scheduling and Advertising Processes	Service provider appointed for the replacement of the Scheduling and Advertising Management System	RFP document presented and approved at BAC on Tuesday, 8 March 2022.	The original tender was cancelled due to non-responsive bids. A new RFP was published in March 2022.
Digitisation – Conversion/transition from analogue to digital	Number of hours of TV content digitised	500 hours	BEC Recommendation was approved at BAC on 17 March 2022 and at EXCO on 18 March 2022. BEC held negotiations on 25 March 2022.	Delays were experienced in the SCM process, resulting in the project ending the fiscal at the contracting stage. Implementation will commence as soon as this stage is finalised.
	Percentage of analogue TV transmitters switched off (in collaboration with SENTECH)	100%	50.3%	Low rates of registrations and STB installations have plagued the project. The SABC will continue to support DCDT's efforts to encourage registrations.
	Digitisation of critical TV facilities (4 capex projects)	Business cases approval, RFQ Tender, Evaluations, Installations, Commission.	TV studio production cameras - Project created on SAP and a project manager was allocated. Dalet TV expansion project - Business Case was QA'd by Technology Governance and has been reviewed / endorsed by the Strategy and Architecture Group (SAG).	Conducting a thorough market analysis took longer than initially planned which in turn delayed the finalisation of the business case. The SCM process is set to commence during Q1 of the next fiscal.
	Digitisation of radio facilities and infrastructure	7 Studio upgrade and infrastructure projects	Projects are in various stages of the SCM process	Delays were experienced in the SCM process, and these affected the overall timelines of the project. Project implementation schedule will be revised once the SCM process is completed.
		3 Radio equipment and facilities projects	Projects are in various stages of the SCM process	

OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	Comments
DIGITAL - GOAL: SABC Everywhere for Everyone				
STRATEGIC OBJECTIVE:	To be a preferred broadcaster within our communities through the provision of compelling informative, educational and entertaining content that is accessible on all platforms			
Digitisation – Conversion/transition from analogue to digital	Operational Unified collaboration and video conferencing established	Contracting completed with appointed service providers	Video conferencing solution - BEC was concluded in February 2022. Cancellation of tender in progress. IP PBX - Contracting concluded. A session with SABC stakeholders was held to discuss the list of current users in the organisation and their requirements. A session was held with Organisational Development to discuss change management	Video conferencing solution - Tender was cancelled due to bids being significantly higher than the budgeted amount. The specifications will be reviewed, giving due regard to the approved Property Strategy, prior to the tender being re-published. IP PBX - Target achieved
Digital transformation • Emerging technologies • OTT platforms • New business models	SABC Radio and TV stations websites and Apps development project milestones completed	Contract/s signed with service provider/s	BSC process in progress	Delays were experienced during the SCM process. The tender is expected to be issued during the first half of the next fiscal.
	Operational SABC OTT Digital Platform – SABC++	Launch SABC OTT Platform – SABC++	RFP closed on 31 January 2022. BEC process is in progress.	Delays were experienced during the SCM process. Implementation is scheduled to commence during the first half of the next fiscal.
HUMAN RESOURCES - GOAL: a competent dynamic workforce that is fit for purpose				
STRATEGIC OBJECTIVE:	To be a preferred employer with employees who are our brand ambassadors			
Performance Management system implemented	Percentage of employees with signed, reviewed and evaluated contracts	95%	1.5%	While over 90% of employees signed performance contracts, the magnitude of the transition from the manual process to the automated process introduced during Q4 largely explains the reported end of year performance. All employees have migrated their performance contracts onto the new system. Support will be provided to assist employees to complete the evaluation process as well as the performance contracting process on the new system throughout the first half of the next fiscal.
Talent Management implementation	Percentage of Organisational Talent Bench strength initiatives reviewed and approved	100%	100%	Target achieved
Workplace Skills Plan implemented	Percentage of Workplace Skills Plan implemented	75%	40%	Challenges were experienced with the sourcing of service providers. A panel of Service providers will be sourced to deliver on training needs.
GOVERNANCE - GOAL: Complaint Governance Practices, Risk Management And Sound Internal Controls				
STRATEGIC OBJECTIVE:	To be a preferred broadcaster within our communities while adhering to the prevailing policies, legislative and regulatory framework			
Internal control environment strengthened	Percentage of previous financial year's Auditor-General findings resolved	90%	84%	The completion of the 2020/21 audit was delayed. Implementation of correcting actions is continuing.
	Percentage of policies reviewed that are current in terms of the 2-year review cycle	65%	49.3%	The review of policies is taking longer than anticipated because of the number of policies currently in use across the SABC (134). Reviews are ongoing, beginning with priority policies. The process also involves seeking ways of rationalising the number of policies in use.
Turnaround Plan implemented	Percentage of key actions 'completed/in place'	90%	96%	Target achieved
PARTNERSHIPS - GOAL: Strategic And Sustainable Partnerships				
STRATEGIC OBJECTIVE:	To be the preferred brands for our audiences			
Television content generation partnerships established	Number of Television content generation partnerships agreement/MOUs signed	7	3	Delays in completion of business plans and contracting. Greater effort will be placed on securing more partnerships to meet the increased demand for content.
Television content distribution partnerships established	Number of content distribution partnership agreements/MOUs signed	4	4	Target achieved
SABC strategic relationship building projects implemented	Number of strategic relationship-building projects completed	4	7	Target achieved

Highlights

The reporting period constitutes the second full year of the implementation of the Turnaround Strategy and utilisation of the R3.2 billion recapitalisation funding from National Treasury. The desired revenue targets were not met, largely due to a drop in audience share which impacted advertising revenue (the most significant revenue stream for the Corporation). However, as in previous financial periods, there were savings and underspending of expenditure.

The following also impacted on financial performance (refer to graphs: Turnaround Strategy Implementation and Impacting Financial Performance).

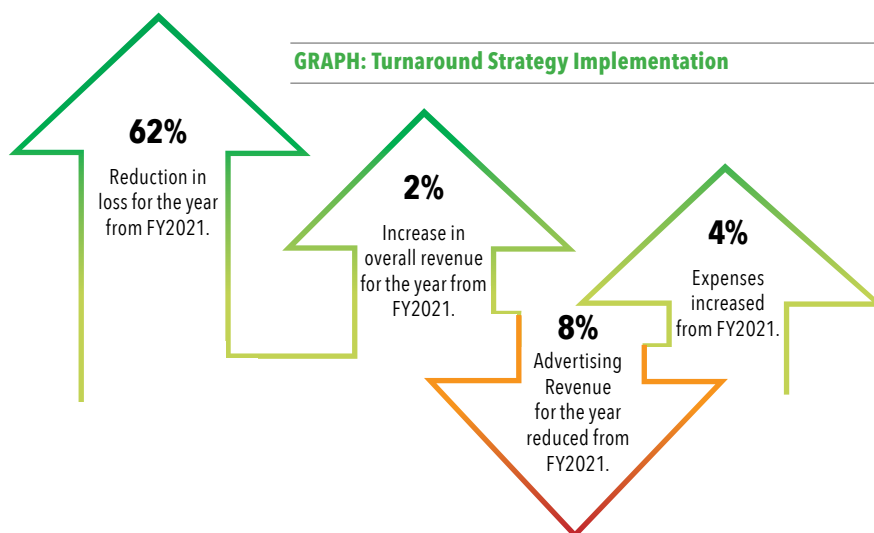
Successes measured per the revised Corporate Plan: (refer to table Days):

- Adequate cash management as demonstrated by improved creditors' payment days and debtors' days.
- R1 700 million representing 24% budgetary savings in Expenditure. However, Revenue was R1 337 million (21%) below target.

Summary Income Statement

Advertising	4 780.9	4 583.7	4 086.6	3 345.7	3 078.5	(267.2)	(8.0%)
Sponsorship	392.6	403.0	322.7	354.4	664.4	310.0	87.5%
TV Licence Fees	941.4	968.2	791.3	788.4	815.1	26.6	3.4%
Other	512.3	510.7	472.6	479.7	509.9	30.2	6.3%
Total Revenue	6 627.2	6 465.6	5 673.3	4 968.3	5 067.9	99.6	2.0%
Programme, film and sports rights (PFSR)	(1 741.3)	(1 753.0)	(1 270.0)	(1 014.9)	(1 358.7)	(343.9)	33.9%
Amortisation	(3 114.9)	(2 823.5)	(2 829.7)	(2 672.2)	(2 009.2)	663.1	(24.8%)
Employee Cost	(718.1)	(740.2)	(769.8)	(718.2)	(725.6)	(7.3)	1.0%
Signal and Distribution	(2 196.2)	(1 906.1)	(1 247.5)	(1 155.4)	(1 232.9)	(77.6)	6.7%
Other	(1 143.4)	(757.1)	(443.8)	(533.9)	(258.5)	275.4	(51.6%)
Operating Profit/(Loss)							

GRAPH: Turnaround Strategy Implementation



GRAPH: Impacting Financial Performance

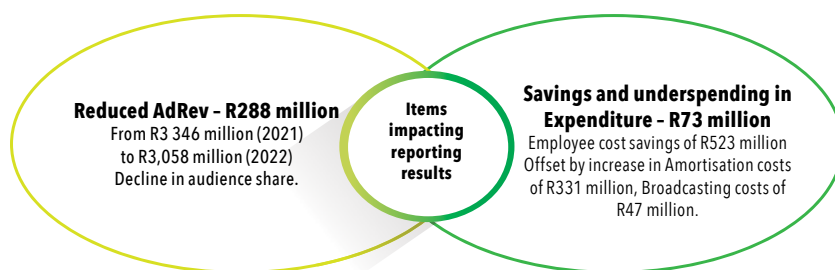


TABLE: Days

	2021 Actual	2022 Actual	2022 Target	Days Graph
Debtors Collection Days	56	44	45	
Creditor Payment terms	33	24	159	

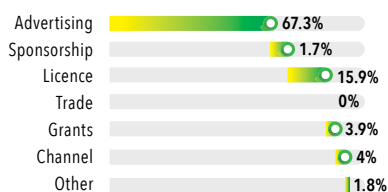
- Net loss cost-to-income ratio of 105% (2021:112%) remains unsatisfactory;
- Decrease of employee cost of 25% (2021: 5.6% decrease) is attributable mainly to vacancies of 18%/495;
- Increase in investment of content inventory by 33.9% (2021: 20% decrease); and
- R119 million (2021: R116 million) worth of capital expenditure was incurred in the current year.

Revenue Performance

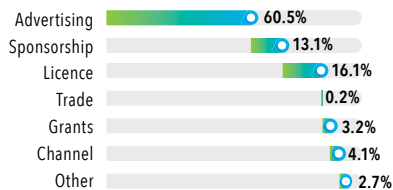
The SABC has experienced a downward trajectory in revenue generated over the past five years. The graph below indicates the proportionate percentage shares of the various revenue streams to the total revenues of the SABC.

GRAPH: Revenue Performance

2021



2022

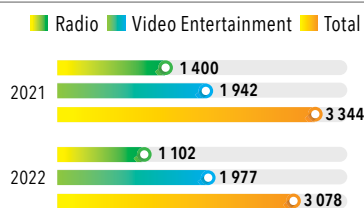


*Other revenue includes Mobile, Content Exploitation, Facilities, and other Income

Advertising Revenue

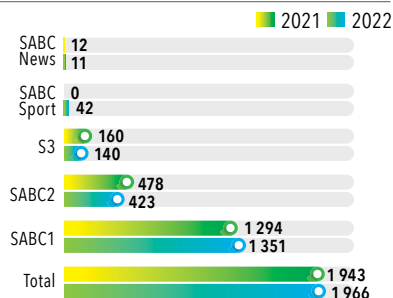
Advertising revenue declined by 8% (2021: 18%) due to the decline in audience share.

GRAPH: Advertising Revenue (R'm)

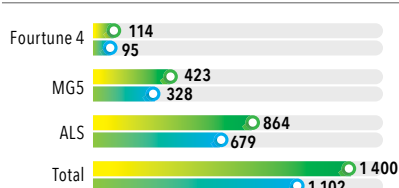


Followed by the further split of advertising revenue between different television and radio platforms.

GRAPH: Video Entertainment Advertising

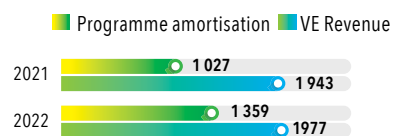


GRAPH: Radio Advertising



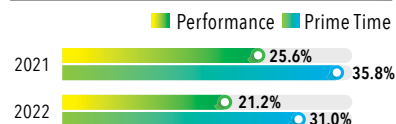
Programme amortisation costs were 69% (2021: 52%) of total television advertising revenue. Marketing and new content creation is key to retaining and increasing the performance.

GRAPH: Advertising Performance (R'm)



There was a significant decline in SABC audience share compared to previous period.

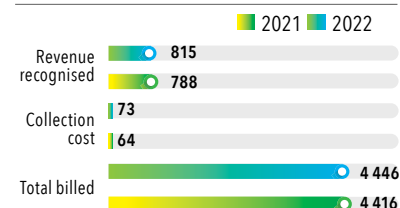
GRAPH: Audience Share



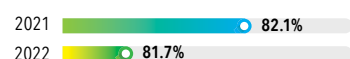
Revenue Collection - TV Licence:

Licence fee revenue recognised improved compared to the prior financial year.

GRAPH: TV Licence Revenue Collection (R'm)



GRAPH: TV Licence Fee Evation Rate



The SABC was able to realise R815.1 million (financial year 2021: 788.4 million) representing 18.3% (financial year 2021:17.9%) of the total licence fees billed during the financial year. The collection cost rate was higher at 8.9% (2021: 8.1%), due to brand awareness campaigns and customer self-services. The current depressed economic environment resulted in lower



collections than anticipated. While there are legislative prescripts enabling imprisonment for non-compliance, the limited resources and costs implications make enforcement economically unviable.

In the period under review, 1.9m (2021: 2.2 million) licence holders managed to settle their television licence fees in full or in part against a known database of 10.5m (2021: 10.3 million) television licence holders. The licence fee collection rates indicate an evasion rate of 81.7% (2021: 82.1%).

Expenditure

% of expenditure

	2021	2022	Year on Year Comparison Graph	Change (R'000)	PY change %
Amortisation (PFSR)	18%	26%		343 853	34%
Broadcasting costs	5%	6%		46 948	18%
Signal and Distribution	13%	14%		7 332	1%
Permanent Employee Costs	40%	29%		(713 868)	(32%)
Depreciation	3%	2%		(31 758)	(20%)
Marketing, Collecting and Consulting	3%	4%		59 504	42%
Operational, Personnel, Admin and Other	18%	20%		41 205	4%
Total Expenditure	100%	100%			

The amortisation of content as well as employee costs (including non-permanent) accounts for 64% (2021: 66%) of the SABC's total expenditure.

The 8.5% increase in permanent employee headcount was due to the filling of vacant positions. However, there were 495 (18%) vacancies against budget, with normal attrition of 6% (2021: 7%). The total number of employees that left the organisation during the year under review was 140 (2021: 191).

Working Capital Management:

The Cash position remained stable mainly due to unused Recapitalisation funds. The corporation had a net current asset position of R767 million (2021: R1 050 million) and current ratio of 1.5:1 (2021: 1.6:1).

Annual Capex spend over 5-year period

	2018	2019	2020	2021	2022	5 Year Graph	PY Change (R'm)	PY Change %
Annual Capex Expenditure	147.0	138.7	102.2	105.2	117.9		12.7	12%
AUC as % of Total Assets	5.1%	5.0%	4.7%	5.9%	12.7%		404.4	136%
AUC (Assets under Construction)	216.3	263.6	287.9	296.2	700.6			
Total assets	4 216.8	5 292.8	6 154.0	4 994.4	5 513.3			
Total non-current assets	2 590.2	3 719.6	2 408.3	2 343.8	3 198.5			

Abridged Annual Financial Statements

Report of the Auditor General

Audit opinion

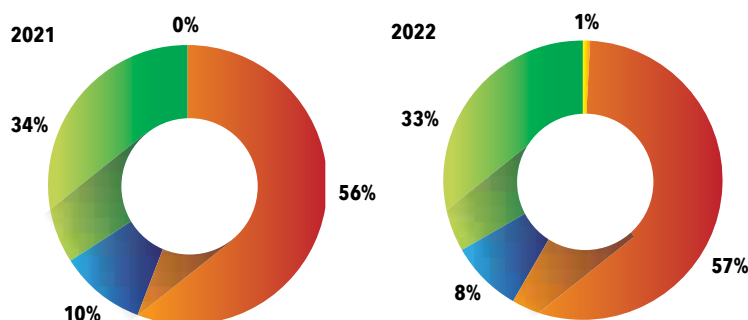
Audit qualification areas:

- Going concern
- Irregular, fruitless and wasteful expenditure (IFWE)
- Property, plant and equipment (PPE)
- Trade and other payables
- Deferred government grants
- Expenditure
- Programme, film and sports rights
- Taxation

The SABC received a qualified audit opinion.

GRAPH: TV Licence Holders

Renewals New Licences DCA GIS



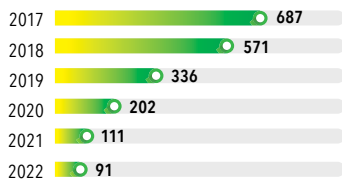
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<i>Audit opinion</i>	<i>Qualified</i>	<i>Adverse</i>	<i>Disclaimer</i>	<i>Qualified</i>	<i>Qualified</i>	<i>Qualified</i>	<i>Qualified</i>
Going concern	○	○	○	○	○	○	○
Irregular, fruitless and wasteful expenditure (IFWE)	○	○	○	○	○	○	○
Property, plant and equipment (PPE)	○	○	○	○	○	○	○
Trade and other payables	○	○	○	○	○	○	○
Deferred government grants	○	○	○	○	○	○	○
Expenditure	○	○	○	○	○	○	○
Programme, film and sports rights	○	○	○	○	○	○	○
Taxation	○	○	○	○	○	○	○

The 2020/21 external audit (previous financial year audit process), saw the Auditor General raise 94 (2020: 98) findings. Total findings raised for the 2021/22 audit were 92. Out of 94 findings raised for 2020/21, 84% (2021: 74%) were resolved by the 31 March 2022 period and 95% by the time of issuing the audited financial statement. The outstanding findings relate primarily to the opening balance of the irregular expenditure.

The graph below highlights the in-year movement of irregular expenditures.

GRAPH: Irregular Expenditure

(In-year) - 5 year analysis (R'm)



Going Concern

The SABC had a loss after interest and tax of R258 million and negative cash flows from operations for the financial reporting period, amounting to R353 million (2021: R690 million). The unspent balance of R861 million, (2021: R1.127 billion) from the R3.2 billion recapitalisation funding from the shareholder stabilised the cash position of the Corporation. The working capital position remained healthy with a net current asset position of R0.767 billion (2021: 1.050 billion). The expectation is for the Corporation to still break even in 2022/23.



SABC Sales engaging with clients during the Sales Webinar.

The Sales division had its hands full in its maiden year of the Targeted Operating Model (TOM) execution. The restructure was customer-centric in its design and delivery of greater customer service satisfaction. The Sales team were now offering wall-to-wall media solutions for customers and therefore maximising customer objectives and reducing nuances value.

Customers continued to support and extract media value from the various platforms that the SABC offers.

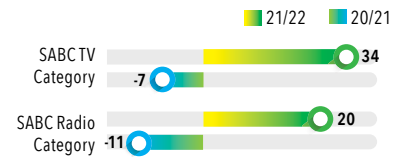
The SABC Adex TV Category held a 25% Share of Voice (market Share in gross revenue) and grew by 34% against prior year signalling strong value proposition, not withstanding

audience challenges. The SABC Adex Radio Category extended its Share of Voice to 28% and grew by 20% against prior year. The growth in Adex report was bolstered by trading models designed to optimise our inventory.

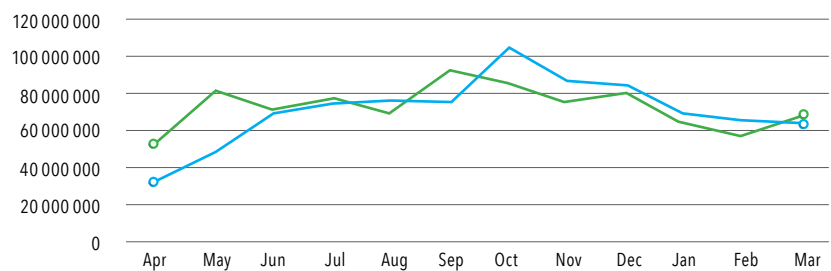
Highlights:

- +3% up vs Prior Year
- Increased digital payments

GRAPH: ADEX Performance %



GRAPH: Licence Collections



Collection
Revenue:
Commercial

Revenue



SABC News and Current Affairs

Complying with the Mandate

The SABC's Public Service mandate which emanates from the Charter laid down in Chapter IV of the Broadcasting Act of 1999; requires the SABC to encourage the development of South African expression by providing, in all 11 official languages; a wide range of programming that offers a plurality of views and a variety of news, information, and analysis from a South African point of view; and to advance the national and public interest. This was executed extremely well in the coverage of the Local Governmental Elections (LGE) across all SABC News platforms.

After a long wait for the former Deputy Chief Justice Dikgang Moseneke's report on whether it was conducive for the country to hold elections under Covid-19 conditions and associated restrictions in July 2021, the LGE date was confirmed as 1 November 2021. The planning process for LGE coverage took full momentum with the News Division implementing the broadcast plans. In line with the prescripts of the broadcasting act which requires the SABC to offer programming that Reflects South African attitudes, opinions, ideas, values and artistic creativity, pre-elections citizen-centric local elections focused on shows like Elections 360° – which aimed to look at socio-political concerns experienced by South Africans in their everyday lives – and Service Delivery Gauge Daily (SDGD) – a four-day multilingual offering on SABC1 – were introduced.

On 1 November 2021, this significant and much-anticipated national event was delivered across all SABC News platforms. SABC News accomplished its mandate of educating South Africans about their right to vote and informed audiences about political choices, views, and policy positions of various political formations available in the country.

Performance

As the preferred and trusted source of news in the country, SABC News properties on Free-to-Air channels and across all news platforms continued to attract audiences; SABC News commanded 70% of the top ten news broadcasts, an improvement from the previous year. SABC News bulletins on SABC1, SABC2 and SABC3 maintained 8-10% levels of all viewing within the free to air market; with IsiZulu and IsiXhosa News services commanding 6.9Ar.

Current Affairs offerings performed at 4-6% of all television viewing. Cutting Edge remained the most popular show recording at 2.6 Ar; and President Cyril Ramaphosa's address about the July looting attracted audiences, recording 10.8 ARs. The SABC News Channel dominated both the national and the DsTV news market segments in the reporting period with Local Government Elections 2021 and Archbishop Desmond Tutu's funeral being the most watched offerings. Vital Signs, Morning Live and the Agenda were the most popular programmes.

Digital

SABC News digital platforms continued with the commitment to provide content in indigenous languages allowing audiences to access news and information in their habitual languages. The year under review saw growth

in African news footprint with the addition of IsiSwati, IsiNdebele, Tshivenda and Xitsonga news on the SABC News YouTube sub-channel. SABC News has all 11 official languages on the SABC News YouTube channel.

All SABC Digital News platforms performed extremely well in the year under review. SABCNews.com page views recorded a 14% year on year increase and on social media; Facebook and Twitter followers continued on an upward trajectory recording a year-on-year increase of 10% and 22%, respectively. The YouTube subscriber base increased by 30% with a total lifetime subscriber base of 1.52 million. African languages news on SABC YouTube channels continued to showed remarkable growth, with Iindaba and Izindaba recording total lifetime of 5.1 million and 3.6 million views, respectively.

Programming Highlights

The main highlight for the year under review was the successful broadcast of the most significant national event, the Local Government Elections, under extremely difficult conditions brought about by the Covid-19 pandemic, political pressure, breaches of editorial governance, and limited preparation time.

Breaking stories which made headlines were:

- The local and global effects of Covid-19 with special focus on the roll-out of Covid-19 vaccine.
- President Ramaphosa's addresses on Covid-19 updates and lockdown reviews.
- The memorial service of AmaZulu Regent, Queen Mantfombi Dlamini Zulu, and the announcement of the preferred AmaZulu King.



Information by Platform

Performance

- The July social unrest and lootings in KwaZulu-Natal and parts of Gauteng including former President Jacob Zuma's imprisonment.
- FW Klerk and Archbishop Desmond Tutu funerals.
- The identification of a new Covid-19 variant, Omicron, in South Africa, Botswana and Hong Kong.
- Media briefings by Health Minister Doctor Joe Phaahla and Deputy Minister Sibongiseni Dhlomo on the Omicron variant and government's response to Covid-19.
- On the sports front, the Springboks and the Blitz Boks (sevens) ending the year at a number one ranking in the world..
- Deputy-President David Mabuza's Christmas message and President Cyril Ramaphosa's New Year's message.
- The South African Parliament fires that broke out at the National Assembly building.
- The announcement of matric results by Basic Education Minister Angie Motseng.
- Government announcement on changes to the National State of Disaster lockdown level one regulations attracted audiences in January; and
- Weekly Covid-19 updates by the World Health Organization (WHO) and Africa Centres for Disease Control (CDC) Covid-19 continued.

Events covered live as special projects were:

- The State of the Nation Address (SONA).
- Budget speech and Judicial Service Commission (JSC) interviews of four candidates vying for the position of the Chief Justice.

Other stories of international interest were:

- The dissolution of the Malawi cabinet over corruption allegations.
- Media address by CAF President Patrice Motsepe following the stampede at a match at the Africa Cup of Nations.
- The Russian attack on Ukraine drove audiences to international platforms.

All these stories were carried across all SABC News platforms

Key Achievements

The key achievements for the 2021/22 financial year were:

- Successful delivery of the Local Government Elections with not a single complaint lodged at official level regarding the coverage of the elections; accolades were received on an outstanding job under very tough conditions.
- The international coverage of the death and then funeral of Archbishop Desmond Tutu under difficult circumstances and on New Year's Day. The funeral was transmitted to the world on all three platforms – Radio, TV and Digital.

- SABC Digital News played an important role in the delivery of the 2021 LGE which took place on the first of November. A new election website was set up and the SABC News App was upgraded to carry the LGE content in real time.

- News exceeded expectations in its commitment to have all 11 official South African languages on digital media platforms.

- The division launched a #COVERUP campaign to encourage South Africans to keep adhering to the non-pharmaceutical Covid-19 interventions, especially wearing their masks.

- SABC Digital News reached a 1.5 million subscriber base on YouTube.

Looking Forward

In Financial Year 2022/23 SABC News will continue with the delivery of credible, independent, and impartial news. The division will:

- Grow and expand the reach of African Languages on SABC News Social Media Platforms.
- Deliver News Content on OTT platform.
- Increase digital presence through live streaming on African language SABC News YouTube channels.
- Introduce new shows with new anchors on both SABC News channel and Free to Air (FTA) platforms.



Behind the scenes with SABC News during the 2021 Local Government Elections.

Video Entertainment

The activities were mainly focused on sourcing fresh content and producing new content that launched later in the fiscal year against the turnaround strategy. There is a turnaround of the audience performance on SABC1 since the launch of new properties from February 2022. SABC2 continues to be stable commercially considering the schedule interruptions due to Funerals, National events and Presidential addresses. SABC3 was rebranded as S3, and a new flagship property "The Estate" launched, together with other local properties, aligned to the new channel positioning geared towards progressive Millennials. S3 audiences were stable throughout the year with the introduction of Sport Arena on weekends as well as a repositioned weekend movie strategy.

While some drama properties were delayed, a number of great initiatives and campaigns were undertaken throughout this fiscal year, with SABC1 starting the year with fresh lifestyle programmes in the 18:00 slot. Shayi Round, Too Hot to be Single, Now or Never. A presale format of the South American series Ugly Betty was released as a Zulu version, Ubethina Wethu.

SABC2 covered the State of the Nation address as well as the budget speech. The launch of Die Sentrum, in the attempt to inject the channel with new and fresh content was met with resistance from audiences who wanted the continuation of 7de Laan for five days a week. The response was for 7de Laan to revert back to five days in response to audience demand. Giyani Land of Blood S2 was launched in November.

The newly rebranded S3 introduced new fresh content, including Sport slots on the weekend. Key strong properties aligned to the channel such as Survivor, Espresso and the Longest Date were recommissioned/ relicensed while fresh content such as The Estate, A Cut Above the Rest, and Unpacked With Relebogile introduced.

The platform hosted the following Awards and specials: SAMAs, SAFTAs, Hip Hop Music Awards, Amapiano Awards, Crown Gospel Awards, Spring Fiesta, Royalty Soap Awards.

The digital team continued the support of TelkomONE by preparing material and meta-data as well as the schedule on a monthly basis.

The new TOM structure was introduced and implemented from 1 April with continued working from home due to Covid-19 regulations. The delay in some local productions due to the impact of Covid-19 had a further impact on the delivery of local content from the first quarter into the second forcing channels to repeat in certain key slots. The loss in audiences from the previous years due to the lack of funding continued during this Covid-19 period as the approval of content due to negative Return on Investment (ROI) was inhibited. The recommissioning of key flagship properties was also halted due to a process that involved Treasury. The delayed or interrupted productions due to Covid-19, the historical projections that look at poor performing slots due to a historical lack of content or marketing budgets together with the analogue switch off from October 2021 continued to hamper the efforts of turnaround of the audience numbers on the channels.

Complying with the Mandate

Even though delivery against ICASA quotas was relaxed due to Covid-19, channels worked towards delivering against the 65% target for PBS and 45% for PCS (S3). The challenge in delivering against some of the local genre content, such as children for SABC1, continued. Over-reliance on unsolicited proposals and the lack of sufficient human resources impacted on delivery against the Documentary quota for SABC1, SABC2 and S3. The cancellation of the RFP through SCM for a new S3 drama, created a gap on the channel in primetime and this resulted in under delivery against the Drama quota on S3.

Digital/OTT

SABC launched the partnership with TelkomONE on 1 April 2021 with a commitment of 1 000 hours of content on Video on Demand and streaming of the Free-to-Air linear channels as well as SABC Education and SABC Sport. The team managed to prepare and deliver 1 698 hours for the platform, with 800 hours ready to be used. In November, the platform was refreshed with new content.

Status Delivery to Telkom One

Genre	Total Hours Per Genre
Drama	629
SOAP	41
Entertainment	184
Comedy	31
Magazine	166
Documentary	84
Retro	94
Children	470
TOTAL HOURS	1698

The VE Linear platforms continued to struggle during the performance period in delivering against key genres. The channels exceed delivery against the revised quotas provided during the Covid-19 regulation period and in general exceed in performance in primetime on all genres. The lack of fresh children's content such as YoTV on SABC1 and local drama on S3 has impacted the total delivery of local genres on these two channels.

Sport content, together with events of national importance, also impact on the original plans set out by channels through the schedule to deliver against these set quotas. As such, Current Affairs and IKB (in full) on SABC2 and S3 tend to be increased at the expense of the originally approved plans.



GENERATIONS
The Legacy

SABC
Mzansi fo sho

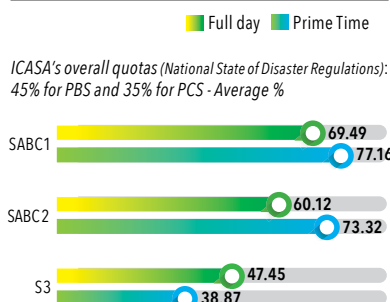


Behind the scenes of 'Generations The Legacy' broadcast on SABC1.

Key National events included the President's Covid-19 updates, known as "family meetings". ODIs and test matches on S3 as well as some Africa Cup of Nations games broadcast in January. SABC2 also covered the State of the Nation address together with the Budget speech live.

The under-delivery is still also due to the channels' ongoing increase in content to respond to the adjusted manner of calculating against delivery by ICASA and regulatory, against delivery by ICASA and regulatory.

GRAPH: SABC Local Content

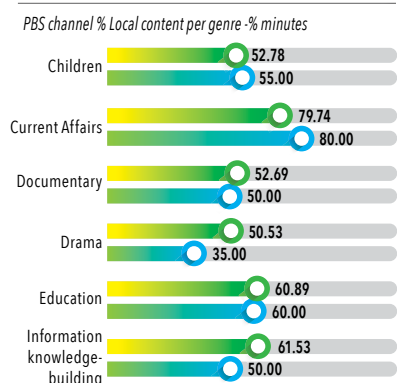


Source: Broadcast schedules

All channels exceeded their delivery of local content against performance period targets with SABC2 delivering more in Primetime than the full day, and S3 under-delivering in Primetime.

SABC1 continued repeating YoTV for the year and, as a result, the channel underdelivered on local children's quotas.

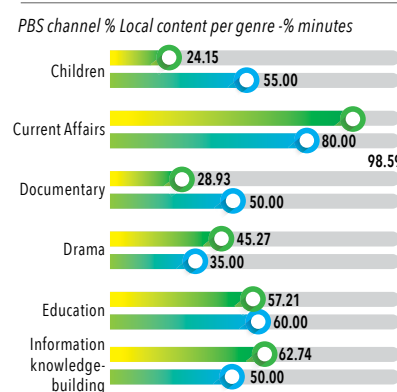
GRAPH: SABC1



Source: Broadcast schedules

Current Affairs on SABC1 were also impacted by the reduction of some current affairs content, due to challenges from News in delivering certain 1-hour fresh content.

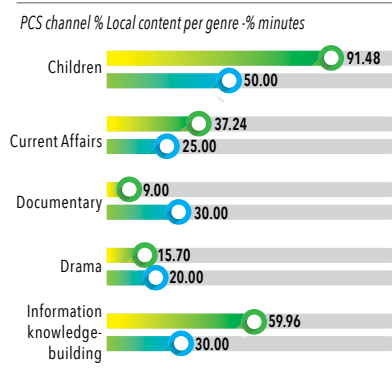
GRAPH: SABC2



Source: Broadcast schedules

SABC2 repeated children's content and licensed some fresh content, which led to under-delivery on children's content. The process of commissioning unsolicited documentaries was delayed, but new content was received and processed for the new fiscal year to deliver against the quotas.

GRAPH: SABC3



Source: Broadcast schedules

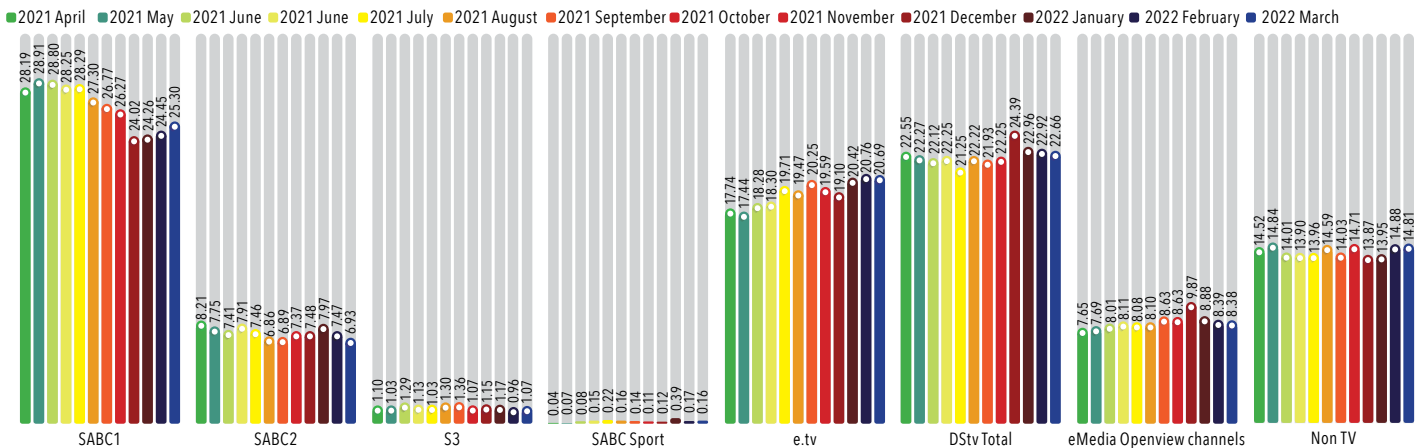
The factual content captured under Current Affairs needs to be allocated correctly and more fresh local unsolicited documentaries are required to fulfil the mandate. The second local drama for S3 was delayed and will only be delivered at the end of 2022. Local content will be licensed from other suppliers to assist in reducing the non-delivery gap.



Members of the cast of SABC2's Soap '7de laan'.

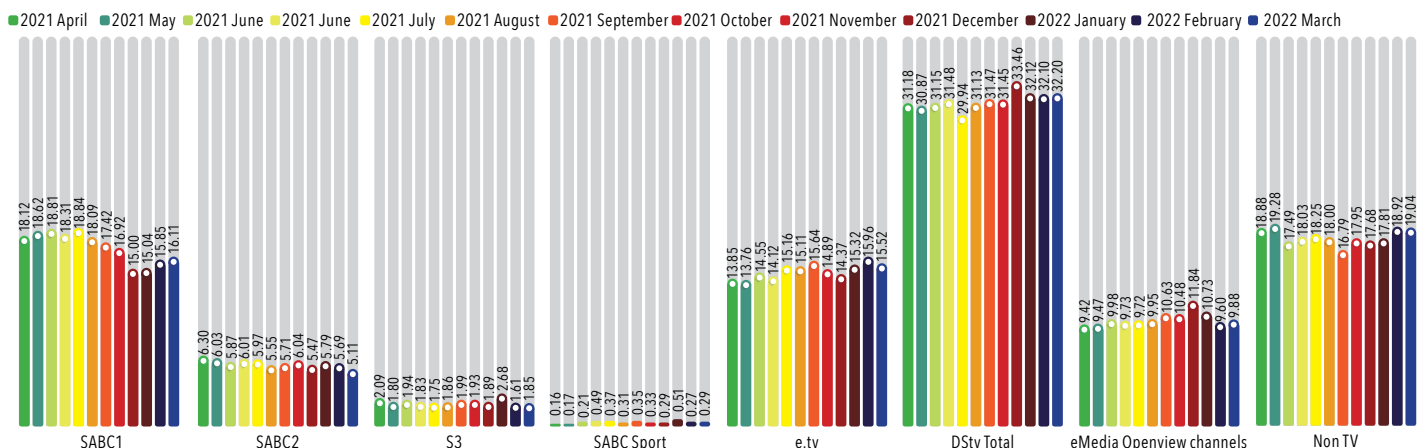
Network Audience Performance against set targets

GRAPH: Prime Time (Mon-Fri)



SABC1 continues to lead in audience performance in primetime, with SABC2 continuing to drop at the expense of competitors such as Kyknet and e.tv. S3 is stable but requires two or three strong local properties with supported marketing.

GRAPH: Performance Period (Mon-Fri)



The network suffered in performance during the period due to the reduced amount of fresh content during the day, as well as less-competitive titles over the weekend that are limited by provided budgets as well as available revenue.

44



S3's 'Expresso' morning show team.

Top 20 Terrestrial

	Description (grouped)	Channel	Level 1	Level 2	(r) AMR	AMR	TSUSHR
1	Uzalo	SABC1	Drama	Drama	16.9%	6 538 991	52.42%
2	Generation the Legacy	SABC1	Soap Opera	Local	13.7%	5 320 303	42.01%
3	Scandal	e.tv	Soap Opera	Local	11.7%	4 532 139	35.66%
4	President's address about looting	SABC2	News	News	10.8%	4 171 470	29.79%
5	President Ramaphosa's address to the Nation	SABC2	News	News	10.7%	4 151 165	29.41%
6	Skeem Saam	SABC1	Drama	Drama	10.6%	4 082 249	35.12%
7	President Ramaphosa's address to the Nation	SABC2	News	News	10.2%	3 943 376	29.04%
8	Carling Black Label Cup Kaizer Chiefs vs Orlando Pirates	SABC1	Sport	Football (soccer)	9.8%	3 781 923	32.08%
9	President's address response to Public violence	SABC2	News	News	9.6%	3 703 165	24.82%
10	House of Zwide	e.tv	Drama	Drama	9.5%	3 694 102	31.13%
11	Ican with ABSA Drive	e.tv	Advertisement	Advertisement	9.4%	3 650 424	26.67%
12	Rhythm City	e.tv	Drama	Drama	9.0%	3 484 227	26.01%
13	Imbewu	e.tv	Drama	Drama	8.4%	3 254 788	34.52%
14	Muvhango	SABC2	Drama	Drama	8.3%	3 227 582	28.93%
15	The Presidents Address	e.tv	Actuality	Actuality	8.3%	3 199 306	22.01%
16	Transporter 3	e.tv	Movies	Action/Adventure	7.9%	3 045 131	27.54%
17	MTN 8 Mamelodi Sundowns vs Kaizer Chiefs	SABC1	Sport	Football (soccer)	7.8%	2 999 997	30.61%
18	CAF Champions League Kaizer Chiefs s ALAHLY SC	SABC1	Sport	Football (soccer)	7.6%	2 955 015	30.93%
19	Shanghai Knights	e.tv	Movie	Action/Adventure	7.2%	2 796 676	27.38%
20	DSTV Diski Challenge Mamelodi Sundowns vs Kaizer Chiefs	SABC1	Sport	Football (soccer)	7.1%	2 742 816	28.75%

60% of the top most watched programmes terrestrially are SABC Content

Highlights

SABC1 is the number one channel in the country for 2021 with the most time spent watching in primetime and the performance period, from Monday to Sunday. Uzalo remains the most-watched programme, with Generations being the second most-

watched programme for 2021, terrestrially and via DSTV.

Sixty-five percent (65%) of the most-watched terrestrial TV top 20 programmes in SA are SABC programmes, while 60% of the most watched top 20 programmes on DSTV are SABC programmes.

During the year, the SABC delivered content against days of National importance including the President's State of the Nation Address and the Budget Speech. SABC television channels were also vital to the dissemination of Covid-19 official announcements, fillers and promotions.



S3's reality TV hair competition showcase 'A Cut above the rest'.

SABC Education and Children

Children

Hectic Nine-9 Season 16

A brand new E-sports tournament #HN9GAME was launched on Wednesdays – a first for the SABC – where interactive gaming takes centre stage. This keeps up with what our teen audiences want and ensures we remain relevant by tapping into the positive elements of gaming, such as critical thinking and problem solving, hand-eye co-ordination and promoting brain health.

Hectic On 3

HO3 continued to provide information on the Covid-19 virus, encouraging social distancing, masks and sanitising, providing everyday tips on how to stay healthy and apply caution.

Education

Woza Matric

Collaborations and partnerships are an essential part of our business. To this end, SABC education collaborated with the Department of Basic Education to bring much-needed curriculum support to the class of 2022 who had their in-contact schooling disrupted due to Covid-19.

Breaking The Silence

SABC Education, together with the Department of Basic Education, launched a ground-breaking sexuality education television programme, Breaking the Silence, which aims to challenge cross-cultural and intergenerational stereotypical barriers related to matters of sexuality. Instead, the

programme encourages safe and protected open dialogue between educators, parents and learners, which is a first for our society. Research has shown that risky sexual behaviours particularly among youth is on the increase. Gender-based Violence (GBV) is also on an upward trajectory. It is anticipated that through breaking the silence, society will be better-informed and thus change undesirable behaviour.

KICK IT – Season 2

This hard-hitting docu-reality about substance abuse was selected out of 360 productions from 86 countries, making it to the final 64 productions to be part the International Public Television Conference INPUT 22 in Barcelona.

Voter Education

SABC Education delivered a successful civic and democracy education content on radio via talk shows both in the Civic and Youth Ke Yona slots and in addition 4 radio PSA's. Daily Thetha delivered content for 5 episodes encouraging voter participation. These were also broadcast live on FB.

FACES

SABC Education, together with SABC2, launched FACES: How I Survived being Bullied, originally launched in 2017 by Japan's public broadcaster NHK. This programme is a collection of 2-minute testimonies collected from all over the world, including from South African candidates, and is broadcast on SABC2.

The Chair

The Chair is a show that connects job seekers with potential employers to promote themselves, get hired and advance their careers.

Over the 25 episodes, a total of 32 job opportunities were created.

SABC Education/UN Food Systems Summit Independent Dialogue

SABC Education hosted an independent United Nations Food Systems Summit webinar in partnership with the Agriculture Research Council (ARC), the Food Agriculture Natural Resources Policy Analysis Network (FANRPAN), and Food for Mzantsi. Dr Brave Ndisale, the UN Food and Agriculture Organisation's country representative in South Africa, delivered the keynote address. The webinar was attended by 77 delegates from Bangladesh, Botswana, Brazil, Egypt, France, Germany, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mauritius, Nigeria, South Africa, The Dominican Republic, USA, Trinidad and Tobago, Zambia, and Zimbabwe.

Digital

SABC Education Social Media Platforms

Education's social media platforms enjoyed an increment in content output with daily appointment viewings reminders and call-to-action posts. The platforms increased their posts from 3% to 65% a month.

MyHealth360

SABC Education launched #MyHealth360 TV fillers on our social media platforms. There are over 60 fillers of varying durations across various themes of health, such as autism, mental health, drug addiction and others.

Voter Education

The Voter Education micro site/mobi site and USSD/SMS platform was designed specifically to enable users to register for the IEC local elections, find their voting station, and access details surrounding their municipality.

FACES

The FACES #StopBullying campaign was launched to drive awareness and traction for the new fillers.

SABC Education New Website

SABC Education launched a new website that aligns to the channel's Brand identity.



South African rap phenom, Sho Madjozi, makes an appearance on the 13th season of SABC2's educational show 'Thakalani Sesame'.

#MatricCentric

SABC Corporate and Education launched the #MatricCentric campaign, a transmedia campaign that saw two divisions coming together to disrupt the digital space. The #MatricCentric campaign's mission is to provide a platform that will not only educate but inform our target audience about the opportunities available to them post-matric. This was the first Twitter Space session hosted by the SABC.

MatricsMate App and Matric SMS and USSD service

Every year, SABC Education in partnership with the Department of Basic Education, runs a Matric Results service which comprises of SMS, USSD and the Matric Mate App (including a competition to draw traction on social media), where registered learners can get their Matric results on the day of release.

SABC Radio

Public Service Mandate

The SABC, as the only public broadcaster within the Republic of South Africa, is charged with a public service mandate to inform, educate and entertain all citizens through broadcasting of high-quality services. Currently, the SABC has 19 radio stations with which it provides public broadcasting services and a wide range of programming that:

- Reflects South African attitudes, opinions, ideas, values and artistic creativity;
- Displays South African talent in educational, informative and entertainment programmes;

- Offers a plurality of views and a variety of news, information and analysis from a South African point of view; and
- Advances the national and public interest.

Official Languages

STATION	LANGUAGE
PBS RADIO STATIONS	
RSG	Principal language Afrikaans
MLFM	Principal language Xitsonga
Lesedi FM	Principal language Sesotho
Ikwekwezi FM	Principal language isiNdebele
Ukhozi FM	Principal language isiZulu
Phalaphala FM	Principal language tshiVenda
Ligwalagwala FM	Principal language isiSwazi
Motsweding FM	Principal language Setswana
Thobela FM	Principal language Sepedi
Umhlobo Wenene FM	Principal language isiXhosa
SAfm	Principal language English
Lotus FM	Principal language is English with specialist programmes in Hindi, Tamil, Urdu, Gujarati and Telegu
XK FM	principal languages !Xun and Khwe
Tru FM	Principal languages English (60%) and isiXhosa (40%)
Radio 2000	Principal language English
PCS RADIO STATIONS	
METRO FM	Principal language English
5FM	Principal language English
GHFM	Principal languages English and Afrikaans

SA Music (PCS and PBS)

Local Music Quota

SABC	Previous Quota	Current Quota
Public Radio	60%	70%
Commercial Radio	25%	35%

SA Music Report (2021/22 Fiscal)

(AVERAGE %)	(AVERAGE %)	ICASA QUOTA
PBS RADIO STATIONS		
SAfm	69	70
Tru FM	75	70
Lotus FM	36	35
RSG	78	70
MMLFM	77	70
Lesedi FM	83	70
Radio 2000	72	70
XKF M	82	70
Umhlobo Wenene FM	85	70
Ligwalagwala	86	70
Motsweding FM	73	70
Phalaphala FM	76	70
Thobela FM	79	70
Ukhozi FM	73	70
Ikwekwezi FM	80	70
PCS RADIO STATIONS		
5fm	35	35
GHFM	39	35
METRO FM	46	35

These figures exclude format factor points which are acquired through promotion of new artists, interviews and coverage of live music. However, Lotus FM's data includes format factors points due to the shortage of South Indian Music. Lotus FM applied to ICASA for the reduction of its local music quota and was granted a reduced quota of 35%, the same as commercial radio stations.

ICASA Genre Licence Conditions

During the 2021/22 financial year, PBS radio stations delivered well above the minimum requirements as stated in the ICASA licence conditions, despite the challenges brought about by the Covid-19 pandemic. On the news front, PBS Radio continued to exceed



Radio 2000 activations at the Radio Park studios.

ICASA licence conditions, with the majority of radio stations exceeding their news and current affairs quotas by at least 10 hours per week. Drama, children's programming, education as well as Information Knowledge Building (IKB) were also exceeded weekly as stations increased their coverage of Covid-19 related content.

Delivery On Public Value

South Africans were subjected to various lockdown levels during the 2021/22 period as the Covid-19 pandemic continued to deliver fluctuating waves of infections both locally and around the globe. Pandemic news fatigue also started setting in and, although SABC Radio continued to deliver content to help the nation navigate through the various Covid-19-related challenges, stations started producing and broadcasting more upbeat content. Mental health is a key mandate deliverable and stations aimed to help South Africans relieve the mental pressures they experienced during the previous year.

SABC radio stations continued to deliver public value by broadcasting innovative programming that advocates for social cohesion, nation-building, promotion of democracy and empowerment of South African citizens. To observe these themes, stations used a variety of public service programming genres that incorporate drama, talk-back show formats, pre-recorded inserts, interviews and magazine shows, as well as highly entertaining but informative commercial programming and content.

April is Freedom Month in South Africa and related topics included freedom in relation to human rights, freedom and education, and freedom and individual responsibilities. Programming focused on commemorating

27 years of Freedom and Democracy with an aim to achieve the following:

- Reflect on the meaning and experience of 27 years of Freedom and Democracy;
- Highlight risks and threats of this democracy i.e. impact of corruption on service delivery and the economy in general.
- Promote the inclusion of marginalised groups and their rights in enhancing and harnessing this democracy i.e. persons with disabilities; LGBTQI+ community and other minority groups.
- Encourage responsible and accountable citizenry in strengthening this democracy.

During May 2021, stations continued to assist in ensuring that the SABC remains the primary source of education, information, and entertainment.

Key themes covered during the month of May included:

- The month of May is Workers Month and is also known as Africa Month. There were many activities and themes covered highlighting the two commemorations, but the biggest talking point remained Covid-19 as South Africa stepped into the second phase of vaccinations.
- Covid-19 Awareness and Education
- Democracy and Worker's rights
- Covid-19 Regulations
- GBV theme continued (promos and cameos)
- Know Your Continent (Africa)

June is the month South Africa celebrates its youth and stations concentrated on driving

content which addressed issues like unemployment, entrepreneurial development, the effect of the Fourth Industrial Revolution and opportunities created by this. The stations through relevant programming, shone the spotlight on youth who are working hard by being innovative, trendsetters and creators. In commemoration of Youth Day and Youth month, young people doing extraordinary things, young innovators, and decision makers on youth matters were profiled.

The station discussed issues of inclusivity when it comes to disabled people and the LGBTQI+ community, as two communities that are fighting different battles but the same war of inclusivity and identity. Stations continued to encourage people to take appropriate precautions around the Covid-19 pandemic and encourage older people to vaccinate. National interest content such as addresses by the State President continued to be carried live.

In July, Radio stations come together to celebrate Mandela month with specific focus on 18 July, the day we celebrate what would have been South Africa's icon and former President's birthday. On 18 July, stations deliver projects to assist poor and deprived communities and various CSI initiatives are executed to help deliver Madiba's dream of 64 minutes of goodwill. The celebratory mood of the country was however abruptly brought to an end when large scale looting and violence erupted in Gauteng and KZN, after former President Zuma handed himself over to the police to start serving a 15-month jail sentence.

As the riots unfolded, radio stations immediately responded with on-air campaigns to help bring calm and peace back to communities. Many food-collection and fund-raising initiatives were launched to assist communities who were badly affected by the unforeseen violence.

In August, South Africans celebrate women by highlighting and remembering women's contributions to South African history, culture and society. On-air programmes amplified women's voices



#METROFMWedding competition winners.

On-Performance Against ICASA Genre Quotas

STATION	NEWS (DAILY)			CURRENT AFFAIRS (DAILY)			IKB	EDUCATION	CHILDREN	DRAMA
	Mon-Fri	Sat	Sun	Mon-Fri	Sat	Sun	Weekly	Weekly	Weekly	Weekly
ICASA Quota	60	60	60	60	60	60	180	300	60	150
Ikwewezi FM	80	65	65	146	60	60	493	463	298	162
MLM	84	74	74	116	60	60	1 290	330	135	205
Thobela FM	107	75	75	117	60	60	415	300	319	150
Phalaphala FM	107	73	73	111	60	60	2 000	495	60	175
Ukhozi FM	98	65	65	174	59	60	1 620	300	89	177
Lesedi FM	89	60	60	161	60	60	848	309	100	165
Umhlobo Wenene FM	66	62	62	179	60	60	386	425	134	217
Ligwalagwala FM	89	60	60	127	60	60	2 240	387	245	150
Motsweding FM	85	62	62	149	60	60	533	300	88	178
ICASA Quota	60	60	60			60	180	240	60	150
SAfm	85	62	62			90	1 390	388	60	175
ICASA Quota	60	60	60	60	60	60	180	300	60	150
RSG	88	60	65	210	61	61	1 408	423	60	278
ICASA Quota	60	60	60	60	60	60	180	-	-	150
Lotus FM	87	60	60	89	61	61	595	-	-	150
ICASA Quota	30	30	30	30	30	30	180	300	15	-
XK FM	70	50	51	108	55	55	212	640	604	-
ICASA Quota	60	60	60	30	30	30	60	120	30	-
Tru FM	66	65	65	84	30	60	1 332	481	60	-

while paying homage to the women of 1956. South African women entrepreneurs of all ages, women in unconventional business fields and ordinary women doing extraordinary things were profiled.

The content aired by stations was specifically chosen to foster success, leadership, achievement, wholeness, sisterhood, healthy body

relationships and confidence. Content was also dedicated to bringing awareness to Gender-based Violence, the fight for equal pay and basic human rights.

Stations also amplified another significant milestone when the SABC celebrated 85 years of broadcasting. To celebrate this anniversary, stations delivered live reads, promos, and interviews with different stakeholders. Different stations also went down

memory lane with listeners and role players in the broadcasting industry, saluting the broadcasters of yester years and reliving the SABC's glorious past.

Heritage Day is one of the biggest commemorative days on the South African calendar, where the country gets together to celebrate its diverse heritage and culture, and this year was no different. Good Hope FM amplified the occasion with #HypeYourHeritage a



GoodHope FM partnering with MTN pulse during the Campus DJ Search.

month-long campaign where the station highlighted all matters heritage on-air and online through various activations. September is also Heart Awareness Month, and each week the Heart and Stroke Foundation of South Africa in Partnership with Radio focused on different topics around heart related illnesses leading up to the World Heart Day, which was on Wednesday, 29 September 2021.

The stations also supported SABC Western Cape transversal Heritage Day Experiential on 23 September in partnership with Trade Marketing, RSG and Umhlobo Wenene FM. Clients were taken on a tour of Cape Town's heritage sites such as The Castle of Good Hope and Bo-Kaap. The aim of the experiential was to expose clients and stakeholders to the various brands and showcase the SABC's technical abilities.

Performance

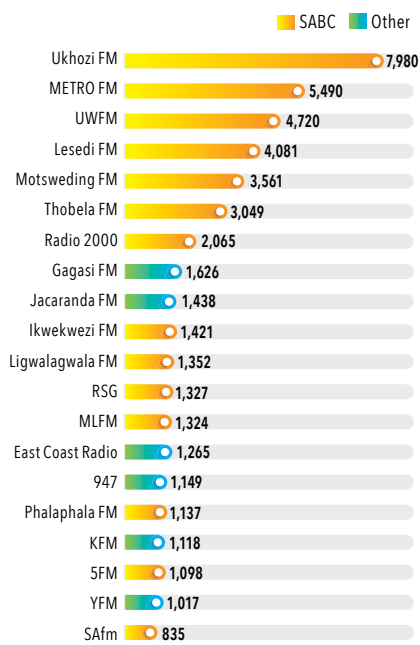
October saw the BRC releasing the long-overdue first wave of new data provided by IPSOS. Through a rigorous data scrutiny process, involving research experts in the radio industry, members of the AMF, as well as research auditors, and SA's leading statistician Professor Ariane Neethling, the veracity and robustness of the dataset was endorsed, declaring it "fit for release". This release was based on five months' worth of data, covering the period Q2 (+2 months),

April to August 2021, with a sample of just over 15 000 respondents achieved.

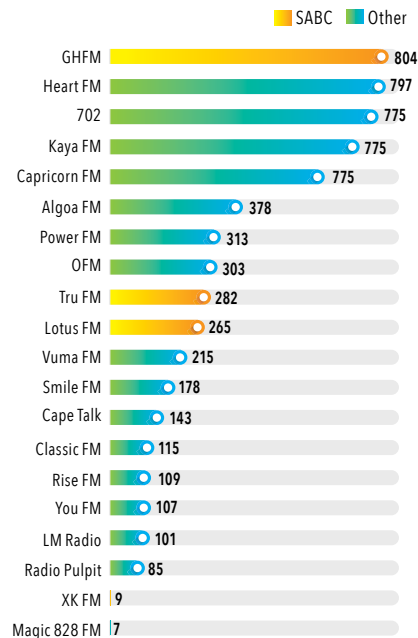
Due to the change in methodology, from face-to-face manual completion of seven-day diaries to the dual method of CATI (Computer Aided Telephonic Interviews) DAR (Day After Recall) and a MediaCell Passive Listening

Panel, this new dataset is not comparable to the previous BRC RAM™ dataset. However, the SABC was pleased to still see eight of its radio station still sitting comfortably in the Top Ten most listened to radio stations in the country.

GRAPH: Past 7 days Listening in 000's



GRAPH: Past 7 days Listening in 000's



The 5fm Heritage Tour team.

SABC Sport

The most notable achievement for SABC sport in the past financial year was the launch of its long-awaited SABC Sports Channel in May 2021. The channel is available on the Openview DTH Free-to-Air platform, the DTT boxes currently being rolled out by the government, as well as the TelkomONE mobile media livestreaming platform.

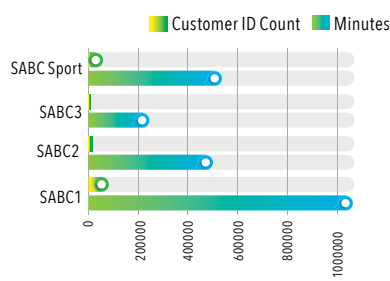
The implication for all South Africans is that they will now be able to access a 24/7 sports content service that is free and accessible to all. The challenge for the SABC will be to continuously deliver a worthwhile content proposition on SABC Sport, that will prove exciting to millions of fans - with offerings that are both niche and popular, local and international.

SABC Sport has made great strides towards achieving this vision. Its focus on content acquisition in the past fiscal has delivered a variety of sport to its audiences. From local boxing, athletics, tennis, to regional club rugby tournaments, international football on the continent and in Europe and the Olympics and Paralympics.

The channel's impact has been astounding. Considering its recent launch to the market, the SABC Sports channel has consistently delivered higher audience ratings than its competitor sports channels - SuperSport - who operate on a much larger audience ecosystem than Openview and DTT, where the SABC sports channel is located. On Openview, SABC Sport proved so much more compelling to viewers than eTV's own Sport and News channel, that it came as no surprise when eTV finally decided to cancel their channel early in 2022. SABC Sport has leapfrogged both S3 and SABC2 on the TelkomONE platform.

GRAPH: SABC Sport Channel on Telkom One

August 2021



Content increase comparison

All Sports Channels, National, Peak Viewing, Adults Age 15+, August 2021

Channel	Genre	Peak
SS PSL	Sport	765 762
SS P/League	Sport	643 421
SS VAR 4	Sport	331 279
SABC Sports Channel	Sport	302 657
SS Rugby	Sport	285 352
SS G/stand	Sport	260 950
eTV News Sport	Sport	188 658
WWE	Sport	173 475
SS La Liga	Sport	169 283
SS VAR 3	Sport	151 754
SS Football	Sport	117 650
SS M/Sport	Sport	107 372
SS VAR 2	Sport	49 760
SS Cricket	Sport	48 524
SS VAR 1	Sport	46 120
SS Action	Sport	44 984
SS Golf	Sport	39 35
SS Tennis	Sport	36 350

From a content acquisition point of view, SABC Sport has gone to a new level in terms of its on-air offering for all SABC channels. With the launch of the Sport Channel, there was a need to build a broader, stronger content proposition that would excite viewers and advertisers alike. As a result, the fiscal year ended with SABC Sport managing approximately 50 sports properties across all channels - a significant increase from the 14 or so properties the division had been managing at the start of 2020.

New properties acquired worth noting included the rights to all Confederation of African Football (CAF) events for the next two years (a total of 445 matches including two AFCON tournaments and the Men's and Women's CAF Champions League tournaments), the Free-to-Air rights for the upcoming Netball World Cup, the Junior Women's Hockey World Cup (broadcast for local international feeds produced by the SABC), the Liverpool Football Club TV channel's International Programming block (which has provided us with delayed EPL content every Monday evening), World Rally Championship highlights, live premium horse racing from around the country and, thanks to a comprehensive agreement with ESPN, the NBA-supported Basketball Africa League, live top-rated local and African boxing events and live English Championship and Dutch Eredivisie football.

Particularly noteworthy, and in keeping with its strategy to reach out to South African sports fans everywhere while filling the spaces that SuperSport has yet to cover, was the agreement signed with Sport Entertainment International (SEI) to broadcast live coverage of the major South African club rugby tournaments taking place in all regions. This includes the likes of the Carlton Cup (Blue Bulls), Moors Cup (Sharks/KZN), Golden Lions Pirates Challenge Cup (Golden Lions/Gauteng) and the Eastern Cape Top 14 series and represents an engagement by SABC Sport with millions of rugby fans across the country - many of whom cannot



The 'Soccer Zone' presenter team, broadcast on SABC Sport, with repeats on SABC1 and TelkomONE.

afford to access the rugby offering on the Pay TV channels.

Collected under the Heritage Cup banner, this delivers live club rugby from across the country each weekend on the Sport Channel, with highlights from all the regions featured on SABC2 on Saturday evenings and Sunday mornings.

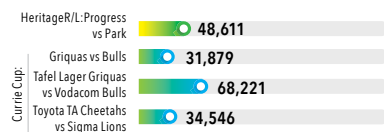
Alongside its French Top 14 rugby broadcasts each weekend, as well as highlights from local Women's rugby, SABC Sport now has a competitive and engaging rugby offering for fans of the game. This has been reflected in the ratings, where the SABC's Top 14 and Heritage Cup broadcasts deliver a significantly higher number of viewers each week compared with our competitor channels.

Another significant content increase has been the coverage of both local and international boxing. SABC Sport has for some time now been under pressure from all fronts to bring back boxing onto the SABC, as the sport had largely disappeared from our channels despite the considerable interest nationally. Apart from the deal with ESPN, SABC Sport also concluded agreements with a range of local promoters to deliver live events for broadcast from Gauteng, Mpumalanga and the Eastern Cape featuring fighters from across the country. Globally, SABC Sport's deal with Canadian fight sport media company Protocol includes the delivery of 18 international top-ranked title fights to ensure its boxing fans have been able to access great boxing at all levels over the past year, delivering a total of 15 live boxing events during the 2021-22 fiscal year.

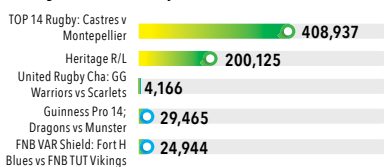
GRAPH: Rugby Peaks rating comparisons SABC Sport vs Super Sport

■ SABC Sport ■ Super Sport

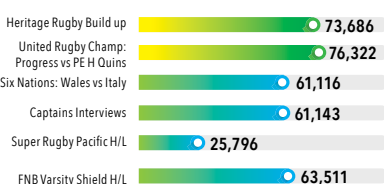
5 May 2022 Saturday 15:00



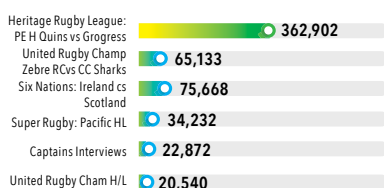
5 May 2022 Saturday 15:00



19 Mar 2022 Saturday 15:00



19 Mar 2022 Saturday 15:00



Although not technically a new acquisition, as it was part of the existing SAFA agreement, an exciting development has been the entry of sponsor Hollywoodbets into Wom-

en's football in South Africa. This has led to the Women's National League being branded as the Hollywoodbets Super League and helped lift a league that has already been delivering in terms of audience ratings on the SABC to a new level. As an exclusive SABC Sport property, it has helped to increase interest in Women's football and made SABC Sport the leader in the coverage of Women's sport. Live coverage of the Proteas Women's cricket internationals, Springbok Women's Rugby internationals, Women's boxing at local and international events, the English FA Women's Super League and the W Series, the Women's equivalent of Formula 1 racing, have all been key features of SABC Sport's portfolio of great Women's Sport.

Performance of Key Women's Sport properties on SABC

Channel	AR (%)	Share (%)	Cumulative reach %	000s
Hollywood bets Super League				
S3	0.2	1.3	2.7	1 060 006
SABC1	1.6	8.5	23.1	8 942 808
SABC Sport	0.0	0.3	2.4	947 123
Total SABC	0.6	3.6	24.6	9 522 194

Barclays FA Women's Super League				
SABC1	1.6	6.9	4.4	1 686 539
SABC Sport	0.1	0.4	2.5	986 444
Total SABC	0.2	0.9	6.5	2 504 358

Tokyo 2020				
SABC1	2.0	9.4	3.8	1 482 860
SSC	0.1	0.3	0.4	169 988
Total SABC	1.2	5.3	4.2	1 627 957

Apart from the new acquisitions, SABC Sport's current deals with the IOC (Olympic



Behind the scenes during the #WELOVEITHERE football season.



and Paralympic Games), Bundesliga, French Top 14 Rugby, Formula E, SAFA, Tennis SA as well as SuperSport for the South African PSL events, have continued to be active and delivered great events across the fiscal year.

As far as challenges go, a key issue that SABC Sport has grappled with this fiscal has been the terms that SuperSport have insisted on including in their sub-licensing agreements with the SABC. These terms aim to block the Corporation from carrying any such sub-licensed content on any channel unless it is delivered to viewers via a terrestrial service i.e., analogue or DTT. The terms also specifically state that the SABC cannot carry this content on its Sport Channel, regardless of delivery service.

The result of this would mean that, apart from not being able to carry relevant sport content on SABC's Sports Channel, the Corporation has been forced to also block any broadcast of any sub-licensed content on SABC1, SABC2 or S3 carried on Openview, as this is a DTH satellite service, as well as via TelkomONE. The broader implications will also mean that the SABC would not be able to carry this content on its OTT/App platform once that is launched which would be severely impact the sports offering, particularly with the eminent analogue switch-off.

While this has negatively impacted the PSL broadcasts, as these terms were included in the original agreement signed with SuperSport, the SABC has subsequently rejected any further agreements to sub-license other properties from SuperSport pending the removal of these terms. This positions has

impacted the planned sub-licensed acquisitions of properties such as the British and Irish Lions tour to South Africa and the T20 Cricket World Cup.

However, the SABC has lodged an anti-Competitive complaint ("complaint"), against SuperSport, NSL and SARU, with the Competition Commission.

This complaint concerns the apparent anti-competitive conduct engaged in by SuperSport in respect of sports events broadcasting, and in particular, the acquisition of exclusive broadcast rights to premium sports events in South Africa.

This conduct has in turn excluded SuperSport's rivals, including the SABC, from being able to compete effectively in the market for the broadcast of premium sports events.

The competition for sports rights and broadcasting, among broadcasters, entails:

- broadcasters and rights agencies competing to acquire broadcast rights for sports events; and
- broadcasters' exercising the broadcast rights in terms of exploitation of these rights to compete for viewers of sports events broadcast, and in turn, attracting advertisers seeking exposure to those viewers.

When SuperSport acquires premium sports rights, it acquires same for exploitation by way of pay broadcasting, i.e. for its own broadcast on its subscription channels. Moreover that, SuperSport also acquires the sports rights for "Free-to-Air" broadcasting

to ensure that the SABC is left with no choice but to approach it for sub-licensing such "Free-to-Air" sports rights. In turn, SuperSport charges the SABC exorbitant sub-licensing fees for the sub-licensing rights.

This is so under the circumstances where the SABC is required to broadcast sports listed by ICASA as National Sporting Events in the interest of the public. As a result, the SABC ends up spending a fortune on sub-licensing rights fees to SuperSport in view of complying with the law.

The SABC is now asserting its position, in terms of the filed Complaint, for the purposes of accessing the premium sports content which is currently being accessed exclusively by SuperSport.

Looking back over the year for SABC Sport, it has been a year of great change and a refocusing of the brand to become a leading part of the South African sports media landscape once again. This has meant taking on new challenges and looking at new opportunities to be grasped and exploited. But the main thrust of what the SABC needed to achieve over the past fiscal has been the growth of its content proposition and expanding the ways that South Africans can access its offering - something SABC Sport has done particularly well.

With this in mind, the SABC is now focusing on its next major challenge in the fiscal ahead - namely to start driving revenues by taking its compelling content story to the market and start ensuring the future for Sport on its SABC channels.



'The TKO' (Total Knock Out) live boxing broadcast on SABC Sport.

Broad-Based Black Economic Empowerment (B-BBEE)

In order to redress the imbalances of the country's past, the SABC is committed to Broad-Based Black Economic Empowerment (B-BBEE). All business activities are aligned with the national transformation agenda and thus complying with the B-BBEE Act 2003 and the Information Communications Technology (ICT) sector B-BBEE Codes.

Selected Supply Chain Management (SCM) activities are subjected to the Preferential Procurement Policy, Framework (PPPF) Act No. 5 of 2000. The latest Preferential Procurement Regulation 2017 effective 1 April 2017, with the introduction of the pre-qualification criteria based on B-BBEE levels of contribution (Regulation 4), made it possible to pre-qualify for SCM opportunities where black-owned, black women-owned, exempted and qualifying small enterprises are earmarked and given opportunities.

2021/2022 SABC guided by Preferential Procurement Regulation 2017 (Regulation 9 – Sub-contracting as a condition of tender) made it possible for SABC to identify tenders, where it is feasible to subcontract a minimum of 30% of the contract value for contracts above R30 million to historically disadvantaged groups. This allows for the provision of opportunities to EMEs or QSEs which are 51% owned by blacks, black youth, black women, black people with disabilities, black people living in rural or under developed areas or townships, cooperatives owned by black people as well as black people who are military veterans. PPR17 applies sub-contracting provision as a condition of tender where feasible to subcontract for a contract above R30 million, the 30% minimum subcontracting requirement to EMEs or QSEs that are 51% owned by the following enterprises and PDI.

The following companies benefited from sub-contracting

- RFP/IT/2021/18 - IP PBX National Rollout Bidder - Gijima Holdings Pty Ltd Sub-contractor - Maiora Africa Pty Ltd Percentage - 30% Tender amount - R62 056 732.92
- Generator and Mv Electrical Installation at SABC Auckland Park, Matase industrial solution Pty Ltd and sub-contractor Donga Construction group Pty Ltd R 72 151 40.69.

The following benefited from Pre-qualification (PPPPA 2017) criteria for transformation of PDI:

- Lesedi FM and Umhlobo Wenene FM Brand Campaigns Idea Hub Group (Pty) Ltd R6 633 360.00
- Western Cape Security Services Khayalami Security Service (Pty) Ltd R16 337 780.70
- Eastern Cape Security Service Mafoko Security Patrols R14,969,888.46
- Digital image service provider for a period of three (3) years Gallo Images (Pty) Ltd R16 099 489.40
- Maintenance of outdoor garden services and indoor plants for SABC AUCKLAND Park offices for a period of five (5) years Pretty Season Landscaping and Maintenance (Pty) Ltd R5 044 828.73
- Auckland Park Future Campus Workspace Requirement Assessment Broll R1 325 924.13
- Mpumalanga Physical security services Modise Protection services R10 318 579.00
- Northwest Security Service Gubis85 Solutions (Pty) Ltd R17 880 454.00
- Bloemfontein Cleaning Service Africana Discovery Travel (Pty) Ltd R8 032 908.43

SABC's Preferential Procurement Performance v/s ICT Sector code targets

The SABC was verified and audited against the following B-BBEE Indicators and compliant targets:

- Procurement Spend from all Suppliers at target of 80%
 - Procurement Spend from all Qualifying Small Enterprises with a target of 15%
 - Procurement Spend from all Exempted Micro-Enterprises with a target of 15%
 - Procurement Spend from Suppliers that are at least 51% Black owned with a target of 40%
 - Procurement Spend from Suppliers that are at least 30% Black Women owned with a target of 12%
- Against set ICT Sector code targets SABC achieved the following:
- Procurement Spend from all Suppliers: SABC achieved 141.77% vs. a target of 80%
 - Procurement Spend from all Qualifying Small Enterprises: SABC achieved 16% vs. a target of 15%
 - Procurement Spend from all Exempted Micro-Enterprises: SABC achieved 19.16% vs. a target of 15%
 - Procurement Spend from Suppliers that are at least 51% Black-owned: SABC achieved 61.78% vs. a target of 40%
 - Procurement Spend from Suppliers that are at least 30% Black Women-owned: SABC achieved 22.52% vs. a target of 12%

Indicator	Target	Achieved
B-BBEE Procurement Spend from all Suppliers	80%	141.77%
B-BBEE Procurement Spend from all Qualifying Small Enterprises	15%	16%
B-BBEE Procurement Spend from all Exempted Micro-Enterprises	15%	19.16%
B-BBEE Procurement Spend from Suppliers that are at least 51% Black-owned	40%	61.78%
B-BBEE Procurement Spend from Suppliers that are at least 30% Black Women-owned	12%	22.52%



The broadcasting industry is in the midst of the most dramatic change in its history as the move from analogue to digital broadcasting accelerates. While the impact of change is felt throughout the business, its effect is most profoundly felt in the technology and infrastructure of the organisation.

With a reliable technology infrastructure suited to the digital age, the SABC will lead and compete with new digital broadcasting entrants. The SABC's technology strategy is therefore part of the plan to migrate operations to digital, with initiatives to Digitise, Digitalise and Digitally Transform the technical and operational environments that are essentially the backbone of the SABC.

During the year under review, the SABC advanced its plans to launch its own OTT streaming platform, which will go-to-market during the 2022/23 financial year. Furthermore great effort was put into redeveloping all the SABC platforms' websites; and securing new mobile applications to ensure that SABC content is available to its target audience in a platform-agnostic format.

The SABC intends to be an analogue-free broadcaster within the next fiscal year, when all analogue SABC TV services will be switched off.

Milestones

During the period under review, the following milestones were achieved:

Radio and Regional Technology Operations (RRTO)

RRTO accomplished the implementation and successful roll-out of the Radio Playout and Production System (Dira!) at the Auckland Park-based Radio Stations (METRO FM,

5 FM, SAfm, RSG, Radio 2000 and Channel Africa), and at Good Hope FM, Parliament, Kimberley and Platfontein. The next phase will focus on the rest of the provincial Radio Stations.

Television and OB Technology Operations (TOTO)

Due to ongoing Covid-19-related restrictions, the TOTO team continued to provide a Disaster Recovery Site (DRS) service. The DRS facility ensured that, despite slow delivery of broadcast lines by Telkom and late venue readiness, all SABC News production and live broadcasts could still proceed during coverage of the local elections at the IEC Results Operating Centre at the Tshwane Showgrounds.

TV OB were on the ground for the coverage of the late Emeritus Desmond Tutu's funeral in Cape Town. SABC provided rolling coverage for SABC News and produced an International Feed for other media outlets. TV Media facilitated the broadcast of the Tokyo Summer Olympics and the CAF African Cup of Nations on SABC linear Channels and SABC Sport Channels. ABC Encore Channel was provisioned as a Pop-up Channel on DTT to accommodate the additional broadcast requirements.

Innovation

Radio and Regional Technology Operations (RRTO)

With ongoing Covid-19 lockdown in the Republic of South Africa, RRTO continued to provide innovative support to ensure that the Radio Stations remained "on air" without fail. Several web-based programs like Skype, Cleanfeed, Fieldtap and Linphone were used successfully for off-site broadcast contributions as part of home broadcast innovative solutions.

New plans for future studios are being designed to include visual radio and social media requirements. These elements will be included in the upgrade of the Radio Park Pool studios, UKhozi and Lotus FM Studios, Motsweding FM studios, and Lesedi FM studios in the coming fiscal year.

IP Portfolio

Radio and Regional Technology Operations (RRTO)

It is RRTO's motto to be continuously innovative. The provinces were encouraged to migrate and reduce usage of ISDN and Digi-net lines between provincial centres, instead leveraging Internet Protocol (IP) codecs which use the already-in-place Metro Ethernet Network.

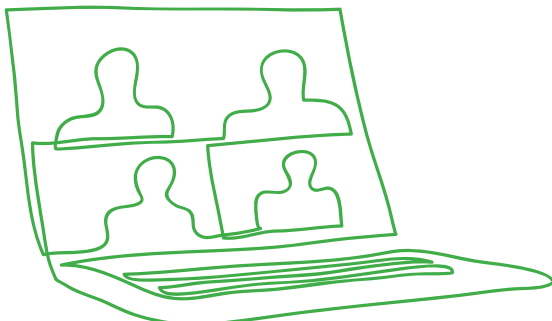
The recently acquired broadcast equipment and solutions are geared towards integration and compatibility with IP solutions. A regional main control project was approved and is in the bid specification stage.

Television and OB Technology Operations (TOTO)

TV OB took delivery of an IP-based radio communication system, to allow for communication along the satellite broadcast contribution signals from remote venues. This was also augmented by the bonded cellular units upgrade, which allows an increased bandwidth over GSM/broadband networks.

The acquisition of IP-enabled modems and microwave systems was delayed, due to budget discrepancies and project restart. On completion, this will enable the current fleet of Digital Satellite News Gathering (DSNG) vans to contribute broadcast IP signals over satellite and microwave.

The outdated core router in MCR is being replaced with an IP Router, based on software-defined network switching and IP technology. This project has been prioritised as it is at the centre of all future IP workflows in the SABC.



Technology

Additional Reach

Over and above DStv and OVHD, DTT is another strategic platform that demonstrates that the SABC is a multi-channel multi-platform content provider, operating in the digital domain and providing consumers universal access and choice while extending the opportunity to aggregate revenue through advertising and sponsorship.

Radio and Regional Technology Operations (RRTO)

RRTO has digitised most of the Radio Stations Studio and Radio Main Control infrastructure in all SABC offices in preparation for DTT. Multichoice uses the same DTT stream for the DsTV Audio Bouquet, as does Sentech for DTT and DTH. The whole broadcast value chain has been updated for DTT compatibility. Furthermore, all 19 SABC Radio Stations are on DTT.

Television and OB Technology Operations (TOTO)

The DTT platform and existing playout capacity was used effectively during the SABC Sport special broadcasts, from an Encore spare capacity where a Pop-Up Channel was facilitated. This was used to accommodate simultaneous broadcasts of matches during the CAF African Cup of Nations soccer tournament.

TV OB further tested streaming servers which allow them to stream multiple streams from venues. This potentially could allow the SABC to market specific streams to specific viewers.



SABC sponsoring the MAA, recognising the innovative minds in the marketing profession.

The business landscape has been adversely affected over the past two years due to the Covid-19 pandemic. Nevertheless, the SABC saw fiscal year 2021/22 as the year to reflect on progress. As a result, marketing strategies and tactics changed, and more creative approaches ensued. Things were going to change for the better in the new normal.

Remote working ensured business continuity; with so many people working from home, routines have been completely changed. Commutes to work ceased, people work all hours of the day from their home office, whether it is an actual office, the dining table or living room couch. As a result, the transition to and from work and personal time can be fluid throughout the day. This fluidity meant that a lot of people were more active on their personal email and social media accounts during the day, and they were "at work" both earlier and later than previously.

This impacted marketing strategies, especially when considering planning the timing of marketing campaigns, along with messaging itself. While many people enjoyed the benefits of working from home, they missed social interactions. With fewer opportunities for real-world social engagements, the SABC filed the void through its programming and digital offering.

To strengthen the SABC brand, the Company held hybrid events during which audiences could participate and engage on all SABC platforms, no matter where they were. This was done to ensure that quality and appropriate content was created. Furthermore, by addressing all potential challenges, the SABC created a conducive environment for its employees during the pandemic, through its multi-media wellness programmes.

SABC Mother Brand

The focus for the period under review was to provide a higher level of engagement with audiences by coming up with innovative ways to leverage social media interaction within their marketing programmes. These range from creating interactive competitions, to virtual networking events or other conversational and interactive communications with audiences.

The SABC partnered with Red Bull Wings for life World run. The partnership enabled the SABC to see social issues and business opportunities and profit from them, while also making positive social changes. Being part of the world's largest race allowed the SABC to reach wider audiences, as the race was streamed live on all SABC platforms, including TV, radio, and online. This resulted in brand exposure, engagement and increased followers.

One of the key highlights for the SABC was the organisation's joint effort with The International Federation of Television Archives (IFTA) in recognition of several highly qualified designations and industry experts working in the broadcast industry - with individuals evaluated on their knowledge, experience, and work ethic.

SABC Marketing entered into a partnership with the Marketing Achievement Awards (MAAs) to recognise innovative minds in the marketing profession. This alliance gave the SABC excellent and full brand exposure, helped to repair the Company's reputation, and exposed the Company to partner insights that enhanced the SABC's brand position with its customers and clients alike.

As the public service broadcaster, the SABC has a unique role and responsibility to enhance national building and connect with South Africans from all walks of life. To this effect, marketing rolled out a variety of campaigns aimed at serving South African viewers from a broader demographic. One such campaign involved the commemoration of the SABC's 85th birthday.



Below are some of the marketing campaigns that were implemented during the celebration of the 85th birthday.

Women's Day Event

The campaign's theme was Women, Wealth, Wellness, and Wisdom - a theme celebrating the impact that the SABC has had on women, in its 85 yr history. The SABC collaborated with Regenesys Business School and the Department of Communications and Digital Technologies to organise the event, which took place in August 2021. The event used a hybrid format that included both online and in-person components, and it featured prominent leaders and celebrities.

Coffee Table Book

The brand compiled an SABC 85 Coffee Table book which highlights the organisation's history and legacy while emphasising its brand appeal. Through the Coffee Table project, the SABC was able to tell its stories and recognise its accomplishments. The book was published in both digital and audio formats.

Webinar Series

Six webinars on various topics were held to ensure that every SABC listener from various segments was accommodated. During the Covid-19 pandemic, the webinars allowed for continuous engagement. It also enabled the collection of customer data during digital broadcasts, allowing the SABC to deliver quality content across all platforms.

Even during the most difficult times of the pandemic, the SABC brand remained innovative and creative, collaborating with part-

ners such as Arena Group through a trade exchange which saw the SABC exchanging airtime for advertising space in all Arena publications. This strategy aimed to improve the SABC's reputation and image, increase brand salience, and promote the SABC as a brand of choice.

Radio

METRO FM

Metro FM is the country's most-listened-to commercial radio station. The station's sold-out MSC- Tap into Metro FM themed cruise departed Durban on date April 2022 for three days of truly South African cuisine, live performance and leisure experiences. The Tap into Metro FM Cruise was a meticulously tailored and all-inclusive celebration of South African life, positive vibes, and music. The music and amusement were varied to reflect the station's audience share and add a bit of authenticity to the experience. The event's goal was to highlight the station's presenters - Tap into METRO FM - and the new line-up for the new fiscal year. The greatest milestone for Metro FM was when the station won the Coolest Radio Station award at the Gennext Awards for the ninth year in a row.

Ukhozi FM

Ukhozi FM launched a Back-to-School campaign, featuring various schools from across South Africa. In five weeks, 22 schools were visited, and over 4 000 sanitary towels were distributed to needy students. In honour of its 61st birthday, the radio station compensated its listeners and motivated them

to continue listening. For seven days, lucky listeners could win R6 200 in daily prizes. On the final day of the celebration, one lucky listener received R61 000 as the grand prize. The radio station also launched the Ukhozi FM presenter search, in which listeners were being asked to tag someone they think could be the next female Ukhozi FM presenter. Bingelela Mpanza was the Winnie Mahlangu talent search recipient for 2021.

Sport

In May 2021, the Sports Marketing team implemented and launched SABC Sport as a brand new independent TV channel. The channel's expansion to other platforms helped it become one of the most watched channels on open-view, with over 1.4 million viewers. This launch also included Team SA's confirmation of the second-team squad for the Tokyo 2020 Olympics Games, which were held from 24 August to 5 September 2021, on the Sports Channel. The event was broadcast live on SABC Sport Channel on Open-view 124, and the public could also watch it on YouTube.

Football is South Africa's most popular sport. Football propaganda pervades almost every discussion, from trains, buses, and taxis to workplace environments. During the pandemic, SABC Sport launched a PSL campaign to inform fans, societies, and partners about where they can watch football. This campaign enabled SABC Sport to continue providing public value while still attracting the largest possible audience growth. PSL content was distributed via SABC platforms, TV stations, and radio stations in the language of the



SABC Marketing hosted the Women's Day Gender Equality debate on a hybrid format with prominent leaders.

audience's choice. The campaign increased brand significance and equity by increasing audience share on both TV and radio.

Video Entertainment

SABC1

During Covid-19, SABC1 strived hard. SABC's marketing team ensured that all platforms excelled in their performance evaluations. During the first quarter of the fiscal year, campaigns were implemented and did exceptionally well. Contributing to these campaigns were engaging SABC1's social media audience, through which the channel was able to gain visibility among consumers and, most importantly, reach a target channel share of 24%. The SABC experienced a significant increase in the SABC1 On Lock campaign: Hotspot Seli led the pack with a 17.5% increase, followed by 13 Weeks to Find Mr Right with a 14.7% increase, and Wedding Chefs with a 13.5% increase.

SABC1 viewers were in for a treat in March 2021, with the launch of a brand-new dance-reality show, Dance Yo Dumo. SABC's marketing department launched this show to engage the younger generation. Through the fusion of classic trends and the creative spirit of today's youth, the show showcased South Africa's colourful dance heritage and updated popular dance trends throughout the decades. In addition, viewers were shown how passionate the SABC is about culture, and how much Mzansi loves to dance. Dance Yo Dumo contributed by positioning the SABC brand in the cool youthful market. Positive sentiments on the channel increased, as did their social media reach and viewers.

SABC2

As part of its marketing strategy and brand positioning, SABC2 executed numerous campaigns for the year. The brand focused its efforts on retaining the platform's existing audiences, in order to maintain and attract new and loyal audiences. To achieve this, the platform explored various initiatives to ensure that the brand maintains visibility in order to influence brand consideration.

SABC2 implemented an integrated marketing campaign that included a variety of elements that improved the SABC's image, increased brand awareness, and positioned SABC2 as the number one family content channel. On the 25th anniversary of the Constitution, the SABC engaged its audience to gather sentiments regarding this milestone in South Africa's history. South Africa's progressive constitution was the subject of an interview in which South Africans responded with what they valued most and what it meant to them personally.

In honour of Muvhango's 25th anniversary, the SABC2 launched a campaign with the theme Riya Hayani, which translates to "we are going home." The campaign included an on-air and digital campaign that consisted of a journey of the show, commemorative cast member messages, and vox pops from the audience recounting their memorable moments of Muvhango. A highly regarded celebration was also held to commemorate this watershed moment in the properties' history. Multiple industry giants and SABC executive management were in attendance.

SABC2 intended to be a media partner for the Joburg International Comedy Festival,

broadcasting previous and current events for quite some time. Fortunately, the collaboration occurred during the current fiscal year, from 24 to 29 March. By participating, SABC2 was given the opportunity to retain its presence on the ground. The festival featured a big-name line-up of South African comedians and comedians from other countries. The platform took advantage of this opportunity as a soft launch to expose attendees to the platform's new marketing campaign "ALL IN" by hosting an activation where people were able to communicate with the new material and were ultimately encouraged. The activation enabled the brand to spread the word about its new feature while also increasing appointment viewing for the JICF on SABC2.

S3

This year was extremely crucial for S3, as it marked the rebranding from SABC3 to S3, as well as the launch of its new logo, pay-off line, time-frame, and content. The channel continued to work with numerous above-the-line agencies to establish the channel's proposition of "Open Up" with the launch of daily drama "The Estate." This content campaign increased the visibility and appointment of The Estate and the Orphan of a Nation. S3 also saw a great improvement in driving content on several shows such as Survivor, Night Manager, Small Axe, and Mrs America through its rebranding strategy.

Being the new home of the SAFTA Awards was one of S3's biggest highlights. The platform was aggressive in promoting the SAFTA nominees. The nominees were announced exclusively live on SABC shows such as Espresso. The platform became more creative,



SABC1 Unlock activation.

incorporating elements such as outdoor advertising, which included digital banners on SM platforms. The SAFTA award ceremony aired live on S3 on 22 May at 19:00. The show was promoted on radio, digital, public relations, and on-air to ensure that we capitalised on our first partnership with the NFVF and reached as many people as possible.

S3 also launched an Open Up Summer campaign, which ran from 15 December 2021 to 15 January 2022. The campaign's goal was to drive and promote key schedule slots during the summer period in order to drive festive content. The campaign was promoted across multiple platforms, including digital posters and on-air promotion, to generate quality content, drive awareness, and appointment viewing.

The Fearless by Nature campaign also played an important role in the S3 rebranding strategy. The goal was to keep launching key programming in Q4 and Q1 in order to raise awareness and appointment viewing of new shows on the channel. Furthermore, due to the continuous updates and engagements on the site during the campaign period, S3 saw a significant improvement on social media profiles. Various advertising elements were also used to promote these campaigns. To promote The Estate and Unpacked with Relebogile, 30 taxis were deployed in CPT, KZN, and Gauteng. Digital billboards were also used to promote the brand. To increase the campaign's reach, creative user-generated content was shared via Instagram reels and Tik Tok, which allowed the campaign to reach a wider and diverse audience.

SABC Education

Despite the Covid-19 pandemic, SABC Education continued to provide on-air, radio, and digital maintenance support for its long-running shows. Expos and outreach initiatives were carried out in order to publicise the shows and instil the brand in the target market. SABC Education took part in the two-day expo held at Thembisa Community Hall, the goal of which was to assist matric students in making well-informed decisions about their career path. Learners were encouraged to develop their creative side, leadership skills, and other abilities. The significance of education was emphasised. The expo drew over 300 learners on both days.

Raise your hand - Collection Drive was also implemented. The campaign was held in various malls, with SABC collecting sanitary towels and books to be distributed to various needy schools throughout the country. The campaigns were supported by radio commercials on English radio stations to reach wider demographics.

SABC Education set out to raise public awareness about the growing threat of bullying in our country, particularly in schools. Bullying is defined as unpleasant, violent behaviour involving a real or perceived power imbalance. The campaign highlighted the importance of this issue. Intranet, digital social media marketing, and website were the mediums used to raise awareness. Radio live reads also provided assistance.

South Africa commemorates National Youth Day on 16 June. SABC Education ran a Youth Month Campaign on this day to highlight the significance of this occasion in honouring those who took a stand to the apartheid system and gave their lives trying to fight for freedom and the right to equal education.

With announcements from the State President, SABC Education continued to keep the nation informed of lockdown regulations. During the pandemic, the platform took it upon itself to ensure that South Africans could access quality and educational content. The Covid-19 Youth Registration campaign was launched to encourage young people to register for vaccinations. The campaign was promoted across all SABC platforms, including radio, television, and online.

The SABC Education department remained innovative, ensuring that it reached various targeted segments with different content to accommodate every individual. A Docu-reality series was launched, providing insight into the world of drug and alcohol abuse and how this journey directly impacts the user, their families, the community, and the country as a whole. In September 2021, the Fourth Industrial Revolution (4IR) and e-Farmers Portals was also launched. The 4IR portal home for creative and engaging learning programmes designed to stir up people's curiosity and interest in the 4IR subject. e-Farmers, on the other hand, is an online learning platform that exposes people to the fascinating world of agriculture. Radio, intranet, and digital social media marketing were used to promote these campaigns.

SABC Education has always been committed to launching targeted campaigns to fight GBV through various on-air programmes and company social media sites. Gender-based violence is defined as violence directed at a person based on their gender; it affects both men and women, but women and girls are the primary victims. As a result, SABC Education launched an outreach campaign to raise awareness and create a platform for people living with disabilities to discuss how GBV affects them. The drive began in Gauteng with two conferences where GBV victims could speak out about the scourge of GBV. More activation occurred in January 2022 to drive the message via social media, intranet, radio, and television. Each conference was attended by approximately 120 people.



SABC Education raise public awareness linked to the documentary 'FACES' featured on SABC2.



Regional celebrations of SABC's 85th birthday under the theme: 'Celebrating a lifetime of memories'.

Complaints are classified into two main categories, namely: direct and indirect complaints. Direct complaints are those that are directly received by the SABC without the involvement of regulators whereas indirect complaints are received from regulators like ICASA, BCCSA and ARB.

Broadcasting Complaints Commission of South Africa (BCCSA) Matters

Between April 2021 and March 2022, a total number of 81 complaints were finalised by the BCCSA, 77 were dismissed and four upheld.

The upheld complaints can be summarised as follows:

- Comments about looting made by presenters on Thobela FM inciting people to commit illegal activities by making comments that seemed to encourage the public to loot bookshops.
- A complaint was upheld against the SABC after one of its journalists requested the Secretary General of the ANC to intervene with the Sect. 189 process.
- A matter relating to violent scenes on Uza-lo that had no appropriate warning preceding the episode.
- A complaint relating to comments made by a stand-in presenter on SAfm's Sunrise regarding mandatory vaccination of children. The presenter's comments were misleading and did not give the opportunity to opposing views to be heard.

Direct Complaints

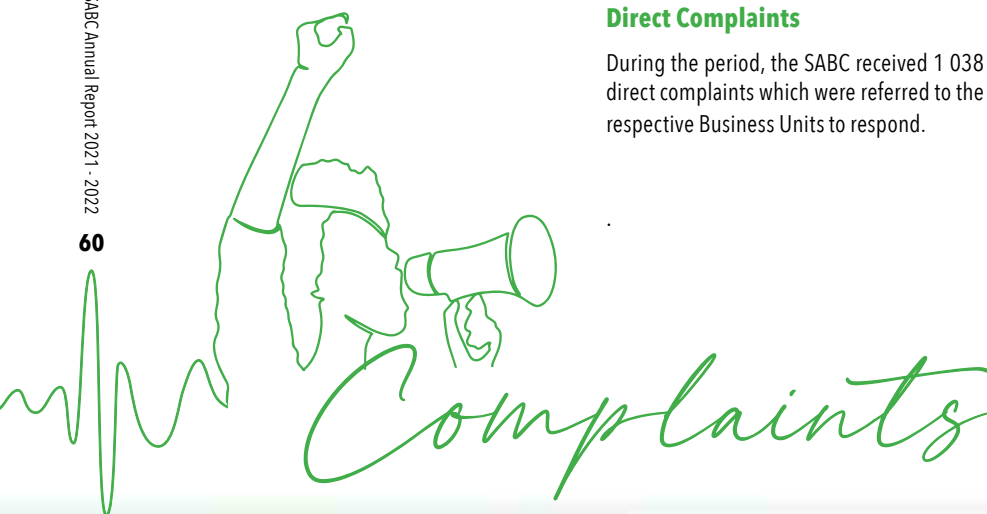
During the period, the SABC received 1 038 direct complaints which were referred to the respective Business Units to respond.

Over the years the SABC has faced numerous challenges in the way it engages and relates with its stakeholders. Understanding that its stakeholder universe is not only broad, but also very complex, the SABC has taken some time to assess the environment in order to develop interventions to improve the stakeholder experience.

The past 12 months have been critical to reigniting the spark within stakeholders both internal and external. They have shaped and paved the way for a reimagined relationship with the SABC. SABC employees at the coalface of stakeholder engagement, have played an ambassadorial role in ensuring that the stakeholder experience is meaningful and yields the intended results, throughout the review period.

Public

The public has mainly been engaged through media statements that have been issued via traditional and digital media platforms – to keep them informed about developments within the SABC or in response to topical issues that are of public interest. They are also engaged through the various opinion pieces and interviews generated by the media relations team. Throughout the period under review, a total of ninety media statements



addressing various key corporate undertaking were issued. There were also just over 100 enquires that were responded to during the period under review, a clear indication of the interest the public has in the SABC.

Government Relations

Strengthening relations with government entities at both national and provincial level, has been one of the focus areas during the period under review. Part of this is the SABC's continued role in promoting social cohesion, where the SABC is actively involved in meeting and reporting to the DGs and HoDs of the Priority 6 Social Cohesion Technical Implementation Forum. The SABC has also been championing the public awareness campaign for the national Analogue Switch Off (ASO)/Broadcast Digital Migration (BDM), in collaboration with the Department of Communication and Digital Technologies.

Regionally, the SABC ensured that government leaders at local level are continuously appraised of SABC activities in their locales. As the 85th Birthday celebrations were rolled out across country, premiers, members of executive council in the various provinces and mayors were encouraged to join SABC in their celebrations, which served to further strengthen relations among the SABC and government stakeholders across the spectrum. The SABC also took the initiative to engage the DGs of all government departments, which was another relationship building exercise that was meant to be beneficial to all parties involved.

International Relations

The prevalence of Covid-19 continued to have a negative impact on engagement efforts, especially with regards to international relations. There were however a few occasions where the SABC was able to engage the international community. This was through the SABC's participation in Africa Communications Week conference and the hosting of a delegation from Ghana's - ADOA TV. International engagements also included consultations with a print media outlet in Lesotho and discussions with stakeholders around Africa Day 2022.

SABC Employees

The employee engagement programmes the SABC undertook over the period were aimed at increasing staff morale and promoting organisational stewardship. In an effort to keep the staff informed and engaged, the GCEO's round table discussions were introduced as one of the key elements of forging closer ties between the SABC leadership and employees. Furthermore, VLOGs and rediffusion sessions at national and regional level were also introduced to support the engagement effort and experience for employees. Throughout the fiscal year, the SABC has rolled out several campaigns aimed at keeping employees informed and engaged. This includes preparations for the launch of the highly anticipated inaugural SABC Staff Excellence Awards.

Regional Stakeholder Management

One of the key highlights from the regional perspective for the period under review were the regional celebrations of SABC's 85th birthday under the theme: "Celebrating a lifetime of memories".

Each SABC provincial office hosted an engagement with the 11 groups of key stakeholders across the regions. The sessions engaged on the central theme "The Next 85 years: Our Hopes for SABC's Role in the Province". In celebrating this milestone across the country, the SABC emphasised the role it has played in deepening and entrenching democracy, and how it successfully transitioned from a state-owned broadcaster to a trusted national public broadcaster to fulfil its public mandate.

Furthermore, the engagements demonstrated how the SABC intends to continue to fulfil its public service mandate more efficiently in each of the respective provinces, as it works towards providing universal access to all citizens for the next 85 years - in partnership with regional stakeholders. Key stakeholders who attended the regional events were the provincial premiers, traditional leaders, civil society organisations, business and institutes of higher learning to address the public about the existence and relevance of

the SABC as one of the most valuable public assets the provinces have which serves as reflection of the voices of all persons in the country.

Each province focused on a different theme, aligning the topics to ensure they reflect the uniqueness of each province. Gauteng launched the celebrations at the SABC Auckland Park Offices by Celebrating a Lifetime of Memories with a live broadcast which reflected on the past 85 years. Mpumalanga, North West, Limpopo and the Northern Cape focused on culture and heritage and the unique opportunity the SABC has as an organisation mandated to inform, educate and entertain viewers and listeners in all of South Africa's official languages. The Northern Cape's celebration included a traditional Koi San cultural group who performed ancient storytelling dances that have stood the test of time.

The Free State engagement focused on agriculture and food security as that sector is a key economic driver of the province. Kwa-Zulu-Natal celebrated the great icons who made it big into the industry after their start at the national public broadcaster.

The Eastern Cape celebrated with a round of golf and a fundraising gala dinner for a women's shelter, and the Western Cape used the opportunity to discuss Sports - developmental rugby in particular - with a screening of the Siya Kolisi documentary highlighting the nation building opportunities that come with sport. The events proved to be a key driver in establishing, resuscitating, and solidifying relationships with provincial stakeholders in all categories to enable the provincial offices to restore/enhance the reputation of the SABC and increase the profile of the public broadcaster in the regions.

SABC provincial offices are key stakeholder drivers for the Corporation, tasked with nurturing relationships and driving revenue from the regions through partnerships and provincial platform support. Other provincial stakeholder events included a Heritage Day tour in Cape Town, and CSI activities in De Aar, NC and Kwa Mhlanga, MP.



SABC RADIO BAGS



AWARDS AT THE 2021 RADIO AWARDS

RADIO
—AWARDS

LOTUS FM | MOTSWEDING FM | IKWEKWEZI FM | RADIO 2000 | RSG
UMHLOBO WENENE FM | SAFM | UKHOZI FM | METRO FM | LESEDI FM



Over the years, the SABC has shown commitment to building its business on the foundation of excellence in order to execute its mandate exceptionally.

This section highlights the honours that have been bestowed upon the SABC, its platforms, programmes, and employees:

News and Current Affairs

- Senior reporters Patrick Dintwa and Reginald Witbooi were named best provincial journalists of the year for the North West and Northern Cape Media Awards.
- Nontsikelelo Nohiya from Cutting Edge won the National Vodacom Journalist of the Year Awards in the Features category (with contributors Sibusiso Tembe, Fatima Modise and Hlubikazi Kulu who also won the Eastern Cape Regional awards).

- The winners of the Free State, Limpopo, North West and Northern Cape Regional awards were Palesa Moeti and Filane Chomane in the Features category. Keith Sayster from Fokus won the Sustainability category.
- SABC News received a donation of forty thousand dollars (\$40,000) from the United Nations(Southern Africa)dedicated to training and equipment requirements for mobile journalism.
- SABC News Research received a commendation from The Accountability Network South Africa (TANSA) for a fact sheet put up on the State Capture report.
- SABC News Vital Signs Producer Wandile Mofokeng won the Best TV category in the 2022 Diageo SA Responsible Drinking Media Awards (RDMAs) for an insightful piece on Alcohol and Substance Abuse.



Achievements and

Awards



Various awards won by SABC staff, brands and divisions.

SAFTA Awards

- TV Presenter of the Year Award: Entle Bizana
- Best Supporting Actor – TV Soap: Mothusi Magano
- Best Achievement in Directing – TV Comedy: The Riviera
- Best TV Comedy: The Riviera
- The Best Lifestyle Programme: Come Again
- The Best Children's Programme: Takalani Sesame
- The Best Docu-reality Show: Pale Ya Koša
- The Best Educational Programme Award: Made in Africa
- Best Competition Reality: Tropika Island

Promax Africa Awards

During the year, the SABC programme, The Estate, won Gold for its title sequence at the Promax Africa Awards

Royal Soap Awards

- Best Lead Actor: Aubrey Poo
- Best Writing Team: The Estate
- Best Wardrobe: The Estate

SABC Radio

- SABC's radio portfolio scooped 20 awards for continuous excellent delivery of radio programming at the Radio Awards 2021. These awards reflect the credibility and sustainability of the public service broadcaster's radio stations.
- Zolani Bongco celebrated a great milestone by commenting his 250th match at the

SA vs Bangladesh One Day International in February 2022.

- Eastern Cape Department of Sports, Arts and Culture MEC awarded Zolani Bongco a Special Award for Language Development: IsiXhosa.
- METRO FM won the Coolest Radio Station award at the Gennext Awards for the ninth consecutive year.



Zolani Bongco a Special Award for Language Development: IsiXhosa.



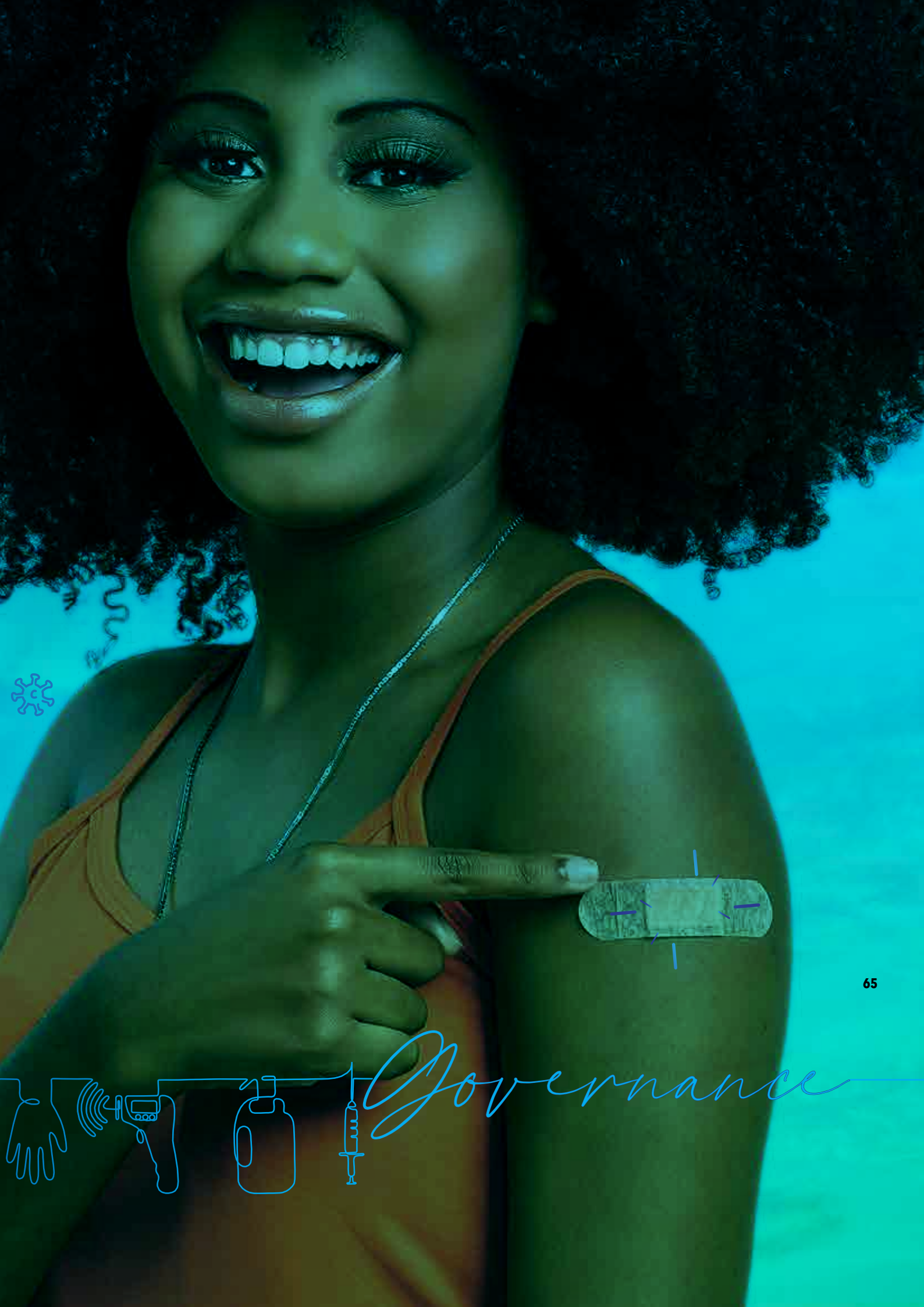
SCAN this QR code for more information on our Covid-19 awareness initiatives.

There comes a point
where we need to

stop just pulling
people out of the river. We
need to go upstream and
find out why
they'r falling in.

- Archbishop Desmond Tutu

SABC and its brands did not only take the lead when reporting from the frontline but got actively involved in creating awareness and driving vaccination campaigns during the Covid-19 pandemic.



The Directors of the South African Broadcasting Corporation SOC Limited (SABC) regard corporate governance as fundamental to the success of the business and are fully committed to ensuring that good governance is practised in order that the SABC remains a sustainable and viable business.

This commitment is embraced at all levels of the SABC. The SABC ensures that its processes and practices are reviewed on an ongoing basis to ensure compliance with relevant legal requirements, the use of funds in an economic, efficient and effective manner, and adherence to good corporate governance practices that are continually benchmarked. Processes and practices are underpinned by the principles of openness, integrity, and accountability and an inclusive approach that recognises the importance of all stakeholders with respect to the viability and sustainability of the SABC.

Compliance, with not only the letter, but also the spirit of relevant governance codes remains a priority for the Corporation. As a state-owned company, the SABC is guided by the principles of King IV Report on Corporate Governance for South Africa™ (King IV™), as well as the Protocol on Corporate Governance in the Public Sector 2002. In keeping with these principles, the SABC has implemented the requirements of King IV™, which came into effect on 1 April 2017. Furthermore, the statutory duties, responsibilities and liabilities imposed on the Directors of the SABC by the Companies Act No. 71 of 2008, as amended, are augmented by those contained in the Public Finance Management Act (PFMA), No. 1 of 1999, as amended.

Portfolio Committees

Portfolio Committee on Communications

During the year under review, the SABC Board appeared before the Portfolio Committee on Communications on five occasions:

- 7 May 2021
- 12 May 2021
- 17 August 2021
- 9 November 2021
- 8 March 2022

Standing Committee on Public Accounts (SCOPA)

The SABC appeared before SCOPA on 2 March 2022.

Executive Authority

Shareholding

The Government of the Republic of South Africa is the sole shareholder of the SABC. The shareholder representative is the Minister of Communications and Digital Technologies.

Shareholder Compact

In terms of the Treasury Regulations in terms of the Treasury Regulations issued in accordance with the PFMA, the SABC must, in consultation with its Executive Authority (the Minister of Communications and Digital Technologies), annually conclude a Shareholder Compact documenting the mandated key performance measures and indicators to be attained by the SABC as agreed between the Board and the Executive Authority.

The Compact is not intended to interfere in any way with normal company law principles. The relationship between the Shareholder and the Board is preserved, as the Board is responsible for ensuring that proper

internal controls are in place as well as the effective management of the SABC.

The SABC Board attended one meeting with the Ministry of Communications and Digital Technologies during the 2021/22 financial year, on 17 August 2021.

The Accounting Authority/SABC Board

Role and Function of the Board

The Board is the Accounting Authority of the SABC in terms of the PFMA and constitutes the fundamental base of corporate governance in the SABC. Accordingly, the SABC must be headed and controlled by an effective and efficient Board, comprising Executive and Non-Executive Directors, of whom the majority must be Non-Executive Directors to ensure independence and objectivity in decision-making. The Board of the SABC has absolute responsibility for the performance of the entity and is accountable for such performance.

The Board Charter sets out the roles, duties and responsibilities of the Board as well as salient corporate governance principles.

The role of the Board includes the following activities:

- The appointment of the three executive directors of the Board namely Group Chief Executive Officer (GCEO), Chief Operations Officer (COO) and Chief Financial Officer (CFO);
- Providing strategic direction and leadership;
- Determining the goals and objectives of the Company;
- Approving key policies including investment and risk management;
- Reviewing the Company's goals and strategies for achieving its objectives;

Governance
and

Accountability



- Approving and monitoring compliance with corporate plans, financial plans and budgets;
- Reviewing and approving the Company's financial objectives, plans and expenditure;
- Considering and approving the annual financial statements and notices to the shareholder;
- Ensuring good corporate governance and ethics;
- Ensuring that the Shareholder's performance objectives are achieved and that this can be measured in terms of the performance of the SABC;
- Ensuring that the SABC complies with and is operating in accordance with all applicable laws, regulations, government policies and codes of business practice, regulations and instructions prescribed in terms of legislation;
- Monitoring and reviewing performance and effectiveness of controls;
- Ensuring effective, prompt and open communication with the Shareholder and relevant stakeholders with substance prevailing over form;
- Liaising with and reporting to the Shareholder;

- Guiding key initiatives;
- Retaining full and effective control over the SABC and monitor management in implementing Board decisions, plans and strategies; and
- Approving transactions beyond the authority of management.
- The President approved the appointment of the Board with effect from 16 October 2017 for a period of five years.

Delegation of Authority

The Board has the authority to lead and control the business of the SABC including the authority to delegate its powers. The Board's aim is to ensure that the SABC remains a sustainable and viable business.

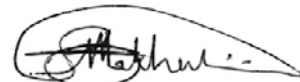
The Board's responsibilities are supported by a well-developed governance structure of Board Committees and a clear and comprehensive Delegation of Authority (DoA) Framework. The Board delegates the management of the day-to-day operations of the Corporation to the GCEO. The GCEO is assisted by the Group Executive Committee (Group EXCO). The DoA Framework, which annually undergoes an extensive review, assists in the control of the decision-making process and does not dilute the duties and responsibilities of the Directors.

Directors' Induction and Orientation

All new Directors are taken through an induction programme that is designed to enhance their understanding of the SABC's legislative framework, its governance processes and the nature and operations of its business.

Board Evaluation

The performance of the Board and individual Directors will be evaluated annually. The performance of Board Committees will be evaluated against their Terms of Reference (TOR). An evaluation measurement tool was procured during the last part of the period under review and Board and sub-committee evaluations will be conducted during the first quarter of the financial year. Performance contracts were finalised with Executive and Senior Management. The Governance and Nominations Committee is responsible for the evaluation of Executive Management. Performance Contracting is being implemented throughout the SABC.



Mr Bongumusa Makhathini
Chairperson of the SABC Board



The SABC's second CxO Series that establishes a network of highly influential C-level leaders that discuss matters that influences innovation and governance.

Attendance at Board Meetings

Board meetings are scheduled annually in advance. Special meetings are convened as necessary to address specific issues. Directors or external committee members who, on an exceptional basis, cannot physically attend meetings may communicate electronically. The record of attendance of the 14 Board meetings, which included a two-day Strategy Session, during the reporting period is reflected below:

Board	Total
Mr B Makhathini (Chairperson)	13
Ms M Mohlala-Mulaudzi (Deputy Chairperson)	14
Prof S Cooper	14
Mr DK Mohuba	14
Mr J Phalane	14
Mr M Markovitz	14
Ms M Papayya	14
Ms J Patel	14
Adv B Lekalakala	14
Mr D Maimela	14
Dr M Socikwa	14
Mr M Mxakwe	14
Ms Y van Biljon	14
Mr I Plaatjes	14

Board Committees

Several Board Committees exist in order to assist the Board in discharging its responsibilities. This assistance is rendered in the form of recommendations, reports and minutes submitted to Board meetings whereby transparency and full disclosure of Committee activities are ensured. Each Committee operates within the ambit of its defined Terms of Reference that set out the composition, role, and responsibilities, delegated authority and meeting requirements of each Committee..

Audit and Risk Committee

Regarding the legislative and governance requirements for the compulsory establishment of Audit Committees for State Owned Entities, the responsibilities of the Audit Committee are briefly set out below. The SABC Board has elected to combine the roles of the Risk Committee with the Audit Committee.

The Committee comprises three independent Non-Executive Directors, appointed by the Shareholder in terms of the requirements of Section 94 of the Companies Act. The Committee is chaired by an independent Non-Executive Director.

Members collectively have sufficient qualifications and experience to fulfil their duties and have sufficient understanding of financial reporting; internal financial controls; external audit process; internal audit process; corporate law and information technology governance.

The roles and responsibilities of the Committee include:

- Serving as the Audit and Risk Committee for the SABC Group;
- Recommending the appointment of the External Auditors and overseeing the external audit process;
- Monitoring the internal control system to protect the SABC's interests and assets;
- Reviewing the accuracy, reliability and credibility of financial reporting and recommends the annual financial statements and the Annual Report, as presented by management, together with the External Auditors' report, for approval by the Board;

- Reviewing any accounting and auditing concerns raised by Internal and External Audit, the annual financial statements and the various reports to the Shareholder;
- Ensuring that an effective Internal Audit function is in place and that the roles and functions of External Audit and Internal Audit are clear and coordinated to provide an objective overview of the operational effectiveness of the Corporation's systems of internal control, risk management, governance and reporting;
- Reviewing the activities of the Internal Audit Department, the effectiveness thereof and the adequacy of available Internal Audit resources;
- Evaluating the independence, objectivity and effectiveness of the External Auditors;
- Ensuring that the Corporation has implemented an effective policy and plan for risk management that will protect the Corporation's ability to achieve its strategic objectives;
- Ensuring that a combined assurance model is applied;
- Obtaining assurance for information technology (IT) as it relates to the management of IT assets, governance and controls, risks and disaster recovery;
- Monitoring the SABC's compliance with statutory and legislative obligations and fiduciary responsibilities;
- Confirming that the SABC has appropriate controls in place to identify, and implement legislative and regulatory changes, which will affect its operations;
- Monitoring that management and administration of the products and services are conducted in accordance with relevant legislation, regulation, governing rules and within the terms of any delegation;
- Reviewing significant breaches, or potential breaches, of regulation and the steps taken to ensure that the underlying root causes of any regulatory control failures are being addressed;
- Assisting in identifying, evaluating, mitigating, and monitoring the business risks that the Group faces during the course of



Our Group CEO during an interview on METRO FM.

its operations, its exposure to significant risk, and the adequacy of the identification of risk;

- Reviewing the SABC's risk appetite and future risk strategy, particularly for economic (i.e. risk-based) capital, liquidity and reputation, but also for operational risk, and to make recommendations on risk appetite to the Board; to review the principal risk policies for consistency with the Group's risk appetite and to approve any material changes to these policies;
- Reviewing the risk profile against its risk appetite and strategy and review the drivers of the changes, if any, in the risk profile and their implications for liquidity and going concern status;
- With input from the Audit and Risk Committee, as appropriate, reviewing the adequacy of the Group's processes and the effectiveness of controls over the determination of the compliance with the requirements of the Government Guarantee;
- Reviewing the design, completeness, and effectiveness of the risk management framework relative to the enterprise-wide risk management policy, and plans for management of the significant risks activities;
- Reviewing the adequacy and quality of the risk management function and the effectiveness of risk reporting (including timeliness and risk events);
- Evaluating the risk of exposure to fraud, review policies, and procedures in place to minimise or detect fraud, and make recommendations to the Board to enhance such policies and procedures; and
- Developing and refining the SABC's enterprise-wide appetite for risk, in conjunction with the full Board.

Refer to page 86 for the report of the Audit and Risk Committee detailing how it carried out its functions.

Six Committee meetings were held during the financial year. These were attended by External Auditors, the GCEO, CFO, COO, Chief Audit Executive and other relevant corporate officials. The Chief Audit Executive and the External Auditors have unrestricted access to the Chairperson of the Committee

and to the Chairperson of the Board. The attendance of Members at Committee meetings was as follows:

Audit and Risk	Total
Ms J Patel (Chairperson)	6
Adv B Lekalakala	6
Dr M Socikwa	6
Ms M Mudau ¹	5
Mr M T Mxakwe	6
Ms Y van Biljon	6
Mr I Plaatjes	6

¹ Stepped down on 10 January 2022

Digital Technology Committee

The Digital Technology Committee comprises four independent Non-Executive Directors and is chaired by an independent Non-Executive Director. The Committee was established to assist and advise the Board in fulfilling its obligations and, in certain instances, by acting on behalf of the Board through its mandate, on matters relating to digital technology.

'Digital Technology' is defined by the Committee to mean all known (and yet-to-be-developed and commercialised) digital technology platforms, including but not limited to, Digital Terrestrial Television (DTT), direct to home digital satellite broadcasting (DTH) and mobile and web channels, with a strategic focus on the successful distribution of all SABC content over such platforms.

The Committee's formation has been motivated by the massive impact of digital technology on all the SABC's core services and how the successful implementation of strategies in this regard will impact on the sustainability of the Corporation in the future.

The roles and responsibilities of the Committee are as follows:

- Report to the Board on progress of all Digital Technology projects within the Corporation.
- Report to the Board on the extent to which the Corporation has achieved its objectives during the relevant period;
- Ensure that the Corporation employs technology, which enables it to fulfil both its commercial and public mandates in line with its statutory mandate;

- Ensure digital transformation in the SABC workplace so that SABC management and staff have access to innovative technology and an information systems platform that will enable the Corporation to deliver on its mandate and enable major business improvements such as enhancing audience experience, streamlining operations or creating new business models;
- Ensure that the technology employed by the Corporation is appropriate and able to support the strategic objectives of the Corporation;
- From time to time, receive and evaluate Management's analysis of the digital technology systems and relevant controls within the Corporation and advise the Board on their suitability to support the implementation of the planned strategy of the SABC;
- Recommend to the Board the approval of policies, which fall within its mandate;
- Identify, evaluate and report to the Board on any risks associated with the technology of the Corporation;
- Specifically consider the digital technology challenges posed by the evolving broadcasting needs for major national or international events and advise the Board on the necessary actions to be taken to ensure that the SABC can deliver on its broadcasting objectives.

Six Committee meetings, which included one Special Joint PBS/PCS and Digital Technology Committee meeting, were held during the financial year. These were attended by the GCEO, CFO, COO and other relevant corporate officials.

The attendance of Members at these meetings is reflected below:

Digital Technology	Total
Mr M Markovitz (Chairperson)	6
Mr J Phalane	6
Ms M Papayya ¹	2
Mr D Maimela	6
Dr M Socikwa	6
Mr M T Mxakwe	6
Ms Y van Biljon	6
Mr I Plaatjes	6
Ms M Mohlala-Mulaudzi	1
Prof S Cooper	1

¹ Stepped down on 31 May 2021

Finance Investment and Procurement Committee

The Finance, Investment and Procurement Committee comprises three independent Non-Executive Directors and is chaired by an independent Non-Executive Director.

The roles and responsibilities of the Committee are as follows:

- Review the long-term and short-term funding plan, for submission to the Board;
- Monitor the current funding plan of the Corporation to enable it to fulfil both its commercial and public mandates in line with the corporate goals;
- Review and recommend the annual capital and operating budget to the Board for approval;
- Monitor the financial performance of the Corporation against its budget on a quarterly basis;
- Consider and approve the Treasury Manual for approval by the Board;
- Recommend the limits applicable to counter-parties to the Board, and monitor and review all borrowings made by the Corporation, and the guarantees and sureties issued on behalf of the Corporation;
- Review funding and solvency implications of transactions and make recommendations to the Board;
- Review the capital investment process, monitor total Group capital expenditure;
- Review and approve any capital project, or the procurement of any capital or the commencement of any capital project item included in the approved budget of the SABC, above R100 million up to R200 million;
- Review and recommend to the Board the commencement of any capital project or the procurement of any capital item the cost of which exceeds R200 million;
- Review and approve new projects not included in the approved annual budget, as well as the funding thereof, the total costs of which shall not exceed R50 million;
- Review and recommend to the Board an increase in estimated total costs of projects included in the approved budget, the increase in cost of which shall not exceed R20 million or 10% of the original cost;
- Review acquisitions and decisions made by EXCO in accordance with the authority granted to it by the Board through the Delegation of Authority Framework;
- Review and recommend to the Board acquisitions and investments of the Group above R200 million;
- Review the performance of all investments and acquisitions made;
- Review and recommend to the Board the opening of new offices or new regional offices within the borders of the Republic of South Africa;
- Review and recommend to the Board for approval the opening of new offices or new regional offices outside the borders of the Republic of South Africa;
- Review and make recommendations to the Board regarding the SABC's investment strategy;
- Evaluate and make recommendations to the Board regarding business cases for new ventures or projects;
- Approve the criteria and guidelines for investments and approve investments within its delegated authority;
- Review and make recommendations to the Board regarding the selection and appointment of Banks within the Republic of South Africa and Internationally.
- Group budget
 - Review the budgetary processes adopted by management for effectiveness, integrity and adherence to the objectives of the Board and the Public Finance Management Act No. 1 of 1999 (PFMA);
 - Ensure that the reporting and budget submission deadlines set by the SABC are complied with;
 - Perform regular reviews of the Corporation's financial performance against the budgeted financial performance and ensure that material deviations and measures to be taken to redress these deviations are reported by the Group Chief Executive Officer.
- Bid Adjudication Committee
 - Review the BAC processes for effectiveness and integrity and ensure group-wide adherence thereto having regard to the principles of the Group's procurement policies;
 - Review the appropriateness of the BAC's processes to the needs of the individual entities within the Group having due regard to the operational dynamics of each entity and to implement such measures as are deemed necessary to ensure the functional effectiveness of these processes; and
 - Review the effectiveness of the BAC and implement such measures as are deemed necessary to ensure that this structure is functionally effective.
- Disposal/write-off of assets and bad debts
 - Consider and approve the write-off resulting from the impairment of assets, up to an amount of R50 million, and recommend for approval by the Board of any amount over R50 million;
 - Review disposals made by EXCO in accordance with the authority granted to it by the Board;
 - Review and recommend to the Board for approval the writing off of assets above R50 million (at book value) to remove them from the asset register;
 - Review and recommend to the Board for approval the writing off of stock (at book value) above R50 million to remove them from the asset register;
 - Review and recommend to the Board for approval the sale of moveable assets at book value from R10 million to R16 million and for Board to recommend approval by the Shareholder for assets above R16 million;
 - Subject to the provisions of the PFMA, review and approve any sale or disposal of assets, the cost of which shall not exceed R50 million per item;
 - Review and recommend to the Board for approval the write-off of bad debt(s), above R50 million;

- Review and recommend to the Board for approval the entering into any agreement for the lease/hire/rental of property, where the cumulative value and the term are above R50 million per annum/5 (five) years.

Five Committee meetings were held during the financial year. The GCEO, COO, CFO and other relevant corporate officials attended the meetings by invitation.

The attendance of Members at these meetings is reflected below:

Finance, Investment and Procurement	Total
Mr J Phalane (Chairperson)	5
Mr M Markovitz	5
Mr B Makhathini	5
Mr M T Mxakwe	5
Ms Y van Biljon	5
Mr I Plaatjes	5

Governance and Nominations Committee

The Governance and Nominations Committee comprises six independent Non-Executive Directors and is chaired by an Independent Non-Executive Director (Chairperson of the Board).

The roles and responsibilities of the Committee include:

Nominations

In carrying out its remit, the Committee shall have regard to requirements and recommendations contained in Legislation and other related guidance.

The Committee will:

- Regularly review the size, structure and compositions of the Committees of the Board, with due regard to the legal requirements, skills and expertise required for effective performance of each Committee;
- Ensure that appropriate succession planning is in place for both Executive and Non-Executive Directors of the Board;
- Evaluate succession-planning arrangements for Executive Directors of the Board to ensure that these are orderly and calculated to maintain an appropriate balance of diversity, skills, knowledge and experience;
- Annually review the key data indicators of listed successors for direct reports of the Group Chief Executive Officer to determine their status on the succession plan and readiness to assume a role as the need arises. Such data should include the performance evaluation outcomes and outputs of management conversations;
- Supervise the administration of the Corporation's policies relating to actual or potential conflicts of interest affecting Members of the Board;
- Be responsible for preparing a description of the role and capabilities required for particular appointments to the Board and for identifying and nominating candidates for the approval of the Board for recommendation to the Minister of Communications and Digital Technologies and the President;

- Make recommendations to the Board for the continuation (or not) in service of any Director as an Executive or Non-Executive Director.

Recruitment of Executive Directors

- Prior to embarking on steps listed below, the Committee shall ensure compliance with the provisions of the SABC's Recruitment Policy;
- In terms of Clause 12.5 of the Mol, the Committee shall, on behalf of the Board;
- Identify, interview, assess and appoint Executive Search Companies to assist with the recruitment of the Executive Directors [Group Chief Executive Officer (GCEO), Chief Operations Officer (COO) and Chief Financial Officer (CFO)];
- Identify, interview, assess and recommend candidates to the Board for the appointment as Executive Directors being the GCEO; COO or CFO of the Corporation giving full consideration to succession planning and the leadership needs of the Corporation;
- Recommend to the Board the shortlist of at least three preferred candidates, who are suitable to hold the contemplated position.
- In accordance with the Mol the appointment of the GCEO; COO or CFO (as the case may be) shall be made by the Non-Executive Directors and the Minister of Communication and Digital Technologies shall be informed accordingly.



SABC Sport activations and interviews.

Conditions of Employment and Benefits

The Committee shall, on behalf of the Board approve conditions of employment and all benefits applicable to the GCEO, COO or CFO and the terms and conditions of the severance of employment of such individuals.

Remuneration

• Committee Members

- The SABC will remunerate Members of the Committee according to the rates determined by the Minister of Communications.

• Executive and Non-Executive Directors

- The remuneration in respect of the following categories of employees will be considered by the Committee and recommended to the Board for approval;

- Subject to a mandate from the Board, determine and recommend to the Board the remuneration for the Executive Directors, on appointment, having regard to the remuneration policy;

- Subject to a mandate from the Board, the Committee shall make recommendations in respect of the fees and/or remuneration of the Non-Executive Directors to the Board from time to time, which Directors' fees and/or remuneration shall be subject to the approval of the Minister of Communications and Digital Technologies;

• The Committee will assist the Board in its oversight of:

- the Remuneration Policy and its specific application to the Executive Directors;

- the adoption of annual and longer-term incentive plans;

- the annual evaluation of the performance of the GCEO, COO and CFO;

- the determination of levels of reward to the Executive Directors.

• The Committee will recommend to the Board for its approval appropriate Key Performance Indicators (KPIs) for the Executive Directors at the beginning of each Financial Year;

• The Committee will at the end of each financial year recommend to the Board for approval, the performance levels for the Executive Directors against the KPIs set at the beginning of the year.

• Remuneration Policy:

- The Committee will determine and agree with the Board the policy for the remuneration of the Executive Directors. No Director or Executive shall be involved in any decisions as to their own remuneration;

- The Committee will advise the Board as to the Shareholder approvals required in respect of all elements of remuneration;

- In determining remuneration packages and arrangements of the Executive Directors, the Committee will give due regard to any relevant legal requirements, the provisions and recommendations in the Labour Relations Act (as amended); Employment Equity Act (as amended); PFMA (as amended); King IV (as amended); Shareholder Compact and the Mol;

- In determining the policy, the Committee will take into account all factors, which it deems necessary.

• The objective of the policy will be to:

- provide competitive rewards to attract, motivate and retain highly skilled executives;

- apply demanding KPIs including financial and non-financial measures of performance;

- link rewards to the creation of value to the Shareholder; and

- limit severance payments on termination to pre-established contractual arrangements that do not commit the Group to making unjustified payments in the event of non-performance;

• The Committee will review the ongoing appropriateness and relevance of the Remuneration Policy in relation to the Executive Directors;

• The Committee shall be provided with all the information it requires to make its determinations and recommendations. Consideration shall be given both to external and internal sources of comparative information on remuneration;

• The Committee shall be provided with external market information to enable comparisons between the reward structures and levels applicable to Executive Directors of the Corporation and those applicable to their counterparts in organisations of a similar size and complexity in comparable business sectors;

• The Committee may seek independent legal or other professional advice at the Corporation's expense, to secure the attendance of external advisors at its meetings if it considers necessary, and to obtain



Creating opportunities for growth with the deployment of Interns.

reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations;

- The Committee shall consult with the GCEO, CFO, COO and the GE: Human Resources;
- When appropriate, the Committee shall request and consider reports and presentations by the Audit and Risk Committee; or the Social and Ethics Committee;
- Information on the remuneration of Executive and Non-Executive Directors shall be disclosed in the Annual Report in accordance with statutory requirements and generally accepted codes of corporate governance.

Governance

The Committee will:

- Develop, evaluate and review the corporate governance structures, policies, practices and procedures of the Corporation and ensure that such structures, policies, practices and procedures as the Committee deems to be in keeping with the tenets of good corporate governance are implemented;
- Regularly review and evaluate the balance of skills, knowledge and experience and performance and effectiveness of the Board and its Committees, make recommendations to the Board with regard to any adjustments that it considers appropriate, and approve the section in the Annual Report dealing with the performance of the Board;
- Receive periodic reports on membership, and review Annual Reports on the effectiveness, of the Boards of subsidiaries within the Group;
- Establish and ensure implementation of an induction programme for new appointees to the Board;
- Approve a performance and evaluation measurement framework to monitor the effectiveness of the Board, Board Committees, individual Directors, the GCEO, CFO and COO;

- Review and, where appropriate, make recommendations to the Board about actual or potential conflicts of interest affecting any Member of the Board, carry out an annual review of declarations of conflicts of interest by the Board, and approve a report to the Shareholder on how the Corporation's Policy on Conflicts of Interest has been applied during the year;

- Prevent any Human Capital practices that will result in unauthorised, irregular, fruitless and wasteful expenditure and losses from criminal conduct and expenditure not complying with legislation;

- Ensure compliance with the relevant and applicable labour related legislation;

- Facilitate the formulation and monitoring of the Corporation's transformation agenda, strategy and policies in line with guiding regulatory frameworks and related industry standards, the Corporation's mandate and approved strategies;

- The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide, with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee's responsibilities should remain flexible, to best react to changing conditions and to be in the best position to assure the Board and stakeholders of the Corporation that the Corporation's governance principles, policies, standards and practices optimally assist the Board and the Corporation's management to promote the best interests of the Corporation effectively and efficiently by appropriately balancing the interests of its stakeholders:

- relevant knowledge and proficiency to be effective in its role;

- independence from management and other stakeholders and its accountability to the Shareholder;

- empowerment to make decisions and act independently of management and other Corporation stakeholders;

- diligence and attentiveness in applying governance best practices and responding to the requirements of the business;

- involvement in setting the Corporation's strategy and monitoring its execution;

- oversight and monitoring of management, and planning for management succession;

- focus on strategic critical success factors (the most critical issues and risks);

- the appropriateness and clarity of allocated roles and responsibilities between the Board and management;

- the adequacy and quality of access to valid information, employees, experts and witnesses, the Shareholder, and other stakeholders, in a timely manner;

- the structure of the Board and the definition of its Committees;

- the effectiveness of the Board's structure and business processes;

- the ongoing evaluation of the appropriateness of each of the Committees' Terms of Reference;

- the performance of the Committees relative to their ToR;

- the Board's performance;

- the annual assessment of the Committee's performance by the Board and any self-assessments;

- the improvements based on findings from all Board and Committee performance assessments; and

- new or special Committees of the Board that may be necessary to properly address ethical, legal and/or other matters that may arise.

Strategy Oversight

The Committee will:

- Ensure that there is rigorous probing of strategic plans and investment proposals, by asking 'what if' and 'why not' questions, and by challenging the assumptions underlying strategy;

- Ensure that a proper strategic planning process is implemented;

- In conjunction with the Board, set the parameters within which Management develops strategy, which may include ensuring that short-term and longer-term strategies are balanced and that it provides a platform for sustainability;
- Ensure that the strategies are aligned with the purpose of the business, the prevailing culture and ethics and the interests of the SABC's stakeholders; and
- Institute regular and formal Board strategy reviews or strategy audits and examine progress towards the predetermined objectives and evaluate current performance in the light of these predetermined objectives.

Ten Committee meetings were held during the financial year.

The attendance of members at the Governance and Nominations Committee meetings is reflected below:

Governance and Nominations	Total
Mr B Makhathini (Chairperson)	8
Ms M Mohlala-Mulaudzi	9
Adv B Lekalakala	10
Prof S Cooper	10
Ms M Papayya	8
Mr DK Mohuba ¹	9
Dr M Socikwa ²	2
Ms J Patel ³	2

¹ Joined 31 May 2021

² By special invitation

³ By special invitation

Human Resources and Remuneration Committee

The Committee comprises four independent Non-Executive Directors and is chaired by an independent Non-Executive Director.

The roles and responsibilities of the Committee include:

The Committee will:

- Ensure that the structure, size, composition, skill sets, and performance of the Corporation are regularly reviewed and maintained at levels which are appropriate;
- Ensure that appropriate succession planning is in place for the Group Executives;

- Monitor the extent to which Human Resources practices and conditions of employment are being adhered to; and
- Evaluate succession-planning arrangements for Group Executives, to ensure that these are orderly and calculated to maintain an appropriate balance of diversity, skills, knowledge and experience.

Conditions of Employment and Benefits

- The Committee shall, on behalf of the Board:
 - Approve conditions of employment and all benefits applicable to the Group Executives and Employees of the Corporation; and the terms and conditions of the severance of employment of such individuals;
 - Approve the general material terms and conditions of employment to be applied for all employees of the Group.

Remuneration

- The SABC will remunerate Members of the Committee according to rates determined by the Minister of Communications and Digital Technologies.
- The remuneration in respect of the following categories of employees will be considered by the Committee:
 - review the specific application of the Remuneration Policy with regard to Group Executives and make a recommendation to the Board for approval;
 - the remuneration of the General Managers and Heads of Business Units will be determined by the Group Chief Executive Officer, within the ranges laid down by the Committee and recommended to the Committee for approval;
- The Committee will assist the Board in its oversight of:
 - the Remuneration Policy and its specific application to the Group Executives and its general application to all Group employees;
 - the review of the remuneration philosophy and strategy of the Group;
 - the adoption of annual and short-term incentive plans;

- the determination and approval of levels of reward to the Group Executives;
- applicable legal and regulatory requirements associated with remuneration matters;
- the preparation of the Remuneration Report to be included in the Group's annual report; and
- the communication to the Minister of Communications and Digital Technologies on the Remuneration Policy and the Committee's work on behalf of the Board.
- Management information:
 - The Committee shall be provided with all the information it requires to make its determinations and recommendations. Consideration shall be given both to external and internal sources of comparative information on remuneration;
 - The Committee shall be provided with external market information to enable comparisons between the reward structures and levels applicable to Executives of the Corporation and those applicable to their counterparts in organisations of a similar size and complexity in comparable business sectors.
- Remuneration Policy
 - the Committee will determine and agree with the Board the policy for the remuneration of the Group Executives;
 - in determining remuneration packages and arrangements, the Committee will give due regard to any relevant legal requirements, the provisions and recommendations in the Labour Relations Act (as amended); Employment Equity Act (as amended); Public Finance Management Act (as amended); the Shareholder Compact and the MoI;
 - in determining the policy, the Committee will take into account all factors, which it deems necessary;
- The objective of the policy will be to:
 - provide competitive rewards to attract motivate and retain highly skilled employees;
 - apply demanding key performance indicators (KPIs) including financial and non-financial measures of performance;

- link rewards to the creation of value to the Shareholder;

- ensure remuneration arrangements are equitable and facilitate the deployment of human resources around the Group;

- limit severance payments on termination to pre-established contractual arrangements that do not commit the Group to making unjustified payments in the event of non-performance;

- the Committee will review the ongoing appropriateness and relevance of the Remuneration Policy;

- the Committee will review and note annually the remuneration trends across the Group and in particular, compare the trends in base pay for senior management to that of all Group employees; and

- the Committee will oversee any major changes in employee benefit structures throughout the Group.

• Retirement Benefits

- recommend to the Board the approval of general retirement policies of the Group and any changes in such policies or to the rules of the retirement funds.

• Human Resources Policies

- consider and recommend to the Board the Human Resources Policies and review the prevailing industrial relations policies and the Corporation's strategies in respect thereof in order to ensure that the appropriate policies are applied.

Four Committee meetings were held during the financial year. The GCEO, COO, CFO and

other relevant corporate officials attended the meetings by invitation.

The attendances of Members at these meetings is reflected below:

Human Resources and Remuneration	Total
Adv M Lekalakala (Chairperson)	4
Mr DK Mohuba	4
Ms J Patel	4
Mr D Maimela	4
Mr MT Mxakwe	4
Ms Y van Biljon	4
Mr I Plaatjes	4

Public Broadcasting Services Committee

The Public Broadcasting Services Committee comprises four independent Non-Executive Directors. The Committee is chaired by an independent Non-Executive Director.

The role of the Committee is to ensure that the SABC delivers on its obligations as provided for in the Public Broadcasting Service Charter of the Corporation. Public Services must:

- Be made available to South Africans in all the official languages;
- Reflect both the unity and diverse cultural and multilingual nature of South Africa and all of its cultures and regions to audiences;
- Strive to be of high quality in all of the languages served;
- Provide significant news and public affairs programming, which meets the highest

standards of journalism, as well as fair and unbiased coverage, impartiality, balance and independence from government, commercial and other interests;

- Include significant amounts of educational programming, both curriculum-based and informal educative topics from a wide range of social, political and economic issues, including, but not limited to, human rights, health, science, early childhood development, agriculture, culture, technology, religion, justice and commerce, and contribute to a shared South African consciousness and identity;
- Enrich the cultural heritage of South Africa by providing support for traditional and contemporary artistic expression;
- Strive to provide a broad range of services targeting, particularly, children, women, the youth and the disabled;
- Include programmes made by the Corporation as well as those commissioned from the independent production sector;
- Include national sports programming as well as developmental and minority sports;
- Review the Sports Broadcasting Rights.

Seven Committee meetings, which included one Special Joint PBS/PCS and Technology Committee meeting, and a two-day Programming Summit, were held during the financial year. The GCEO, COO, CFO and other relevant corporate officials attended the meetings by invitation.

The attendance of Members at these meetings is reflected below:



TVOB units behind the scenes.

PBS	Total
Prof S Cooper (Chairperson PBS)	7
Ms M Mohlala-Mulaudzi	6
Ms M Papayya	7
Mr M Markovitz	7
Mr DK Mohuba ¹	1
Mr D Maimela ²	3
Mr MT Mxakwe	7
Ms Y van Biljon	7
Mr I Plaatjes	7

¹ Stepped down on 31 May 2021

² Stepped down on 31 May 2021

Public Commercial Services Committee

The Public Commercial Services Committee comprises four independent Non-Executive Directors. The Committee is chaired by an independent Non-Executive Director.

The role of the Committee is to ensure that the SABC delivers on its obligations as provided for in the Public Commercial Service Charter of the Corporation. Commercial Services must:

- Be subject to the same policy and regulatory structures as outlined in the Act for commercial broadcasting services;
- Comply with the values of public broadcasting service in the provision of programmes and service;
- Commission a significant amount of their programming from the independent sector;

- Subsidise the public services to the extent recommended by the Board and approved by the Minister of Communications and Digital Technologies; and
- Be operated in an efficient manner to maximise the revenues provided to its shareholder.
- Report to the Board on the extent to which the commercial service division has achieved its objectives during the relevant period;
- Ensure that the public broadcasting services provided by the Corporation comply with the provisions of Section 11 of the Broadcasting Act, in that they:
 - are operated in an efficient manner to maximise the revenue provided to its shareholder;
 - subsidise the public broadcasting services to the extent recommended by the Board and approved by the Minister of Communications and Digital Technologies;
 - account separately from the public broadcasting division and keep proper and accurate books and records of the financial affairs of the commercial service division as required by the Broadcasting Act;
 - prepare audited annual financial statements in respect of the commercial service division, separately from those of the public broadcasting services, in accordance with international financial reporting standards;

- commission a significant amount of programming from the independent production sector to, inter alia, encourage development of the local industry;
- comply with the overall values of a public broadcasting service in the provision of programmes and service, and comply with the values set out in Section 10(1) of the Broadcasting Act, notwithstanding the fact that the PCS division exists as a commercial division of the Corporation.
- Identify key performance indicators and effectively monitor the PCS division's implementation of these agreed indicators;
- Consider and recommend to the Board the approval of any transaction (business plan; work plan or policies) which falls within its authority, and which has been submitted to it for consideration by the Group Executive Committee (EXCO);
- Ensure that all transactions recommended by it to the Board for approval are in line with the corporate goals, that they fulfil the Broadcasting Act objectives to maximise revenue and increase shareholder value, that they comply with the values of a public broadcasting service and have been budgeted for;
- Consider and approve any transaction (business plan; work plan, sports programming and production rights), which falls within its authority, above R100 million up to R200 million, and which has been submitted to it for consideration by the EXCO;



SAfm engages SABC leadership and stakeholders during the World Radio day debate.

- Convey to the Board immediately any concern or issue of significance which in the view of the committee may impact negatively on the broadcast operations of the public commercial services and provide guidance to the Board on the most appropriate manner in which to resolve the matter;
- Consider the impact of all transactions presented to it on the financial viability of the Corporation, including but not limited to whether the transaction has been provided for in the budget;
- Request the Executives to provide any information if the Committee believes that such information will assist it in making a judicious decision on behalf of the Corporation;
- Recommend to the Board the approval of the PCS scheduling and programming strategy;
- Review the ICASA reports, in conjunction with FIPCOM (Finance, Investment and Procurement Committee) and make necessary recommendations to the Board; and
- Advise the FIPCOM (Finance, Investment and Procurement Committee) on purchasing decisions which relate to PCS in accordance with the Delegation of Authority Framework (DAF).

Seven Committee meetings, which included one Special Joint PBS/PCS and Technology Committee meeting, and a two-day Programming Summit, were held during the financial year. The GCEO, COO, CFO and other relevant corporate officials attended the meetings by invitation.

The attendance of Members at these meetings is reflected below:

PCS	Total
Ms M Mhlahla-Mulaudzi (Chairperson PCS)	6
Prof S Cooper	7
Mr DK Mohuba ¹	1
Mr M Markovitz	7
Ms M Papayya	7
Mr D Maimela ²	3
Mr M T Mxakwe	7
Ms Y van Biljon	7
Mr I Plaatjes	7

¹ Stepped down on 31 May 2021

² Stepped down on 31 May 2021

News and Editorial Committee

The News and Editorial Committee comprises three independent Non-Executive Directors and is chaired by an Independent Non-Executive Director.

The primary role of the Committee is to assist the Board in setting the editorial policies of the Corporation, having regard to the need to ensure the editorial integrity of news and current affairs programming presented by the Corporation. The Committee must ensure that the SABC produces accessible, accurate, compelling, professional and authoritative news, current affairs and other programming that is fair, balanced and in line with its editorial policies and regulations. Defend the editorial independence of the News Division and encourage the pursuit of excellence of the highest professional standards.

The duties and responsibilities of the Committee are to:

- Report to the Board on the extent to which the News Division has achieved its objectives during the relevant period;
- Oversee a consultative process to develop policies for consideration by the Board on news and current affairs, programming, which aim to ensure that the news and current affairs programming, presented in all official languages, promotes the values of democracy, non-racialism, nation building, and empowerment, for approval by the Board;
- editorial direction of the Corporation and to set editorial policies in line with the corporate goals;
- Assist the Board to preserve the Corporation's editorial independence and integrity and ensure that the Corporation does not allow advertising, commercial, political or personal considerations to influence its editorial decisions;
- Oversee the review of editorial policies of the Corporation from time to time to ensure that they remain appropriate to the operational needs of the Corporation and

the fulfilment of the statutory and regulatory obligations and mandates of the Corporation;

- Acquaint itself with its role as set out in all the Corporation's relevant governance instruments and provide clear direction to the Board and the News Division;
- Identify key performance indicators and effectively monitor management's implementation of these agreed indicators;
- Consider and recommend to the Board the approval of any matter (e.g. work plan or policies) which falls within its authority and which has been submitted to it for consideration by the Group Executive committee;
- Ensure that all transactions recommended by it to the Board for approval are in line with the corporate goals, that they fulfil the public broadcasting mandate set out in §10 of the Broadcasting Act and comply with the values of a public broadcasting service; and
- Convey to the Board immediately any concern or issue of significance, which in the view of the committee may impact negatively on the operations of the public broadcasting service and provide guidance to the Board on how it must be dealt with.

Five Committee meetings were held during the financial year. The GCEO, COO, CFO and other relevant corporate officials attended the meetings by invitation.

The attendance of Members at these meetings is reflected below:

News and Editorial	Total
Ms M Papayya (Chairperson)	5
Prof S Cooper ¹	1
Mr DK Mohuba ²	1
Mr M Markovitz ^{1&2}	2
Mr D Maimela ³	4
Dr M Socikwa	5
Mr M T Mxakwe	5
Ms Y van Biljon	5
Mr I Plaatjes	5

¹ By Invitation

² Stepped down on 31 May 2021

³ Joined on 31 May 2021

Social and Ethics Committee

The Social and Ethics Committee comprises four independent Non-Executive Directors and is chaired by an independent Non-Executive Director.

The role and function of the Committee is to monitor/oversee the Corporation's activities, having regard to any relevant legislation, other legal requirements, or prevailing codes of best practice, with regard to matters relating to the following functions:

- The Social and Economic Development goals of the Corporation, including the Corporation's standing in terms of the goals and purposes of the ten principles set out in the United Nations Global Compact Principles (UNGCP) are an integral part of the business strategy, day-to-day operations, and organisational culture;
- The UNGCP are incorporated in the decision-making processes of the Board;
- The Corporation advances the UNGCP and the case for responsible business practices through advocacy and outreach to peers, partners, clients, consumers, and the public at large;
- Reviewing and making recommendations to the Board with respect to the Corporation's Social Economic Development;
- Monitoring Social Economic Development Initiatives;
- The Committee has the mandate to assist the Board in discharging its responsibility to ensure that Broad-Based Black Economic Empowerment (B-BBEE) is pursued and implemented throughout the SABC;
- The Committee shall review the Corporation's standing in terms of the goals and purposes of the promotion of equality and the prevention of unfair discrimination;
- The Committee will review the SABC's standing in terms of its support of the four strategic objectives in respect of the International Labour Organization Protocol on decent work and working conditions;
- Monitoring the SABC's employment relationships, and its contribution toward the educational development of its employees;

- Reviewing recommendations on ethical matters made by Management or other external sources and to make recommendations to the Board whether, and if so, to what extent, these should be applied to the SABC;
- In conjunction with the Audit and Risk Committee, the Committee oversees and reviews the anti-corruption and bribery practices;
- Reviewing the policies and processes for managing non-financial risks affecting the business, including relationships with stakeholders (principally colleagues, partners, customers, local communities, non-governmental organisations, regulators, shareholders and suppliers), and the impact of the SABC's activities on its general business reputation;
- The Committee shall promote environmental policies that relate to the activities where the SABC has its most significant environmental impacts in respect of energy management and climate change, water quality, resource productivity (including leakage and waste); and
- In conjunction with the Audit and Risk Committee review and make recommendations to the Board with respect to the SABC's Health and Safety Policies and review the procedure for reporting and investigating accidents, incidents and accidents at work.

Five Committee meetings were held during the financial year. The GCEO, COO, CFO and other relevant corporate officials attended the meetings by invitation.

The attendance of Members at these meetings is reflected below:

Social and Ethics	Total
Ms M Mohlala-Mulaudzi (Chairperson)	4
Prof S Cooper	5
Mr J Phalane	5
Mr DK Mohuba ¹	5
Mr M Mxakwe	5
Ms Y van Biljon	5
Mr I Plaatjes	5

¹ Joined 31 May 2021

Special Committee

The Special Committee comprised three independent Non-Executive Directors and was chaired by an independent Non-Executive Director.

The role and function of the Committee was to adjudicate the Grievance lodged against the Chairperson of the Board, with the objective and the Terms of Reference included below.

- The objective of the Special Committee was to deal with grievances in accordance with the provisions of the Procedure and in line with the principles of fairness and objectivity in that the Committee must:
 - consider the grievance against the Chairperson of the Board and request that it be made under oath or affirmed statement in an affidavit form;
 - evaluate the allegations made against the Chairperson to determine whether the allegations made in the grievance constituted prima facie acts of misconduct and thereafter deal with the matter in line with the Provisions 8 to 18 of the Procedure, and 2 3.1.2 if it was determined that the allegations in the grievance constituted prima facie acts of misconduct, request that the Chairperson respond to the grievance under oath or affirmed statement in affidavit form.
- The Terms of Reference of the Special Committee included and were limited to the allegations made against the Chairperson of the Board:
 - investigating the nature, prevalence, merits and veracity of all allegations and/or grievance(s) and/or complaints made by the GE: News against the Chairperson of the Board;
 - establishing the factors and/or mechanism that enabled the alleged transgressions;
 - establishing whether there was evidence to substantiate allegations made;
 - evaluating the substance of all allegations/grievances/complaints;
 - reviewing any/all submissions made in respect to the allegation(s) and/or grievance(s);

- making factual findings and conclusions based on evidence/testimony presented;
- conducting interviews, a review of submissions, and a review of applicable supporting documents;
- playing an inquisitorial role;
- interviewing any person that was mentioned in the allegations, and invite any additional witness, if need be, to determine the veracity of the allegations;
- The Committee must prepare a written report setting out in detail the methodology adopted, the findings, conclusions and recommendations to the Board on the steps to be undertaken on the matter.

In conclusion, the Special Committee did not believe that the Chairperson's actions in this matter constituted misconduct as envisaged in the Policy Document read together with section 15 of the Broadcasting Act No 4 of 1999, nor was it furnished with any information that pointed to any contravention of the Editorial Policy and/or related documents by the Chairperson. Furthermore, the Special Committee did not find anything indicating that Ms Magopeni's power to make a final decision in regard to editorial decisions was threatened, usurped or compromised in any way.

Two Committee meetings were held during the financial year.

The attendance of Members at these meetings is reflected below:

Special	Total
Mr J Phalane (Chairperson)	2
Prof S Cooper	2
Ms J Patel	2

Directors' Remuneration

Non-Executive Directors receive fees for their contribution to the Board and the Committees on which they serve. The Shareholder determines the rate. Non-Executive Directors are also reimbursed for out-of-pocket expenses incurred on the Corporation's behalf.

Further information on Directors' remuneration appears on pages 148 to 149.

Company Secretarial Function

Directors have unrestricted access to the advice and services of the Company Secretary as well as the Secretariat Department. The Directors are entitled to obtain independent professional advice at the SABC's expense should they deem this necessary. The Company Secretary, together with other

assurance functions, monitors the SABC's compliance with the requirements of the PFMA, Companies Act and other relevant legislation.

Reporting to Stakeholders

In order to present a balanced and understandable assessment of its position, the SABC continuously strives to ensure that reporting and disclosure to stakeholders are relevant, clear and effective. It places great emphasis on addressing both positive and negative aspects to demonstrate the long-term sustainability of the organisation. The King IV™ Report is used in compiling the annual report.

Stakeholder Relations

In addition to the interests of the government as shareholder, the SABC recognises the legitimate interest of specific government departments, employees, consumers, suppliers, the media, policy and regulatory bodies, trade unions, non-governmental groups and local communities in its affairs. Communication and interaction with stakeholders are ongoing during the year and are addressed through various channels depending on the different needs of the various stakeholders.



On-air presenters during 5fm Vaxxed Up initiative.

The 2021/22 financial year has been a challenging year for Group Internal Audit (GIA) having to complete the planned audits under constraints caused by the Covid-19 pandemic, contend with the vacancies, at the same time undergoing an external quality assurance review.

Establishment and mandate of the GIA are outlined in the PFMA section 50(1) (a) (ii) and the GIA complies with section 76 and 77 of the Act. During the financial year (financial year) GIA operated in line with the reviewed Internal Audit Charter, duly approved by Audit and Risk Committee (ARC). However, it is exciting to note the exceptional performance for the year.

External Quality Assurance Review

In line with the requirements of the Institute of Internal Auditors (IIA) standards of Professional Practice and the GIA Quality Assurance and Improvement Program (QAIP) an external quality assurance review was conducted in financial year 21/22. The assessment concluded that SABC Internal Audit "Generally Conforms" with the Standards and the IIA Code of Ethics. This level of conformance is the top rating and demonstrates a clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing (Core Principles) and the Definition of Internal Auditing.

The QAR highlighted the following successful Internal Audit practices:

- The Internal Audit Charter is updated on annual basis and approved by the ARC.
- The Chief Audit Executive (CAE) attends Executive Committee (Exco) meetings and provides valuable advice in the meetings.

- GIA considers the use of technology and other data analytics techniques for each project
- The organisation encourages staff to become certified professionals by paying for their studies towards attaining these qualifications.

Internal Audit Annual Plan

GIA is pleased to report the following performance against the annual plan approved by the ARC:

Annual Performance against the plan	No
Planned audits	50
Outstanding audits	4
Ad-hoc management requests	3
Total audit projects	57
Annual Performance	
Projects completed	44
Ad-hoc projects completed	3
Work in progress	-
Projects deferred	6
Projects carried over from previous plan	4
Total Audit projects	44
Percentage of execution on planned projects	88%
Overall percentage of execution	89%

There has been a strong indication that GIA has contributed significantly to the efficient and effective operations of the SABC by making positive contributions through providing assurance on risk management efforts, control systems, and governance processes. Eighty-nine percent (89%) progress was achieved against the approved Internal Audit Annual Plan for financial year 21/22.

Duplication of efforts among assurance providers was avoided by applying the principles of combined assurance.

Forensic Audit Services and Fraud Prevention

SABC has adopted a zero-tolerance attitude towards fraud and as such, established a policy and processes to report suspected dishonest or fraudulent activities and unethical behaviour with the aim of identifying and investigating the suspected cases of defalcations, misappropriations, and other financial and compliance irregularities and assigned responsibilities to GIA (forensic division) employees to handle these cases under the supervision of the Chief Audit Executive.

Consequently, 11 Cases were reported and recorded in the forensic case register for the year 2021/22 while 20 Forensic investigations were planned to be finalised by 31 March 2022. 20 investigations (100%) were completed resulting in overall performance of achieved or overachieved. Twelve (12) forensic viewpoint communications were planned and 12 were issued, resulting in an overall performance of 100% for the year under review.

Implementation of GIA Recommendations

GIA provided adequate visibility and assurance to management regarding the status of recommendations, with appropriate involvement by the audit and risk committee and this process ensured the appropriate implementation of recommendations to address the control deficiencies identified by the auditors. As at end of March 2022, 77% (Resolved and Completed) of action plans to address Internal Audit findings were implemented for head office and regional offices which is a significant improvement compared to prior years. GIA conducted follow ups as continuous monitoring and this proved to be a good way to persuade man-

Group Internal

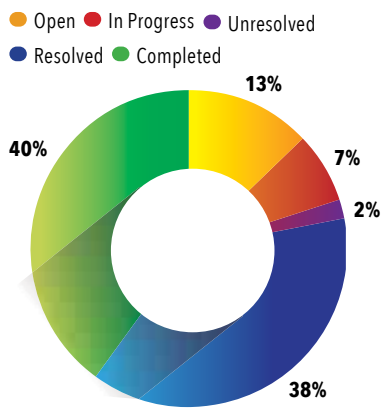
Audit

agement on implementation of GIA recommendations, timely implementation of recommendations is crucial to the turnaround of the SABC and improvement of the internal control environment.

Assessment of the Internal Control Environment (Overall)

The Board, through management, is responsible for the establishment of system of internal control and must set in place policies and procedures to ensure that internal controls are strong and functioning appropriately, to effectively respond and mitigate risks to the delivery of objectives across the SABC.

GRAPH: Implementation of IA recommendations



The Board and management's progress on the remediation of outstanding audit issues is reasonable and there are no instances in which GIA believes the Board and management have accepted unreasonable levels of risks.

Consulting Services and IA as a Strategic Partner

GIA positioned itself as a strategic business partner and management advisor. Results of surveys have indicated that the CAE contributed immensely as a trusted business advisor at executive level providing strategic direction and advice on compliance with legislation and general finance and accounting standards. Proactive assurance was provided to management in the areas of data protection and privacy, cyber security awareness and incident management and business continuity processes.

Staff Size, Experiences and Professional Development

As a result of the section 189 and Target Operating Model, the GIA organisational structure was reduced to 15 with two positions; Specialist: Performance Audit and Digital Forensics specialist remaining unfilled. The current staff consists of highly qualified and experienced audit professionals with qualifications such as MBA, Chartered Accountant CA(SA), Certified Internal Auditor (CIA) [4] Certified Information Systems Auditor (CISA) [3], Certified Fraud Examiner (CFE) [3] Certified Information Security Manager (CISM)[1] and Registered Government Auditor (RGA).



SABC employees working behind the scenes during key broadcasts to ensure we achieve our mandate and objectives.

Enterprise Risk Management

The Public Finance Management Act (PFMA) was enacted in 1999 with the primary purpose of securing sound and sustainable management of the financial affairs of government bodies. Responsibilities of the SABC's Group Chief Executive Officer, as the Accounting Officer specifies, that he/she is responsible for managing the financial administration of the SABC. Included in this duty is the maintenance of an effective, efficient, and transparent system of enterprise risk management.

Furthermore, the King IV Code of Corporate Governance for South Africa™ (King IV™) states that enterprise risk management should be practised throughout the organisation by all staff in their day-to-day activities.

Over and above PFMA and King IV the SABC's Enterprise Risk Management discipline is guided by the International Organisation of Standardisation, ISO 31000:2018 – Risk Management Principles and Guidelines on Implementation. International Organization for Standardization (ISO: 31000: 2018). The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies (ISO member bodies). ISO states that managing risk is based on the principles, framework, and process.

The SABC has in the financial year 2021/22 implemented a revised Enterprise Risk Management Policy, Framework and Strategy. The purpose of implementing these instruments is to increase risk integrated thinking and to broaden and increase risk awareness culture at the SABC.

The Enterprise Risk Management Policy sets out the overall philosophy, principles, requirements, and responsibilities for a sound approach to risk management within the SABC.

The Enterprise Risk Management Framework describes the SABC's risk management approach, monitoring, reporting, and guides the implementation of the risk management principles in a uniform manner across the

SABC. It also seeks to set the tone from the top and emphasises that the management of risk is everyone's responsibility in the Corporation.

The Enterprise Risk Management unit identifies, assesses, monitors, and evaluates the design and implemented of strategies and processes by which those risks can be managed by individual divisions. Strategies were continually reviewed to ensure that risks identified have been mitigated to an acceptable level.

Risks have been assessed in context with the achievement of the SABC objectives, as contained in the Strategic Imperatives. Strategic risks and their mitigation strategies are evaluated and monitored at both Board and Executive level. Where applicable, strategic risks have been rolled down to an operational level, and collectively each Business Unit throughout the SABC has a role to play in managing and mitigating these risks.

Governance and Internal Controls

In accordance with the Public Finance Management Act (PFMA), Section 51 (1) (a) (i), read with Treasury Regulation 27, the accounting authority must ensure that the South African Broadcasting Corporation SOC Limited (SABC) has and maintain an effective, efficient, and transparent system of financial, risk management and internal controls.

The Board has the ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. The controls throughout the SABC focus on critical risk areas identified by risk management, confirmed by executive management, and endorsed by the internal auditors. The controls are designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

Organisational policies, procedures, structure, and approval frameworks provide direction, accountability and segregation of responsibilities and contain self-monitoring

mechanisms. The SABC has continued to implement and maintain an adequate and effective control environment through the Implementation of Internal Control programme which supports strategic and operational goals.

To this end the SABC has established a dedicated internal controls unit and steering committee to implement Project Qalisa. This is a special project intended to identify deficiencies in internal controls, recommend remedies, as well as monitor and evaluate the implementation of remedial action pertaining to internal controls deficiencies within various departments. It is a multi-year project reporting regularly through its committee to the Executive Committee and the Board.

Compliance Management

The SABC has a Compliance and Policy Management unit that ensures compliance with all applicable legislation, regulations, and the Constitution of the Republic of South Africa, 1996. This is achieved through the identification, monitoring, and implementation of Compliance Risk Management Plans by individual divisions to ensure regular and consistent adherence to and application of relevant legislation and regulations.

The Compliance and Policy Management unit oversees the Conflict-of-Interest Policy applicable to all SABC employees and the Board by ensuring that it is regularly updated and socialised with the SABC. In addition, the unit also monitors, communicates, and reports on the annual disclosures of interests by all SABC employees and the Board. This policy is part of the overall SABC Code of Business Conduct and Ethics ensuring that all SABC activities are conducted ethically, legally and in accordance with good corporate governance principles.



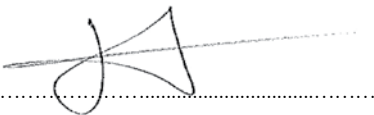
Compliance
with Laws and Regulations

Anti-Fraud and Corruption

The SABC Board has adopted an Anti-Fraud and Corruption Policy which is regularly monitored and updated by the SABC Governance unit. This policy is underpinned by an Anti-Fraud and Corruption Framework which establishes mechanisms through which fraud and corruption is detected and removed. To this end the SABC has established an anonymous and independent hotline for the disclosure of any malfeasance within the organisation. In accordance with the Protected Disclosures Act, 2000, the Board has approved a Whistle Blowing Policy to ensure the proper management of protected disclosures as well as the protection of whistle-blowers.

*Report by
the Company
Secretary*

In my opinion, as Company Secretary, I hereby confirm that, in terms of the Companies Act No. 71 of 2008, for the year ended 31 March 2022, the South African Broadcasting Corporation SOC Limited, has lodged with the Registrar of Companies all such returns as required of a public company in terms of the Companies Act, and all such returns are true, correct and up to date.



Ms Lindiwe Bayi
Company Secretary



SABC Covid-19 self declaration APP.

The SABC is committed to providing and maintaining a workplace that is safe and without hazards to the health of the employees.

Management of the SABC together with Management of the SABC together with the employees are working together to ensure that the wellbeing of the employees, visitors, contractors, and the public at large is protected, and environmental and property damage is prevented.

The commitment was clearly seen when the Group Executive Officer appointed all the GEs under section 16 (2) of the Occupational Health and Safety. These 16 (2) appointees, collaboratively, appointed a total of 226 SABC employees to advance the organisation's health and safety intent. At this point, 67% of the employees appointed in OHS roles have already received training.

The Corporation also appointed two more safety officers, and the function of the OHS Team covers the provincial offices. The provincial offices appointed Building and OHS Inspectors to strengthen their position in Occupational Health and Safety.

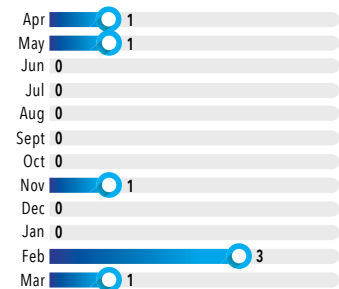
A total of seven (7) injuries on duty (IOD) were reported across the organisation for the 2021/22 fiscal year. The number of workplace injuries and illnesses shows a downward trend from the past three budget years, starting from 27 incidents in 2019/20, followed by 15 during 2020/21 and lastly seven in 2021/22 fiscal year. From the below comparative trend chart, the IODs (reported and not reported) during this period under review, are fewer by eight incidents, representing a 46% reduction from the same period last year.

To ensure that our function as an OHS Department is effectively executed, we are audited on annual basis, and we do the same with the provinces. During this period under review, an improvement was registered in the effort to address the safety gaps

that were identified during OHS legal compliance audit. By the end of the fiscal year, 83% of the audit findings were successfully addressed by the OHS Team in collaboration with other stakeholders. The corporation also exhibited excellent contractors' safety management approach, with zero incidents on contractors working on our sites, due to a generic focus on safety.

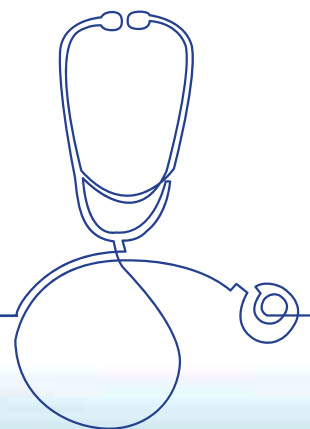
Improvements has been seen in areas like the implementation of a risk assessment programme, which has seen even the provinces benefit from conducting baseline risk assessments. Approval of the Auckland Park Emergency Response Plan bolstered the effort to make the workplace safer. Health and Safety Representatives for the whole organisation have been appointed and training has started. Projects to address technical challenges have started to roll out. Covid-19 was effectively managed, the disaster management regulations were fully complied with, and all the required documentation was submitted on time to the relevant authorities.

GRAPH: Injury on Duty 2021/22



Health

Safety and
Environmental Issues





The primary objective of Corporate Social Investment (CSI) is to encourage companies to go beyond their core business and invest in projects that they may not necessarily have invested in, and which bring long-term benefits to communities in which they operate.

The SABC's CSI initiatives for the period under review were based on this premise and thus were able to yield the intended results, by fostering social cohesion and nation building, while delivering on the public service mandate of informing, educating, and entertaining the citizens of South Africa and beyond. This past fiscal year, the SABC drove several CSI initiatives aimed at addressing South Africa's triple challenge of poverty, unemployment, and inequality.

Public Service Announcements

Public Service Announcements (PSAs) serve the purpose of disseminating messages that are of public interest, with the objective of raising awareness and changing public attitudes and behaviour towards, a social issue. During the period under review, the SABC flighted PSAs for the following Non-Profit Organisations (NPOs):

- Cancer Association
- LIFELINE SA
- TEARS Foundation
- Rare Diseases
- Reach for a Dream
- National Sea Rescue Institute

These six organisations deal with some of the most critical and challenging societal issues that plague the country, which include, but are not limited to, Gender-based Violence (GBV), as well as health related matters.

Orphans and Vulnerable Children

SABC partnered with Gift of the Givers to provide over 300 food parcels to the Lehae La Rona Old Age Day Care Centre and to orphans and vulnerable children living in the community of Botshabelo in the Free State, an area that has high unemployment rate, where many lost their jobs due to the challenges of Covid-19.

The SABC also partnered with the Department of Correctional Service to handover a house to the Zungu siblings from Weenen, KwaZulu-Natal. These siblings were discovered living in squalour by one of the SABC's news and current affairs programmes Expressions, which prompted them to issue a clarion call to stakeholders to pool together their resources and assist the family.





Various CSI initiatives across the SABC brands and divisions.

SABC CSI also supported a Charity Golf Day that was initiated by Good Hope FM, focusing on Orphan and Vulnerable Children. All proceeds of the Charity Golf Day were donated to Hannah's Place of Safety.

SABC Charity Golf Day

The period under review also saw SABC CSI host its inaugural Annual Charity Golf Day in Gqebeqa, Eastern Cape. The aim of the Charity event was to raise funds for survivors of Gender-based Violence (GBV) and formed part of the SABC's contribution to the activities of the 16 Days of Activism Campaign. Yokhuselo Haven in the Eastern Cape was the home chosen for the donation of the day's proceeds.

Donations to Non-Profit Organisations (NPOs)

The SABC Foundation donated funds to five selected NPOs in a ceremony that was held at the SABC. The five beneficiaries of the funds were:

- Gift of the Givers
- Tears Foundation
- Smile Foundation
- Lifeline
- Girls and Boys Town

A total of R 2 million was donated to the NPOs, all five of which are aligned to the SABC CSI pillars.

Back-to-School Campaigns

Back-to-School campaigns are CSI initiatives that take place in the last quarter of the year and aimed at supporting schools and with their needs and supplies at the start of each school year. The SABC's focus was to support school to develop tech skills in line with the government's drive around 4IR. This past fiscal year, three schools in three provinces – Northern Cape, Eastern Cape and Mpumalanga – were selected to receive the donation.

As part of the campaign, the SABC donated 40 laptops to two schools, Monwabisi High School in De Aar (Northern Cape) and DD Siwisa School in Grahamstown in Makhanda region (Eastern Cape).

During the Northern Cape handover SAfm broadcast live from the school, during their 09:00 to 12:00 show and Umhlobo Wenene FM also did live crossings from the school, which was a demonstration of the support for SABC CSI initiatives. During the Eastern Cape leg, Umhlobo Wenene FM was on site and broadcasting live from the school.

At the Back-to-School Campaign in Mpumalanga, the SABC donated another 20 laptops to Silamba Secondary School in Kwa Mhlanga, Mpumalanga, where Ikwekwezi FM had a live broadcast for their 12:00 to 15:00 show. Ikwekwezi FM also took the opportunity to plant trees at the school and SABC Education donated matric study guides books in four different subjects.



Hope is being able to
see that there is
light
despite all of
the darkness.

- Archbishop Desmond Tutu

The Audit and Risk Committee (Committee) presents this report in terms of the requirements of 51(1)(a)(ii) of the Public Finance Management Act No. 1 of 1999, Section 94(7)(f) of the Companies Act and in accordance with the King IV Report on Corporate Governance for South Africa 2016, for the financial year ended 31 March 2022.

Committee Charter

The Committee has executed its roles and responsibilities in compliance with the approved charter, which defines the role of the committee in assisting the Board with the oversight of financial reporting, internal controls, risk management, combined assurance, technology governance and both external and internal audit functions.

Committee Members

The Committee comprises of three independent Non-Executive Directors who were duly elected by the Shareholder Representative at the annual general meeting in line with legislative requirements.

The charter gives the committee the authority to enlist the help of an independent advisor. Professional advice was sought from an

external source who is an expert in financial matters and has solid understanding of accounting principles.

Meetings

The committee convened virtually six times during the financial year, each of which was attended by Executives and relevant assurance providers.

Members' attendance records are disclosed in the Board Committees Section contained in this Annual Report.

The Committee had a rolling agenda which covered standing matters such as Finance, Risk management, Legal, Internal Audit, External Audit, ICT Governance, Pre-determined objectives, Bailout utilisation and Audit action items.

Specific attention was focused on agenda items that were introduced to address the outcome of the audits being internal controls, supply chain management and consequence management.

Separate meetings were held with internal audit and the Auditor-General. This has assisted in building a positive and open relationship with these key assurance providers.

The Committee reviewed the adequacy and effectiveness of SABC's policies and procedures regarding internal control systems by reviewing the work of internal audit, external audit, and regular reports from management including those on risk management, regulatory compliance, ICT governance and legal matters.

The following was reviewed by the Committee and recommended to the Board for approval

- 2021/2022 Audit Committee Terms of Reference

- Policy Management Framework
- Delegated Authority Framework 2021/2022
- Enterprise Risk Management Policy, Framework and Strategy
- Fixed Asset Policy
- Protection of Personal Information Policy
- Fraud and Anti-Corruption Policy
- Quarterly Chief Financial Officer's Report
- Predetermined Objective Report
- Going Concern Assessment
- Reviewed the Audit Action Plan for Submission to the Minister - the remediation actions taken in response to audit findings.
- Annual Report Theme and Concept
- The draft Annual Financial Statements
- Condonations
- The Audit Engagement Letter, Auditor Client Communication Agreement, Fees and Audit Strategy.

The following submissions were reviewed, considered or approved by the Committee:

- 2021/2022 Internal Audit Charter (submitted to the Board for noting)

Audit and Risk Committee

Report



- Internal Audit plan (submitted to the Board for noting)
- Revisions to the Forensic Audit Protocol (submitted to the Board for noting)
- Quarterly Governance and Assurance report
- Quarterly Strategic and Risk Management report
- Quarterly Legal report - litigation dashboard and processes to manage litigation
- Quarterly ICT Governance Report
- The annual financial results
- With both the external auditor and management, the audit approach and methodology applied, in particular to the Key Audit Matters included in the Auditor's Report
- Significant findings of the internal audit department, the external auditor and management's response to their recommendations
- The adequacy and effectiveness of the internal control systems and its accounting, financial reporting and internal audit functions
- External auditor's independence

- Changes in accounting principles and practices proposed by management
- The project plan to bring policies up to date
- Information and matters relating to the Covid-19 pandemic
- Implementation of internal controls
- Status of the bailout utilisation
- Status update on fruitless and wasteful expenditure
- Status update on irregular expenditure
- Status update on consequence management
- Progress report on the implementation of consequence management
- Supply Chain Management Improvement Project
- Progress on Loss Control Committee
- Cost containment reports
- Cost of unfunded mandate report

The Chairman of the Committee, after each committee meeting, reported back to the Board on, discussions held on critical matters and where any issues where action or improvements was required, outcome of deliberations and the committee's recommen-

dations. The Board favourably considered all recommendations of the Committee.

Review of the Financial Statements

The Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report
- Reviewed the Auditor-General of South Africa's management letter and management's response thereto;
- Considered the appropriateness of the material audit matters reported on by the Auditor-General South Africa and notes management's treatment and audit response thereof.
- Ensured that the annual financial statements fairly present the financial position of the SABC at the end of the financial year and the results of operations and cash flows for that period, and considered the basis on which the SABC was determined to be a going concern.

Based on the review, the Committee was satisfied that the Annual Financial Statements were prepared in accordance with applicable accounting standards and fairly present SABC's financial position and results for the year ended 31 March 2022.



The SABC pop-up Covid-19 vaccination site.

Going Concern

The Committee monitored the issues of going-concern that pertains to the viability of SABC in future. In particular the financial challenges were considered. The Committee concurs with the view expressed by management and evaluated by external audit that the adoption of the going concern assumption in the preparation of the annual financial statements is appropriate.

Risks

Enterprise Risk Management governance documents being the Policy, Framework and Strategy were approved during the financial period.

There has been a marked improvement in risk management. A more detailed picture of risks, clearly linked to the SABC's main objectives, and with metrics and measures being developed to provide the Board with more in-depth data on the handling, mitigation and residual level of key risks.

External Audit

The Committee has satisfied itself that the Auditor-General South Africa was independent of the SABC. The Committee approved the engagement letter, audit strategy and budgeted audit fees for the 2021/2022 financial year.

Internal Audit

The internal audit department reports directly to the Committee. The Committee monitored and provided oversight of the internal audit function.

The Committee approved the risk based internal audit plan and ensured that it covers core financial and operational processes within SABC. The Committee received reports on the results of internal audit work. The Committee discussed areas where control improvement opportunities were identified and assessed progress in execution of management actions. Internal audit reports that raised critical issues were directed to the

respective sub-committee to monitor. In addition internal audit successfully executed IT Audits, forensic investigation and attended to incidents reported on the whistleblowing hotline. The Committee is satisfied with the assurance provided by internal audit.

The Committee monitored the structure of the internal audit function and considered resource requirements where necessary.

An External Quality Assessment was conducted on the internal audit function during the period under review. The outcome of the assessment was a favourable one which indicates that the internal audit function generally conform to the relevant professional standards.

Audit Action Plan

The Committee has maintained its focus on providing oversight on addressing audit findings.

An audit action plan is prepared for submission to the Minister and is considered every quarter. The Committee was satisfied with the improvement in implementing action plans that management committed to. There has been significant progress in addressing audit findings raised by external audit. More effort is required in addressing those raised by internal audit.

Predetermined Objectives and Performance information

A report on performance against the predetermined objectives was considered on a quarterly basis.

The Committee recognises that the process surrounding performance information requires improvement to ensure that the portfolio of evidence is complete and available for reporting and audit purposes

Internal Control Assessment

Assurance was sought from management that control issues identified by independent assurance providers are being addressed. This was followed up at every meeting to en-

sure that agreed action plans committed to are being properly addressed.

Based on the independent and objective assurance reports from the internal and external auditors, as well as by management, the Committee is of the opinion that internal controls requires moderate, and in some areas, significant improvement.

Even though management strived to address weaknesses in controls it needs to be dealt with more speedily

ICT Governance

ICT Governance Reports provided assurance on disaster recovery, business continuity management, security assessment and cyber security matters. Assessments were conducted to determine level of vulnerability.

Focus was placed on Cyber security to ensure the confidentiality of data and personal information on the network.

Whistleblowing

The Committee considered whistleblowing reports. and noted that the incidents reported were investigated and appropriate action taken wherever necessary.

Supply Chain Management and Consequence Management

The Committee's approach to addressing material findings was to focus on improving controls and processes on supply chain management and consequence management.

Supply Chain Management

The Committee continued to play close attention to a material finding raised by the Auditor-General, being irregular expenditure. Despite concerted attempts to address the supply chain management related challenges, the training and workshops held to educate relevant staff and the SABC community on irregular, fruitless and wasteful expenditure, and working in collaboration with other divisions, supply chain management remains a challenge.

The concern relating to the completeness of the reported irregular expenditure resulted in the Auditor-General issuing a qualified opinion once again. The qualification was based on the Corporation not being able to give assurance that particulars of all irregular expenditure in the prior years were disclosed in the notes to the Annual Financial Statements for the year under review.

While management has made recognisable progress in recording instances of irregular expenditure in the previous years, significant effort is still required to ensure identification and recording of all instances of historic irregular expenditure.

Consequence Management

The Committee noted that the effectiveness of consequence management in the Corporation, as it pertains to prior years, is less than ideal.

A Loss Control Committee that was established to deal with consequence management resulting from irregular, fruitless and wasteful expenditure initially experienced some setback for the financial period but has since gained momentum.

Chief Financial Officer Expertise and Experience

The Committee considered the expertise and experience of the Chief Financial Officer and concluded that these were appropriate.

Gratitude

I would like to express my gratitude to fellow Board members, committee members, the executive management and their teams for fulfilling their roles and responsibilities and their relentless efforts to carry out the mandate of the Committee.

Hold Onto Hope

Although the Corporation is facing many challenges as it redesigns itself for the digital world and a rapidly changing media market, I believe that the resilience of the Board and management coupled with enhancing controls, managing risks and igniting the right opportunities will ensure sustainability.



Ms Jasmina Patel

Chairperson of the Audit and Risk Committee



SABC's 85th birthday celebrations.

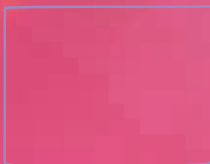


SCAN this QR code for more
information on our GBV initiatives.

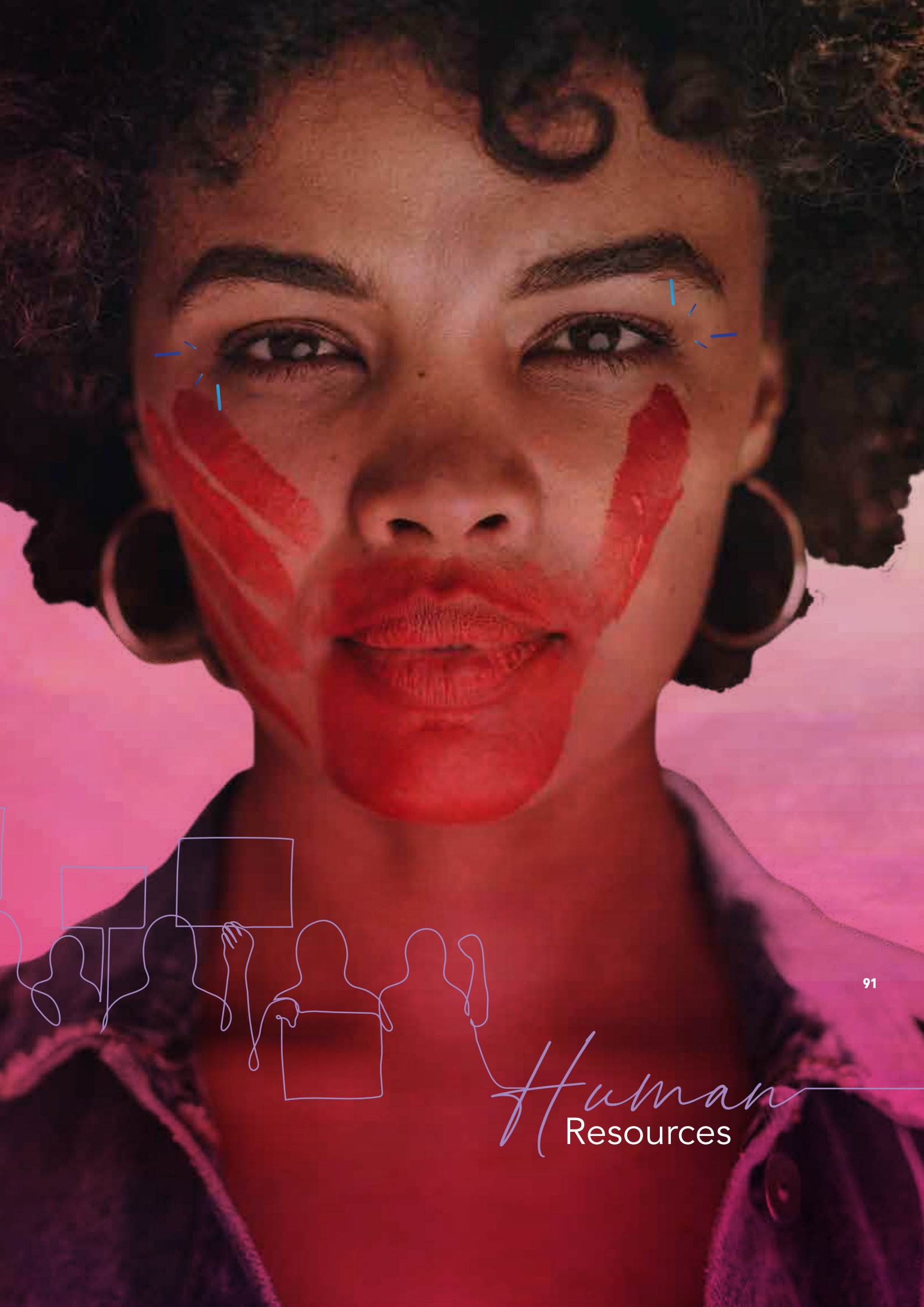


Until
rape,
and the structures – sexism, inequality,
tradition – that make it possible, are
part of our dinner-table
conversation
with the next
generation, it will
continue.

- Archbishop Desmond Tutu



SABC and its brands joined with key stakeholders and
communities in the fight against Gender Based Violence
and other social ills to ensure we retain our humanity.



During 2021, Human Resources endeavoured to improve staff morale and create a sense of belonging among employees. In conjunction with the Group Chief Executive an Employee Engagement programme was established consisting of various platforms where employees can voice their opinions and concerns and participate in the decision-making processes of the SABC. The programme was well received by employees and will continue into the new year.

Human Resources furthermore embarked on various initiatives to improve the organisation's employee value proposition. One of these initiatives was the Short-Term Performance Incentive Scheme (STPI). This scheme was designed to encourage a high-performance culture, drive company strategy and attract and retain high-performing employees by rewarding employees who exceed performance expectations.

A Performance Pay Progression (PPP) programme was also implemented to provide a fair and transparent mechanism to progress an employee's salary within pay scales, based on a sustained performance over a two-year performance cycle. The PPP shall apply to all permanent and fixed-term contract employees as well as commission earning and Sales Support employees.

In order to recognise employees' achievements and their contribution towards the success of the organisation the Excellence Awards were launched within the organisation. This programme was enthusiastically adopted by employees with the submission of nominations in the eight Award categories as well as voting for the winners who will be announced during a gala event.

In response to the results of the Skills Audit conducted in the SABC, 164 employees were offered bursaries to study as they did not meet the minimum requirements of their positions. Seventy-seven of the identified employees indicated their willingness to study, with 26 employees having confirmed

their registrations. The remainder deferred their studies to next year.

Renewed focus was placed on individual performance with the automation of the Performance Management system to ensure a user-friendly process. The system was introduced into the SABC with all performance contracts being transferred to the system and final Performance Reviews were conducted on the system. The next performance cycle will be fully system-based, and this will contribute to the establishment of a culture of high performance and the achievement of organisational goals.

The newly developed Talent Management framework was successfully rolled-out throughout the organisation with the first round of Talent Reviews having been conducted in all divisions. Talent Management forms an important part of the further development of the SABC's employees as it ensures that we have the talent to take the organisation forward.

Certain changes to leave practices were implemented to ensure the organisation's human resource practices remain current and aligned with legislation. Going forward all new employees will be eligible for 28 days' leave and 30 days' sick leave per annum.

Human Resources remains committed to delivering on the strategic direction of the SABC.

Performance against Corporate Plan:

Priorities

Performance Management

Performance Management is driven from the top with Leadership ensuring that all employees adhere to the performance management cycle implemented in the SABC. The SABC achieved a more than 90% completion rate of Performance Agreements across the organisation.

Workplace Skills Plan

The SABC Workplace Skills Plan (WSP) and Annual Training Plan was reviewed to

ensure the inclusion of relevant training programmes that will assist employees in acquiring the necessary skills for their roles because of challenges experienced with training delivery the SABC could not achieve its 80% training delivery target. Plans have, however, been put in place to ensure an improved delivery on training targets.

Framework and Strategy to Attract and Retain a Desired Workforce

Attracting and retaining top talent is a key post pandemic challenge and the SABC has implemented certain measures to address this challenge. A cloud-based Talent Management system was developed and implemented to ensure effective Succession and Career Development practices. The organisation is also in the process of developing competency profiles from a leadership as well as a divisional perspective to ensure targeted development of core skills into the future.

Wellness Programmes

The Covid-19 pandemic has truly magnified the importance and criticality of employee wellbeing and the organisation's wellness programmes. The SABC has ensured that the wellbeing of its employees is at the heart of the organisation and paramount to the achievement of its objectives. A key part of ensuring that we maintain a culture of high performance is taking care of the health and well-being of our employees.

Our fast-changing environment and Covid-19 has exerted considerable pressure and



challenges on employees' ability to realise their optimum potential. Over the past year, our Employee Wellness has ensured that Covid-19 transmission in the workplace remains low and that employee's health and safety is prioritised as well as offering programmes that will ensure that employees achieve a high level of life satisfaction, fulfilment and contentment.

The organisation believes that having a sense of purpose and meaning is a key ingredient to overall well-being. In a study published in the Journal of Clinical Psychiatry, University of California San Diego researchers found that people who found meaning in their lives felt better both physically and mentally than those who did not. In a different study published in Psychological Science, researchers found that adults with a sense of purpose lived longer than their counterparts.

To further enhance the Employee Wellness Programme a wellness framework which intends to assist and unlock employee's full potential was launched. The My Wellbeing Journey Programme is derived from a multidimensional model of wellbeing which consists of four interdependent dimensions (Spiritual, Physical, Intellectual, Emotional) in three lives

This framework is designed to help SABC employees realise full life satisfaction and to actively create a conducive work environment, in which everyone can experience a strong sense of belonging, live their best lives, and perform at their best. It is tailored

GRAPH: Wellbeing Dimensions



to guide employees towards experiencing positive emotions, develop a growth mindset and optimal work experience.

As Anthony Robbins succinctly puts it, "The higher your energy level, the more efficient your body. The better you feel, and the more you will use your talent to produce outstanding results".

The health and wellbeing of employees in the workplace and outside of the workplace can never be overemphasised. It is a fundamental element of maintaining and sustaining inspiration, innovation, and resilience during organisational change.

Policy Development

Human Resources is continuously reviewing all HR policies to ensure alignment with best practice and changes in legislation. During the past financial year, several HR policies were reviewed. The Learning and Development policy was reviewed to ensure all aspects of learning in the organisation is covered. The newly revised Remuneration and Benefits policy was consulted with all relevant stakeholders before being rolled out in the organisation. Further policy reviews included the Independent Contractor policy to ensure fair practices, the Disciplinary Code and Grievance Procedure, and the Sexual Harassment policy to enable alignment to best practice in the organisation.

Challenges

The main challenge experienced by Human Resources was the delivery of training programmes through external service providers. Human Resources commenced with the development of internal training programmes to address this challenge in the interim. This practice is proving to be successful and will continue.

Looking Forward

Moving forward, HR will be implementing various programmes that will assist with the repositioning of the SABC as an employer of choice. The focus will be on the development of skills within the organisation as well as the development of careers for our employees.



The Ndlovu youth choir entertaining staff during the SABC Excellence Awards.

Human Resource Oversight Statistics

Personnel Cost by Division

Division	Total Expenditure (R'000)	Permanent Employee Compensation and Benefits Expenditure (R'000)	Permanent Employee Compensation and Benefits Expenditure as % of Total Expenditure	No. of Employees	Average Employee Compensation and Benefits Expenditure per employee (R'000)
Group Services	871 989	200 539	23,0%	531	378
News and Current Affairs	658 341	483 846	73,5%	656	738
Radio	726 831	120 551	16,6%	176	685
Sales	354 923	206 366	58,1%	273	756
Technology	667 422	358 384	53,7%	470	763
Video Entertainment	2 209 278	167 604	7,6%	191	878
Grand Total	5 488 783	1 537 290	28,0%	2 297	669

Personnel Cost Level

Level	Permanent Employee Compensation and Benefits Expenditure (R'000)	Permanent Employee Compensation and Benefits Expenditure as % of Total	No. of Employees	Average Employee Compensation and Benefits Expenditure per employee (R'000)
Top Management	35 863	2,3%	11	3 260
Senior Management	32 874	2,1%	20	1 644
Middle Management	284 309	18,5%	263	1 081
Junior Management	290 016	18,9%	339	856
Supervisory Levels	740 517	48,2%	1 270	583
Rest of Staff	153 711	10,0%	394	390
Grand Total	1 537 290	100,0%	2 297	669

Performance Rewards

Level	Performance Rewards	Employee Compensation and Benefits Expenditure (R'000)	% of Performance Rewards vs Total Employee Compensation and Benefits Expenses
Top Management	-	35 863	-
Senior Management	-	32 874	-
Middle Management	-	284 309	-
Junior Management	-	290 016	-
Supervisory Levels	-	740 517	-
Rest of Staff	-	153 711	-
Grand Total	-	1 537 290	-

Training Costs

Level	Permanent Employee Compensation and Benefits Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as % of Permanent Employee Compensation and Benefits Expenses	No. of Employees Trained	Average Training Cost per Employee (R'000)
Group Services	35 863	162 314	452,6%	196	828
News and Current Affairs	32 874	9 177	27,9%	215	43
Radio	284 309	34 422	12,1%	55	626
Sales	290 016	9 117	3,1%	141	65
Technology	740 517	46 919	6,3%	147	319
Video Entertainment	153 711	169 899	110,5%	56	3 034
Grand Total	1 537 290	431 848	28,1%	810	533

Employment and Vacancies by Division

Division	2020/2021 No. of Employees	2020/2021 Vacancies	2021/2022 No. of Employees	2021/2022 Vacancies	% of Vacancies
Group Services	550	-	531	102	16,1%
News and Current Affairs	581	-	656	74	10,1%
Radio	137	-	176	52	22,8%
Sales	174	-	273	52	16,0%
Technology	483	-	470	166	26,1%
Video Entertainment	192	-	191	49	20,4%
Grand Total	2 117	-	2 297	495	17,7%

The SABC transitioned to a new structure on 1 April 2021. There were therefore no vacancies on the old structure

Employment and Vacancies

Level	2020/2021 No. of Employees	2020/2021 Vacancies	2021/2022 No. of Employees	2021/2022 Vacancies	% of Vacancies
Top Management	12	-	11	2	15,4%
Senior Management	20	-	20	7	25,9%
Middle Management	250	-	263	42	13,8%
Junior Management	310	-	339	59	14,8%
Supervisory Levels	1 215	-	1 270	193	13,2%
Rest of Staff	310	-	394	192	32,8%
Grand Total	2 117	-	2 297	495	17,7%

The SABC transitioned to a new structure on 1 April 2021. There were therefore no vacancies on the old structure.

Employment Changes

Level	Employment at Beginning of Period	Appointments	Terminations	Employment at the End of Period	Level Movements
Top Management	12	-	2	11	-1
Senior Management	20	5	6	20	0
Middle Management	250	31	21	263	13
Junior Management	310	35	19	339	29
Supervisory Levels	1215	193	77	1270	55
Rest of Staff	310	56	15	394	84
Grand Total	2117	320	140	2297	180

Reasons for Staff Leaving

Reasons	Number	% of Total no. of Staff Leaving
Contract expired	3	2,1%
Death	11	7,9%
Ill Health	2	1,4%
Dismissal	7	5,0%
Early Retirement	32	22,9%
Resignation	71	50,7%
Retirement	11	7,9%
Severance Package (Late S189)	3	2,1%
Grand Total	140	100,0%

Employment Equity Targets and Status

Level	African		Coloured		Indian		White		Disabled Staff	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
MALE										
Top Management	5	-	1	-	1	-	-	-	-	-
Senior Management	10	-	1	-	26	-	3	-	-	-
Professional Qualified	201	-	20	-	19	-	52	-	5	-
Skilled	548	-	52	-	1	-	51	-	15	-
Semi-Skilled	117	-	4	-	-	-	2	-	-	-
Unskilled	-	-	-	-	-	-	-	-	-	-
Grand Total	881	-	78	-	47	-	108	-	20	-
FEMALE										
Top Management	3	-	-	-	-	-	1	-	-	-
Senior Management	4	-	1	-	-	-	1	-	-	-
Professional Qualified	212	-	19	-	21	-	51	-	7	-
Skilled	593	-	67	-	37	-	64	-	22	-
Semi-Skilled	96	-	8	-	2	-	3	-	5	-
Unskilled	-	-	-	-	-	-	-	-	-	-
Grand Total	908	-	95	-	60	-	120	-	34	-




SCAN this QR code for more information
on our investment into Local content.

When we reach out and
connect with one another—
when we

tell the story,
name the hurt, grant
forgiveness, and renew or
release the relationship—our
suffering begins to
transform.

- Archbishop Desmond Tutu



Investing in local content and transforming
the narrative as we tell our own stories with
our own unique talent.

Annual
Financial
Statements



The Directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the audited annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the audited annual financial statements.

The audited annual financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

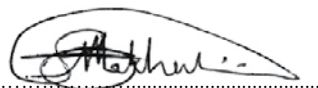
The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment.

To enable the Directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The audited annual financial statements set out on pages 103 to 153, which have been prepared on the going concern basis, were approved by the Board of Directors on 31 May and were signed on their behalf by:



Mr Bongumusa Makhathini
Chairperson of the SABC Board



Mr Madoda Mxakwe
Group Chief Executive Officer



REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

1. I have audited the consolidated financial statements of the South African Broadcasting Corporation (SABC) (SOC) and its subsidiary (the Group) set out on pages 103 to 153, which comprise the consolidated and separate statement of financial position as at 31 March 2022, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the SABC (SOC) as at 31 March 2022, and the Group's financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (the Companies Act).

Basis for Qualified Opinion

Irregular Expenditure

3. I was unable to obtain sufficient appropriate audit evidence that the irregular expenditure for the previous years had been completely accounted for, due to the public entity not implementing adequate procedures in the past to identify and record all instances of irregular expenditure. I was unable to confirm the completeness of irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the irregular expenditure disclosure stated at R2 898 million (2021: R2 855 million) in note 38 to the consolidated and separate financial statements.

Context for the Opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of my report.
5. I am independent of the Group in accordance with the International Ethics Standards Board

for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material Uncertainty Relating to Going Concern

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.
8. I draw attention to note 39 to the consolidated and separate financial statements, which indicates that the public entity incurred a net loss of R201million (2021: R530 million) for the financial reporting period to 31 March 2022. As stated in note 39, these events or conditions, along with other matters as set forth in note 39, indicate that a material uncertainty exists that may cast significant doubt on the public's ability to continue as a going concern.

Emphasis of Matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant Judgement: Defined Benefit Asset

10. As disclosed in note 6 to the consolidated and separate financial statements, the public entity has a defined benefit pension plan of R1 670 million (2021: R1 796 million), which is actuarially valued annually at year end using the projected unit credit method for the financial statements. This is disclosed in note 1.3.6 regarding significant judgements and sources of estimation uncertainty on the pension plan assumptions.

Significant Judgement: TV Licences

11. As disclosed in note 21 and note 1.3.1 to the consolidated and separate financial statements, the public entity has recognised TV licence fees of R815 million (2021: R788 million) of the total licence fees billed of R4 446 million (2021: R4 416 million). The public entity has not recognised TV licence fees to the amount of R3 631 million (2021: R3 628million). In management's judgement, it is not probable that the economic benefits associated with these transactions will flow to the public entity to meet the recognition criteria.

Significant Uncertainties

12. As disclosed in note 35 to the financial statements, the public entity is a defendant in a number of lawsuits. The ultimate outcome of these matters could not be determined currently, and no provision for any liability that may result was provided for in the financial statements.

Responsibilities of the Accounting Authority for the Financial Statements

13. The Board of Directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the IFRS, the requirements of the PFMA, the Companies Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor-General's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

15. My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
16. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.



Report

of the Auditor-General to Parliament on the South African Broadcasting Corporation SOC LTD (SABC)

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and Scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected strategic goals presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public's entity approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents.
19. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic goal

Strategic Goal	Pages in the annual performance report
Strategic Goal 2 – Content and Platforms	32-33

21. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. The material findings on the usefulness and reliability of the performance information of the selected strategic goal are as follows:

Strategic Goal 2 – Content and Platforms

Percentage of new programmes broadcast within the year

23. I was unable to obtain sufficient appropriate audit evidence for the achievement of the "not applicable" reported against the target of 20% in the annual performance report due to the unavailability of the programme scheduling system. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required for the reported achievement.

Share of diary quarter-hours listened percentage

24. I was unable to obtain sufficient appropriate audit evidence for the achievement of the "not applicable" reported against the target of planned targets of Public Broadcasting Services (PBS):67% and Public Commercial Services (PCS):8% in the annual performance report due to a new measurement not being comparable to the previous measurement. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required for the reported achievement

Other Matter

25. I draw attention to the matter below.

Achievement of Planned Targets

26. Refer to the annual performance report on pages 32 to 33 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 22 and 23 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and Scope

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
28. The material findings on compliance with specific matters in key legislation are as follows:

Annual Financial Statements, Annual Performance Information and Annual Report

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(a) and (b) of the PFMA and section 29(1)(a) of the Companies Act.
30. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but

the uncorrected material misstatement of irregular expenditure resulted in the financial statements receiving a qualified opinion.

Consequence Management

31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some of the officials who had incurred and/or permitted irregular expenditure in prior years, as required by section 51(1)(e)(iii) of the PFMA.

Expenditure Management

32. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. As reported in the basis for the qualified opinion section of this auditor's report, the value disclosed in note 38 of the financial statements does not reflect the full extent of the irregular expenditure. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with the requirements of the 2017 Preferential Procurement Regulations.
33. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R10 million, as disclosed in note 38 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by television content acquired but not broadcasted before licence expiry date.

OTHER INFORMATION

34. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the Company Secretary's certificate, as required by the Companies Act, 2008 (Act No. 71 of 2008)(Companies Act). The other information does not include the consolidated and separate financial statements, the auditor's report and those selected strategic goals presented in the annual performance report that have been specifically reported in this auditor's report.
35. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
36. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected strategic goals presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. I did not receive the other information prior to the date of this auditor's report. When I do

receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

38. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

39. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

40. Non-compliance with legislation could have been prevented if management had properly reviewed and monitored compliance.

MATERIAL IRREGULARITIES

41. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Material Irregularities Identified during the Audit

42. The material irregularities identified are as follows:

Rental Expenditure Paid for Office Space Not Occupied

43. On 11 November 2016, the SABC entered into a five (5) year lease agreement for rental of office space, a portion of which was incomplete and not ready for occupation. The SABC however paid the full amount of rental including the unoccupied space. The lease agreement expired on 31 October 2021.

44. The payments relating to the unoccupied space resulted in uneconomical utilisation of the entity's resources, in contravention with section 57(b) of the PFMA. The total amount paid for the unoccupied space amounted to R12 million, from November 2016 to October 2021. The amount is disclosed as part of fruitless and wasteful expenditure in note 42, to the financials statements.

45. The accounting authority was notified of the material irregularity on 3 June 2022 and invited to make a written submission on the actions taken and that will be taken to address

the matter. The following actions are in progress to address the material irregularity:

a) The lease agreement formed part of Proclamation R29 of 2017 and which was amended by Proclamation R19 of 2018 for investigation by SIU. On 18 March 2020, the SIU as the first applicant and SABC as the second applicant approached the Special Tribunal to have the lease agreement declared invalid and unlawful.

b) The accounting authority intends to recover all monies paid, including interest at 10.25% *tempora morae*, from the respondent for the unoccupied space.

46. The accounting authority is awaiting the outcome of the legal proceedings before taking any further action.

47. I will follow-up on the implementation of the planned actions during my next audit.

Status of Previously Reported Material Irregularities

Security Contract Awarded to a Bidder that Did Not Score the Highest Points in the Bid Evaluation Process

48. In August 2017, the public entity made an award of R185 million for the provision of security services to a bidder that did not score the highest preference points, in contravention of section 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), without objective criteria to justify the decision.

49. The non-compliance is likely to result in a material financial loss as the price of the security service procured from the successful bidder was higher than the price submitted by the bidder that scored the highest preference points. The likely loss results from the difference between these two bids incurred over the duration of the security contract awarded. As at 31 March 2022, R147 million has been paid on the contract. The public entity will not be able to recover the likely financial loss from the supplier as the supplier is delivering the service in line with the signed contract.

50. In December 2017, one of the losing bidders instituted a court application for review of the award made by the public entity. In June 2019 the SIU concluded an investigation of this award as per Proclamation R29 of 2017 and amended by Proclamation R19 of 2018. The SIU joined the case initiated by the losing bidder with a motion to set aside the contract.

51. The accounting authority was notified of the material irregularity on 7 July 2020. The following actions have been taken or are in progress to address the material irregularity:

- In December 2020, the SIU as a co-applicant instituted a review application to seek an order setting aside the award of the tender and an order that the tender process be started afresh. When the SIU served and

filed its founding affidavit, it inadvertently omitted to file its notice of motion and, as a result, in February 2021 the SIU filed a condonation application requesting that the court condone the late filing of its notice of motion. The security service provider has filed its answering affidavit on 8 May 2021.

- Approval was given by the accounting authority to support the application by the SIU and as such the SABC is not opposing the SIU's review application and served and filed its own answering affidavit on 22 June 2021. Upon finalisation of the court case, the accounting authority will take appropriate steps with regards to consequence management.

- On 20 January 2022, the deputy judge president responded to the request for a special allocation of the matter and advised that the matter will be enrolled for hearing between 9 May 2022 and 11 May 2022. The matter was heard from 9 to 11 May 2022 where all the parties presented and argued their cases before the court. Judgement was reserved on this matter.

52. I will follow up on the actions taken based on the court judgement during the next audit.

OTHER REPORTS

53. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

54. At the request of the accounting authority and/or the audit committee, the internal audit unit conducted several investigations arising from allegations of financial misconduct against officials of the public entity. Some of these investigations had been finalised while others were closed or were still in progress at year-end. The completed investigations resulted in recommendations for disciplinary and/or criminal proceedings to be instituted against the officials concerned.

Auditor - General

Pretoria

29 July 2022



ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected strategic goals and on the public entity's compliance with respect to the selected subject matters.

Financial Statements

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I 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 my 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors, which constitutes the accounting authority
- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists

relating to events or conditions that may cast significant doubt on the ability of the SABC (SOC and its subsidiary) to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the 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. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

Communication with those Charged with Governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Figures in R'000

Assets

	Note(s)	Group 2022 Audited	2021	Company 2022 Audited	2021
Property, plant and equipment	3	1 448 872	1 456 936	1 448 872	1 456 936
Investment property	4	9 364	9 364	9 364	9 364
Intangible assets	5	52 640	58 953	52 640	58 953
Defined benefit asset	6	1 669 727	1 796 473	1 669 727	1 796 473
Prepayments	7	5 701	18 434	5 701	18 434
Right-of-use assets	33	12 165	17 488	12 165	17 488

Total non-current assets

Programme, film and sports rights	5	461 007	469 559	461 007	469 559
Consumables	8	3 879	4 063	3 879	4 063
Trade and other receivables	9	607 372	633 833	605 632	634 605
Prepayments	7	42 562	100 231	42 562	100 231
Contract assets	21	18 339	19 380	18 339	19 380
Cash and cash equivalents	10	1 180 187	1 482 793	1 180 187	1 479 746
Other financial assets		-	8 528	-	8 528

Total current assets

Non-current assets held for sale and assets of disposal groups	40	1 526	1 526	1 526	1 526
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Total Assets

Equity

Share capital	11	3 200 001	3 200 001	3 200 001	3 200 001
Retained earnings		(737 638)	(219 067)	(739 378)	(221 386)

Total equity

Liabilities

Government debt instrument	13	-	14 913	-	14 913
Deferred government grant	15	76 707	113 755	76 707	113 755
Employee benefit obligation	17	1 260 197	1 285 245	1 260 197	1 285 245
Other non-current liabilities	18	-	4 180	-	4 180
Lease liabilities	33	1 261	8 717	1 261	8 717

Total non-current liabilities

Trade and other payables	19	613 239	725 456	613 239	725 501
Contract Liabilities	21	312 907	196 023	312 907	196 023
Employee benefit obligation	17	161 148	187 401	161 148	187 401
Loans and borrowings	14	-	3 764	-	3 764
Current tax payable	31	61 977	68 840	61 977	68 840
Deferred government grant	15	240 594	177 587	240 594	177 587
Provisions	20	317 065	300 426	317 065	300 426
Lease liabilities	33	5 883	10 321	5 883	10 321

Total current liabilities**Total Liabilities****Total Equity and Liabilities**

	Note(s)	Group 2022 Audited	2021	Company 2022 Audited	2021
Total non-current assets		3 198 469	3 357 648	3 198 469	3 357 648
Total current assets		2 313 346	2 718 387	2 311 606	2 716 112
Total Assets		5 513 341	6 077 561	5 511 601	6 075 286
Total equity		2 462 363	2 980 934	2 460 623	2 978 615
Total non-current liabilities		1 338 165	1 426 810	1 338 165	1 426 810
Total current liabilities		1 712 813	1 669 818	1 712 813	1 669 863
Total Liabilities		3 050 978	3 096 628	3 050 978	3 096 673
Total Equity and Liabilities		5 513 341	6 077 562	5 511 601	6 075 288

Statement

of Financial Position as at 31 March 2022



Figures in R'000

	Note(s)	Group		Company	
		2022 Audited	2021	2022 Audited	2021
Revenue	21	5 042 846	4 953 202	5 042 846	4 953 202
Other income	22	25 040	15 063	25 040	15 063
Amortisation of programme, film and sports rights	5	(1 344 291)	(1 014 885)	(1 344 291)	(1 014 885)
Net impairment reversed/(raised) of programme, film and sports rights	5	(14 447)	(12 493)	(14 447)	(12 493)
Amortisation of computer software	5.1	(11 584)	(5 885)	(11 584)	(5 885)
Impairment of trade receivables	9	(40 178)	(100 027)	(40 178)	(100 027)
Depreciation and impairment of property, plant and equipment	3	(114 747)	(136 580)	(114 747)	(136 580)
Depreciation of right-of-use assets	33	(8 664)	(18 589)	(8 664)	(18 589)
Broadcast costs		(314 474)	(267 526)	(314 474)	(267 526)
Signal distribution and linking costs		(725 567)	(718 235)	(725 567)	(718 235)
Marketing		(51 981)	(19 426)	(51 981)	(19 426)
Direct revenue collection costs		(72 754)	(63 993)	(72 754)	(63 993)
Professional and consulting fees	24	(75 009)	(56 820)	(75 009)	(56 820)
Employee costs	23	(2 009 154)	(2 672 217)	(2 009 154)	(2 672 217)
Personnel costs other than employee compensation		(45 904)	(38 012)	(45 904)	(38 012)
Operational		(491 449)	(447 166)	(490 870)	(446 768)
Profits/(losses) on disposal of assets	26	(6 201)	(1 333)	(6 201)	(1 333)
Operating loss before finance costs and tax loss		(258 518)	(604 922)	(257 939)	(604 524)
Finance income	27	63 194	82 147	63 194	82 147
Finance costs	27	(6 043)	(8 339)	(6 043)	(8 339)
Gains on reclassification of financial assets from fair value through other comprehensive income to fair value through profit and loss	12	-	939	-	939
Fair value gain on derecognition of financial asset at fair value through profit and loss		583	-	583	-
Impairment of investment in subsidiaries		-	-	-	(1 761)
Loss for the year		(200 784)	(530 175)	(200 205)	(531 538)

Statement
of Profit or Loss

Figures in R'000**Loss for the year****Other comprehensive income:****Items that will not be reclassified to profit or loss:**

Actuarial gain/(loss) on long service awards

Actuarial gain/(loss) on PRMA

Recognition of pension surplus/(deficit)

Total items that will not be reclassified to profit or loss**Other comprehensive income for the year net of taxation****Total comprehensive loss**

Note(s)	Group		Company	
	2022 Audited	2021	2022 Audited	2021
	(200 784)	(530 175)	(200 205)	(531 538)
17	4 736	10 093	4 736	10 093
17	105 900	(187 720)	105 900	(187 720)
6	(428 423)	700 976	(428 423)	700 976
	(317 787)	523 349	(317 787)	523 349
	(317 787)	523 349	(317 787)	523 349
	(518 571)	(6 826)	(517 992)	(8 189)

Statement

of Comprehensive Income



Figures in R'000

Balance at 1 April 2020

Loss for the year

Other comprehensive income

Total comprehensive loss for the year

Audited Balance at 1 April 2021

Loss for the year

Other comprehensive income

Total comprehensive loss for the year

Audited Balance at 31 March 2022

Note(s)

Balance at 1 April 2020

Loss for the year

Other comprehensive income

Total comprehensive loss for the year

Audited Balance at 1 April 2021

Loss for the year

Other comprehensive income

Total comprehensive loss for the year

Audited Balance at 31 March 2022

Note(s)

The accounting policies on pages 108 to 119 and the notes on pages 119 to 153 form an integral part of the audited annual financial statements.

Share capital	Fair value adjustment reserve	Retained earnings	Total equity
Group			
3 200 001	6 412	(212 241)	2 994 172
-	-	(530 175)	(530 175)
-	(6 412)	523 349	516 937
-	(6 412)	(6 826)	(13 238)
3 200 001	-	(219 067)	2 980 934
-	-	(200 784)	(200 784)
-	-	(317 787)	(317 787)
-	-	(518 571)	(518 571)
3 200 001	-	(737 638)	2 462 363
11			
Company			
3 200 001	6 412	(213 197)	2 993 216
-	-	(531 538)	(531 538)
-	(6 412)	523 349	516 937
-	(6 412)	(8 189)	(14 601)
3 200 001	-	(221 386)	2 978 615
-	-	(200 205)	(200 205)
-	-	(317 787)	(317 787)
-	-	(517 992)	(517 992)
3 200 001	-	(739 378)	2 460 623
11			

Figures in R'000

Cash flows from operating activities

	Note(s)	Group		Company	
		2022 Audited	2021	2022 Audited	2021
Cash receipts from customers		5 170 647	5 153 503	5 163 289	5 152 731
Cash paid to suppliers and employees		(5 573 711)	(5 917 418)	(5 565 047)	(5 916 375)
Cash used in operations	29	(403 064)	(763 915)	(401 758)	(763 644)
Investment income		63 194	81 710	63 194	81 710
Dividends received		-	437	-	437
Finance costs		(6 043)	(8 339)	(6 043)	(8 339)
Tax (paid)/received	31	(6 863)	-	(6 863)	-
Net cash from operating activities		(352 776)	(690 107)	(351 470)	(689 836)

Cash flows from investing activities

Purchase of property, plant and equipment	3	(117 854)	(116 364)	(117 854)	(116 364)
Sale of property, plant and equipment	30	1 115	2 405	1 115	2 405
Purchase of other intangible assets	5	(1 412)	(745)	(1 412)	(745)
Proceeds on sale of shares		9 111	-	9 111	-
Net cash from investing activities		(109 040)	(114 704)	(109 040)	(114 704)

Cash flows from financing activities

Repayment of government debt instrument		(14 913)	-	(14 913)	-
Repayment of loans and borrowings	14	(3 764)	(13 966)	(3 764)	(13 966)
Repayment of lease liabilities	33	(11 894)	(14 875)	(11 894)	(14 875)
Proceeds from government grants	15	189 781	183 549	189 781	183 549
Net cash from financing activities		159 210	154 708	159 210	154 708
Total cash movement for the year		(302 606)	(650 103)	(299 559)	(649 833)
Cash at the beginning of the year		1 482 793	2 132 866	1 479 746	2 129 579
Total cash at end of the year	10	1 180 187	1 482 793	1 180 187	1 479 746

Statement

of Cash Flows



CORPORATE INFORMATION

The South African Broadcasting Corporation SOC Limited is a state-owned company, listed as a Schedule 2 entity in terms of the PFMA, and holding company of the Group. It is incorporated and domiciled in South Africa. The consolidated financial statements of the Group as at, and for the year ended 31 March 2022 comprise the Company and its subsidiary (together referred to as the 'Group' and individually as 'group entity'). The Group is South Africa's national public broadcaster providing a Free-to-Air service. Information on the subsidiary of the Group is provided in note 1.2.

1. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated and separate audited annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and in the manner required by the Companies Act of South Africa, 2008, the Public Finance Management Act, No. 1 of 1999, as amended, and the Broadcasting Act, No. 4 of 1999, as amended. The SABC adopted Directive 12 - The Selection of an Appropriate Reporting Framework by Public Entities issued by the Accounting Standards Board in 2015. Management made the assessment that applying IFRS is the appropriate reporting framework as the Group provides services on a commercial basis in a competitive market. The Group also receives insignificant funding from the government and has limited dependence on government funding. The expected government funding is a once-off and does not create continued dependency on government funding. Reporting using IFRS framework is therefore still appropriate.

The consolidated and separate annual financial statements are presented in South African Rands, rounded to the nearest thousand, and have been prepared on the historical cost basis, except for certain financial instruments and defined benefit asset and liability which are measured at fair value.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions as provided in note 1.3.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in note 1.3.

The financial statements have been prepared on a going concern basis that assumes the Group would be able to continue operating as a going concern in the foreseeable future. The accounting policies set out below have been applied consistently for all periods presented in the consolidated annual financial statements, except where an amendment was required as a result of a change in IFRS.

1.2 Consolidation

Basis of consolidation

The consolidated audited annual financial statements incorporate the audited annual financial statements of the Company and subsidiary. The Subsidiary is an entity which is controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity. The entity does not hold any shares in the SABC Foundation, however it exerted control as defined in IFRS 10 through its Board appointments.

The results of subsidiary are included in the consolidated audited annual financial statements from the effective date of acquisition to the effective date of disposal. The subsidiary ceased operations and is in the process of de-registration and winding up after the Board of Directors approved a dissolution and deregistration of the SABC Foundation NPC. As at 31 March 2022, the dissolution and deregistration had not yet been finalised.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on

consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiary are carried at cost less any accumulated impairment losses.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of audited annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

1.3.1 Revenue recognition

Probability of licence fee revenue

The Group believes the probability assessment used as a basis for estimating the licence fee revenue to be recognised is a significant judgement. It requires management to make professional judgements and assumptions about the probability of receiving licence fees from TV licence holders on renewal date. The



probability of receiving licence fee revenue from licence holders is based on assessed ability to pay the TV licence fees and the assessed willingness of the licence holder to pay the statutory annual TV licence fee (refer to note 21).

Where it is assessed that the collection of television licence fees will not be probable based on predetermined criteria, such television licence fees are not recognised. Probability is assessed on each renewal date for all active licence holders user accounts registered on the SABC's database.

1.3.2 Useful lives and residual values of property, plant and equipment

The Group calculates depreciation of property, plant and equipment on a straight-line basis so as to write off the cost of the assets over their expected useful lives (See note 3). The useful life of an asset is determined on existing physical wear and tear, economic and technical ageing, legal or other limits on the use of the asset and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flows, the Group may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss. The expected useful lives of assets is determined by considering the components identified in the asset hierarchy and by considering the inputs from knowledgeable representatives within the departments within the SABC per component identified based on their past experiences and knowledge. In determining the expected useful lives of the assets, the current asset register was analysed to determine the average age of the assets per component where applicable. The remaining useful life of assets is informed by two parameters, age based remaining useful life and condition based remaining useful life. The final remaining useful life is determined with reference to an algorithm, which takes into account both parameters.

The residual value has in most cases been taken as zero, as the SABC has adopted the approach of utilising their assets beyond their economical useful life, considering the environment in which the SABC functions where technological advancements can render certain assets obsolete and also on the assertion that none of the assets have material residual values at the end of the expected useful life.

The useful lives of items of property, plant and equipment have been estimated as follows

Item	Depreciation method	Average useful life
Security equipment	Straight line	5 - 10 years
Buildings	Straight line	10 - 65 years
Plant and machinery	Straight line	3 - 20 years
Furniture and fittings	Straight line	3 - 20 years
Motor vehicles	Straight line	5 - 20 years
Office equipment	Straight line	5 - 15 years
Computer equipment	Straight line	3 - 5 years
Musical equipment	Straight line	1 - 30 years
Broadcast equipment	Straight line	3 - 40 years
Artwork	Straight line	Indefinite useful life

1.3.3 Amortisation and impairment of programme, film and sports rights and computer software

The Group believes that the accounting estimates relating to the amortisation and impairment of programme, film and sports rights are significant accounting estimates because they require management to make assumptions about future audiences and revenues, and a change in the pattern of amortisation or potential impairment in programme, film and sports rights may have a material impact on the value of these assets reported in the Company's statement of financial position. See accounting policies 1.7 and note 5. The recoverable amount of the rights is considered zero once the licence period is expired.

The Group believes that the accounting estimates relating to the amortisation and impairment of computer software are significant accounting estimates because they require management to make assumptions about the useful life of an asset. The useful life of an asset is determined on existing economic and technical ageing, legal or other limitations on the use of the asset and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flows, the Group may accelerate the amortisation charge to reflect the remaining useful life of the asset or record an impairment loss. See accounting policies 1.7 and note 5.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows

Item	Amortisation method	Average useful life
Computer software	Straight line	2 - 10 years
Programme, film and sports rights*	Straight line	Accelerated basis

* Amortisation of programme, film and sports rights is charged to profit or loss on an accelerated basis where the first transmission is expected to be more valuable than subsequent transmission, and on a straight - line basis based on the estimated number of future showings if each showing is expected to generate similar audience.

Computer software, with the exception of Perpetual software which has a indefinite useful life, has a finite useful life.

1.3.4 Fair value determination

Determining the fair value of investment properties

An external, independent valuation company, having appropriate recognised professional qualification and recent experience in the location and category of property, has been involved in determining the fair value of the properties for disclosure purposes. The values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Valuations reflect, where appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit worthiness; the allocation of maintenance and insurance responsibilities between the lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated revisionary increases, all notices and, where appropriate, counter notices have been served validly and within the appropriate time.

Determining the fair value of financial instruments

Where the fair value of the financial assets and liabilities recorded in the statement of financial position cannot be derived from the active markets, they are determined using valuation techniques including the discounted cash flow model (Level 2) The inputs of these mod-



els are taken from observable markets where possible, but where this is not possible, a degree of judgment is required in establishing fair values. The judgements include consideration of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about the facts could affect the reported fair value of the affected financial instrument. The different valuation levels are identified as follows by IFRS 13:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described above, based on the lowest level input that is significant to the fair value measurement as a whole.

1.3.5 Useful lives and residual values for investment properties

The Group calculates depreciation of investment properties on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The estimated useful lives of rental properties is based on the physical condition of the property. The useful lives of items of investment properties is as follows:-

	Depreciation method	Average useful life
Land	Straight line	Indefinite useful life
Buildings	Straight line	20 - 40 years

Investment property was not depreciated, as the residual value exceeds the carrying amount of investment properties..

The Group's approach to determining the residual value of property includes consideration of the conditions in the property market, ability of the property to generate rental income, and other economic factors.

1.3.6 Pension assumptions

The group's pension fund is a funded defined benefit pension fund that provides pension fund benefits for all of the Group's permanent

employees. The latest statutory valuation of the fund was performed at 31 December 2020, in which the valuator reported that the fund was in a sound financial position subject to the continuation of the current contribution rates, and its assets exceed its liabilities. Annually the defined benefit pension plan is valued on 31 March using the Projected Unit Credit Method for the financial statements certified by the actuaries. The cost of the defined benefit pension plan as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates of in-service members and pensioner mortality rates and future pension increases, withdrawal of members in the service and family statistics. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of quality corporate bonds in the country, (i.e. yield on South African Government Bonds). The mortality rate is based on public available mortality tables for the country (i.e. PA (90) mortality table). Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used are given in note 6.

1.3.7 Post employment medical aid assumptions

The Group provides a subsidy of medical aid contributions payable by those employees who elect to remain on the medical aid scheme after retirement. The Group provides for these post-employment medical aid benefits using the Projected Unit Credit method prescribed by IAS 19 - Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over their expected working lifetime. The liability is calculated by considering some key actuarial assumptions such as the rate of healthcare cost inflation, discount rate, percentage of members continuing after retirement and average retirement age of members. The key actuarial assumptions made are disclosed in note 17. Any change in these assumptions could result in a material adjustment to the post-employment medical liability stated on the Group's statement of financial position as well as a material impact on the Group's total comprehensive income. A one percentage point change in the rate of health care cost inflation would have the following effects.

	One percentage point increase	One percentage point decrease
Effect on the post-employment medical aid liability: (R'million)	1 307	1 056

1.3.8 Legal matters

The Group is involved in legal disputes through its normal course of business. The outcome of these legal claims may have a material impact on the Group's financial position and results of operations. Management estimates the potential outcome of these legal claims based on the most objective evidence on hand from internal and external legal advisors until such time that ultimate legal resolution has been finalised. Due to the uncertain nature of these issues, any changes in these estimates based on additional information as it becomes available could result in material changes to the financial statements in subsequent periods. See notes 20 and 35.

1.3.9 Impairment of trade and other receivables and credit notes

Doubtful accounts are reported at the amount likely to be recoverable based on the historical experience of customer default. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g. lower creditworthiness of customer, dispute as to the existence of the amount of the claim, no enforceability of the claim for legal reasons etc.), the account is analysed and written down if circumstances indicate the receivable is uncollectable.

1.4 Investment property

Investment property are properties which are held either to earn rental income or for capital appreciation or for both. Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of

the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial recognition, investments properties are measured at cost or deemed cost less accumulated depreciation and impairment.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gains and losses arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the profit and loss in the period in which the property is derecognised.

1.5 Non-current assets (disposal groups) held for sale or distribution to owners

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

1.6 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the ex-

penditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments, where appropriate. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition in the manner intended by management.

Office artwork represents assets that are held primarily for their decorative use in the business. Artwork is considered to have an infinite useful life and are held at cost less impairment costs.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised. Refer to accounting policy note 1.3.2 for estimated useful lives of property, plant and equipment.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.7 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Originated programme, film and sports right

Originated programme, film and sports rights, including work commissioned from independent producers, are intangible assets with finite useful lives and are stated at cost less accumulated amortisation and accumulated impairment losses. Cost comprises direct costs, including cost of materials, artist fees and production overheads. The amount initially recognised for originated asset is recognised from the date when the intangible asset first meets the recognition criteria listed below.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An originated asset arising from the development phase of an internal project is recognised if, and only if, all the following have been demonstrated: a) the technical feasibility of completing the intangible asset so that it will be available for use or sale, b) the intention to complete the intangible asset and use or sell it, c) the ability to use or sell the intangible asset, d) how the intangible asset

will generate probable future economic benefits e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Commissioned programmes for which consideration is paid in advance will be recognised as Asset Under Construction (Work In Progress) until such a period as the assets are available for broadcast, which will be capitalised and amortised.

The AUC (Work In Progress) is not treated as a monetary asset, by the SABC, and therefore, there is no need to revalue them.

Acquired programme, film and sports rights

Acquired programme, film and sports rights are intangible assets with finite useful lives and are stated at cost less accumulated amortisation (refer to note 5) and accumulated impairment losses. Cost comprises actual acquisition cost plus language dubbing, where applicable

Acquired programme, film and sports rights are generally recognised when the licence period begins, the cost of the right is known or reasonably determinable, the material has been accepted by the Group in accordance with conditions of the licence agreement, and the material is available for its first transmission. If at the date of signing, a substantial degree of uncertainty exists about the availability of the material, particularly if a licence agreement is signed for programme material that does not yet exist, the asset is only recorded once the uncertainties are eliminated and the programme is received and available for broadcast. Payments made to negotiate and secure the broadcasting of sports events are expensed as incurred.

Where arrangements have been executed for the future purchase of programme, film and sports rights, but the recognition criteria above have not been met or broadcasting commenced, the arrangements are disclosed as Commitments (refer to note 34). Where payments have already been made, these are disclosed as prepayments.

Programme, film and sports rights are classified as current assets as they are expected to be realised in the Group's normal operating cycle.

Cost and accumulated amortisation of originated programme, film and sports rights are

derecognised after the estimated number of showings. Cost and accumulated amortisation of acquired programme, film and sports rights are derecognised at the earlier of the expiry of the licence period or allowed number of showings.

Other intangible assets

Other intangible assets, including computer software not considered an integral part of property, plant and equipment, are initially measured at cost and subsequently measured at cost less accumulated amortisation (refer to note 5) and impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Other intangible assets are retired when no future economic benefits are expected from the assets. The gain or loss on retirement of other intangible assets is recognised in profit or loss. Gains and losses on the retirement of items of other intangible assets are determined by comparing the proceeds on retirement with the carrying amount of the other intangible assets retired.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Refer to accounting policy note 1.3.3 for estimates of amortisation useful lives.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

1.8 Financial instruments

From 1 April 2018, the SABC classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair

value through other comprehensive income (FVOCI).

The SABC reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the SABC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Note 32 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

At initial recognition, the SABC measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair Value through Other Comprehensive Income (OCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains

and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Fair Value through Profit / Loss (FVPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

From 1 April 2018, the SABC assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Measurement and recognition of expected credit losses

For trade receivables, the SABC applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rates. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on other financial assets are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment

provision attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired other financial asset (FVOCI) increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired other financial assets classified as fair value through other comprehensive income is recognised in other comprehensive income.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legal right to offset the amount and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's investments are recognised at amortised cost which is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest computed at initial recognition of these financial assets). Receivables with a short duration are not discounted where the effect is not material.

Calculation of impairment

Impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment is the difference between the asset's carrying amount and its fair value, being the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment is recognised in profit or loss.

Reversals of impairment

An impairment loss in respect of financial assets carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and other financial assets that are debt securities, the reversal is recognised in profit or loss. An impairment loss in respect of an investment in an equity instrument classified as other financial assets is not reversed through profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 9) and the

financial instruments and risk management note (note 32).

Trade and other payables

Classification

Investments in equity instruments are presented in note 32. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the Group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments), depending on their classification. Details of the valuation policies and processes are presented in note 32.

Dividends received on equity investments are recognised in profit or loss when the Group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 27).

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Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses which accumulated in equity in the reserve for valuation of invest-

ments for equity investments at fair value through other comprehensive income are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Trade and other payables

Classification

Trade and other payables (note 19), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured 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.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

Offsetting of financial assets and liabilities

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Offsetting of financial assets and liabilities in the financial statements is permitted if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts shown within the loans and receivables category of financial instruments. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Cash which is subject to restrictions on its use is stated separately at carrying value in the statement of financial position. Government grants received for capital expenditure are restricted to capital projects relating to the migration of analogue infrastructure to digital.

Offsetting of financial assets and liabilities in the financial statements is permitted if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Loans and borrowings

Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost using the effective interest rate method.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

1.10 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

Lease agreements normally entered into by the Group include; office space, office printers, and motor vehicles. Terms and conditions of agreements are negotiated on an individual basis, and there are no covenants associated with these agreements.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is

"identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense (note) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Group is a lessee are presented in note 33 Leases (Group as lessee).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.11 Consumables

Consumables are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of consumables comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the consumables to their present location and condition.

The cost of consumables of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of consumables is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When consumables are sold, the carrying amount of those consumables are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any

write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The SABC's entire operations are considered to all comprise one cash generating unit as no division is capable of generating revenues independently.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication

exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in Other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Group is demonstrably committed to curtailment or settlement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post-employment benefit obligations

The Group provides a subsidy for medical aid contributions payable by those employees who elect to remain on the medical aid scheme after retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to normal retirement age or the completion of a minimum service period in the event of early retirement. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that used for the defined benefit pension plan. This liability relating to post-employment medical benefits is valued annually by independent qualified actuaries. This practice of post-retirement medical aid contributions was discontinued for all new employees after 1 July 2002. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in Other comprehensive income.

1.15 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the

reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

1.16 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses al-

ready incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.17 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- Advertising revenue
- Trade exchanges (non-monetary exchanges)
- Sponsorship revenue
- Licence fee revenue
- Programme rights exploitation and channel carriage fees

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it satisfies its performance obligations and transfers control over services to a customer.

Advertising revenue

Advertising revenue is recognised at the time the related advertisement or commercial is broadcast on our television and/or radio platforms to the public. The amount recognised is net of Value-Added Tax and trade discounts

Trade exchanges (non-monetary exchanges)

When broadcasting airtime is exchanged for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the

estimated stand-alone selling price of the services subject to the specific customer contract.

Sponsorship revenue

Sponsorship revenue is recognised at the time sponsored programmes are aired, net of Value-Added Tax and trade discounts. The consideration in sponsorship agreements containing more than one identifiable component, such as promotional advertising time and sponsorships, is allocated to underlying components based on their stand-alone prices and accounted for in accordance with the substance of the underlying component.

Licence fee revenue

Management has developed its own accounting policy for TV licence fee revenue as there is no specific standard under IFRS dealing with specifically with this revenue transaction. TV licence fees revenue arises when television licence fees are due in accordance with legislation at each renewal date. Management recognises that the SABC has an obligation to provide a broadcasting service to the TV licence holder in exchange for the licence fee received. This is deemed as a performance contract and principles of IFRS requirements on similar transactions were applied. Management considered the principles of both IFRS 15 on Revenue from Contracts with Customers and IAS 20 on Government Grants. Under both accounting standards, the revenue recognition criteria would not be materially different.

As the SABC has no performance obligations remaining after renewal date, revenue is recognised when it is probable that the SABC will collect the licence fees to which it is entitled to. Where it is assessed that the collection of television licence fees will not be probable based on predefined criteria, such television licence fees are not recognised. Probability is assessed on a monthly basis for all active television licence holders user accounts registered on the SABC's database.

Contracts assets are recognised to the extent that performance obligations have been performed by the Group and that revenue has been recognised in accordance with IFRS 15 Revenue from contracts with customers, but for which the Group's right to consideration is not yet unconditional.

Programme rights exploitation and channel carriage fees

The Group's obligation in terms of the contract is to provide a broadcasting licence on agreed conditions for the customer to access the content material in its current state. Revenue from commercial licences for specific rights associated with television programmes

and licences is recognised when there has been technical acceptance of the content material by the customer and collection of the receivable is probable, and the revenue associated with delivered and undelivered elements can be reliably measured.

Channel carriage fees licence presents a performance obligation that is satisfied over time within the contracted licence period. Progress is measured based on time the SABC channels are carried on the contracted platforms and billed on a monthly basis on accrual basis.

Other revenue

Other revenue associated with the sale of goods, use of SABC media facilities and services such as mobile revenue is recognised in profit or loss when performance obligations are met and the goods or services are transferred to the buyer. Other revenue associated with the provision of services is recognised in profit or loss in proportion to the services performed to date as a percentage of total services to be performed. Other revenue/income also includes rental income, which is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease..

1.18 Translation of foreign currencies Functional and presentation currency

Items included in the audited annual financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated audited annual financial statements are presented in South African Rand which is the Group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous audited annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.19 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period.

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.20 Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and

on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The Group excludes the time value of options and designates only the intrinsic value of options as the hedging instruments in hedges involving options as the hedging instruments. The change in fair value attributable to the time value of options is recognised in other comprehensive income and accumulated in equity as deferred hedging gains (losses). The Group only hedges time period related hedged items using options. The change in the aligned time value is recognised in other comprehensive income and is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument at fair value through other comprehensive income). However, if hedge accounting is discontinued the net amount (i.e. including cumulative amortisation) that has been accumulated in the deferred hedging reserve is immediately reclassified into profit or loss.

1.21 Related parties

The Group operates in an environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the constitutional independence of all the three spheres of government in South Africa

ca, the related parties of the Group consist mainly of the subsidiary, key management personnel and close family members, all other State-Owned Companies (SOC), excluding schedule 3C listed entities, the Department of Communication and Digital Technologies (DCDT) and all entities within the communication and technologies portfolio.

Key management is defined as individuals with the authority and responsibility for planning, directing and controlling the activities of the Company. All individuals from the level of Executive Management up to the Board of Directors are regarded as key management per the definition of IFRS.

Close family members of key management personnel are considered to be those family members who may be expected to influence, or be influenced by key management individuals in their dealings with the Group.

Other related-party transactions are also disclosed in terms of the requirements of IFRS. The objective of IFRS and the annual financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of these transactions.

1.22 Irregular, Fruitless and Wasteful Expenditure

Irregular Expenditure

Irregular expenditure: means expenditure, incurred in contravention of or that is not in accordance with the requirement of any applicable legislation. Such expenditure is recorded in the notes to the annual financial statements. It is recorded at the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof. Where such impracticability exists, the reasons therefore are provided in the notes. Irregular expenditure is removed from the notes when it is either (a) condoned by the National Treasury or the relevant authority; (b) it is transferred to receivables for recovery; or (c) it is not condoned and is irrecoverable. A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and is de-recognised when the receivable is settled or subsequently written off as irrecoverable.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. When confirmed, fruitless and wasteful expenditure is recorded in the notes to the financial statements. This includes particulars of fruitless and wasteful expenditure that occurred during the financial year and any disciplinary steps taken as a consequence of such fruitless and wasteful expenditure.

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2023	The impact of the standard is not material.
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	1 January 2023	The impact of the standard is not material.
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023	The impact of the standard is not material.
• Definition of accounting estimates: Amendments to IAS 8	1 January 2023	The impact of the standard is not material.
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	1 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	1 January 2022	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	1 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	Unlikely there will be a material impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	1 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	1 January 2022	Unlikely there will be a material impact



3. Property, Plant and Equipment

Figures in R'000	Group and Company					
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
	2022			2021		
Land	81 443	-	81 443	81 443	-	81 443
Buildings	947 603	(492 605)	454 998	942 031	(481 239)	460 792
Motor vehicles	187 096	(166 364)	20 732	187 717	(158 363)	29 354
Broadcast equipment	1 442 905	(1 022 816)	420 089	1 376 883	(968 198)	408 685
Other equipment	796 465	(664 173)	132 292	791 093	(638 643)	152 450
Capital - Work in progress	339 318	-	339 318	324 212	-	324 212
Total	3 794 830	(2 345 958)	1 448 872	3 703 379	(2 246 443)	1 456 936

Reconciliation of property, plant and equipment

Figures in R'000	Group and Company						
	Opening balance	Additions	Disposals	Classified as held for sale	Transfers	Depreciation	Total
	2022						
Land	81 443	-	-	-	-	-	81 443
Buildings	460 792	333	(1)	-	5 237	(11 363)	454 998
Motor vehicles	29 354	5	(504)	-	1 278	(9 401)	20 732
Broadcasting Equipment	408 685	26 579	(654)	-	50 593	(65 114)	420 089
Other equipment	152 450	6 951	(5 884)	-	7 646	(28 871)	132 292
Capital - Work in progress	324 212	83 986	-	-	(68 880)	-	339 318
	1 456 936	117 854	(7 043)	-	(4 126)	(114 747)	1 448 872
2021							
Land	82 402	-	-	(959)	-	-	81 443
Buildings	473 525	123	-	(1)	33	(12 888)	460 792
Motor vehicles	45 275	-	-	-	-	(15 921)	29 354
Broadcasting Equipment	436 921	34 986	(106)	-	14 410	(77 526)	408 685
Other equipment	159 875	19 912	(3 632)	-	6 542	(30 247)	152 450
Capital - Work in progress	287 932	61 343	-	-	(25 063)	-	324 212
	1 485 930	116 364	(3 738)	(960)	(4 078)	(136 580)	1 456 936

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings :

Figures in R'000	Group		Company	
	2022	2021	2022	2021
	Audited		Audited	
Motor vehicles	-	14 421	-	14 421
Motor vehicles financed through ABSA instalment sale				

ABSA instalment sale agreement reached its termination during the year. At year end motor vehicles were not encumbered.

Changes in estimates

The Group reassesses the useful lives and residual values of items of property, plant and equipment at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

The depreciation methods and average useful lives of Group have been assessed and based on this analysis, the useful lives of items of property, plant and equipment have been revised. The impact of the change is not considered to be significant. The net effect of the changes in estimate results in a reduction in the annual depreciation charge for the current year of R8.2 million.

Assuming assets are held until the end of their estimated useful lives, depreciation over the next two years will decrease.

4. Investment Property

Figures in R'000

4. Investment Property Figures in R`000	Cost / Valuation	Accumulated depreciation including transfers	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value	
	2022			2021			
	Group						
	Investment property	9 739	(375)	9 364	9 739	(375)	9 364
	Company						
Investment property	9 739	(375)	9 364	9 739	(375)	9 364	

Reconciliation of investment property

Figures in R'000

	Opening balance	Classified as held for sale	Total
	Group and Company		
	2022		
Investment property	9 364	-	9 364
	2021		
Investment property	9 930	(566)	9 364

Figures in R'000

Fair value of investment properties 47 760 47 760 47 760 47 760

Investment Properties which are under a disposal plan approved by the Board of Directors have been disclosed under assets held for sale.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Group.

Details of valuation

The effective date of the valuations was Monday, 31 May 2021. Valuations were performed by an independent valuer, Valuetec property valuation (Pty) Ltd. The independent valuer is not connected to the Group and has recent experience in the location and category of the investment property being valued. The SABC's accounting policy requires an independent valuation to be performed every three years. In the current year, management has assessed the fair values as still reasonable and do not require material adjustments. The next valuation will therefore be conducted in the following financial year.

The valuation was based on open market value for existing use.

Amounts recognised in profit and loss for the year

Rental income from investment property 8 651 6 951 8 651 6 951

Investment properties comprise a commercial property leased to a third party, vacant buildings and vacant land. Information in respect of investment properties is contained in the register of fixed property which is available for inspection at the registered office of the Group.

5. Intangible Assets

5.1 Reconciliation of Computer software, other

	Group and Company					
	Cost or Valuation	Accumulated amortisation	Carrying value	Cost or Valuation	Accumulated amortisation	Carrying value
	2022			2021		
Computer software	432 821	(380 181)	52 640	430 587	(371 634)	58 953
Reconciliation of Computer software, other	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
	2022					
Computer software, other	58 953	1 412	(273)	4 132	(11 584)	52 640
	2021					
Computer software, other	63 411	745	-	682	(5 885)	58 953

5.2 Programme, film and sports rights

Figures in R'000	Group and Company					
	Cost /Valuation	Accumulated amortisation	Carrying value	Cost /Valuation	Accumulated amortisation	Carrying value
	2022			2021		
Acquired programme and film rights	875 984	(753 574)	122 411	611 870	(525 808)	86 064
Acquired sports right	619 960	(549 651)	70 308	1 073 942	(1 036 640)	37 302
Originated programme and film rights	4 822 974	(4 723 726)	99 249	5 847 881	(5 737 486)	110 395
Work-in-progress	187 044	(18 006)	169 039	252 979	(17 180)	235 798
Total	6 505 962	(6 044 957)	461 007	7 786 672	(7 317 114)	469 559

Reconciliations of Programme, film and sports rights

Figures in R'000	Group and Company						Total
	Opening balance	Additions	Cost adjustment relating to derecognised assets	Transfers	Amortisation	Impairment loss	
2022							
Acquired programme and film rights	86 064	292 335	-	-	(255 845)	(143)	122 411
Acquired sports right	37 302	371 394	-	-	(324 909)	(13 479)	70 308
Originated programme and film rights	110 395	-	(1 242)	753 633	(763 537)	-	99 249
Work-in-progress	235 798	687 699	-	(753 633)	-	(825)	169 039
	469 559	1 351 428	(1 242)	-	(1 344 291)	(14 447)	461 007
2021							
Acquired programme and film rights	85 639	200 764	-	-	(200 440)	101	86 064
Acquired sports right	53 704	106 986	-	-	(110 794)	(12 594)	37 302
Originated programme and film rights	68 829	-	(5 238)	750 453	(703 649)	-	110 395
Work-in-progress	285 661	700 590	-	(750 453)	-	-	235 798
	493 833	1 008 340	(5 238)	-	(1 014 883)	(12 493)	469 559

6. Defined Benefit Asset

Defined benefit plan

The Group's Pension Fund is a funded defined benefit pension fund, that is registered and governed in terms of the Pension Funds Act, No. 24 of 1956 and Pension Funds Second Amendment Act, No. 39 of 2001. It provides pension fund benefits for all its members in the form of a guaranteed level of pension payable for life. The financial position of the fund is examined and reported upon by the fund's valuator at intervals not exceeding three years. The last statutory valuation of the Fund was performed at 31 December 2020, in which the valuator reported that the Fund was in a sound financial position subject to the continuation of the current contribution rates, and that its assets exceeded its liabilities.

The level of benefits provided depends on members' length of service and their final salary in the final years leading up to retirement. Pension increases are defined in the rules of the fund where increases will be the lesser of 100% of headline inflation to the preceding 31 March; or the percentage increase that can be afforded out of investment earnings. The trustees may grant increases in excess of the above mentioned provided that the funding level in the pensions account does not reduce to below 114%. The governance of the fund is a joint responsibility of the board of trustees and the Group. The board of trustees must be composed of representatives of the Group and fund members in accordance with regulations and the rules of the fund.

There were no amendments, curtailments or settlements on the pension fund.

The defined benefit pension plan is actuarially valued annually at year end using the Projected Unit Credit Method for the financial statements. These valuations are performed by actuaries and the results are as follows:

	Group		Company	
	2022	2021	2022	2021
Figures in R'000	Audited		Audited	
Opening balance	1 796 473	775 103	1 796 473	775 103
Actuarial gain/(loss) recognised in OCI, including asset ceiling	(428 423)	700 976	(428 423)	700 976
Amounts recognised in profit/(loss)	125 861	79 630	125 861	79 630
Employer contributions	175 816	240 764	175 816	240 764
Closing balance	1 669 727	1 796 473	1 669 727	1 796 473
The amounts recognised in the statement of financial position are determined as follows:				
Present value of funded obligations	(11 265 136)	(10 955 534)	(11 265 136)	(10 955 534)
Fair value of planned assets	14 188 804	13 402 550	14 188 804	13 402 550
Funded status of planned assets	2 923 668	2 447 016	2 923 668	2 447 016
Asset ceiling	(1 253 941)	(650 543)	(1 253 941)	(650 543)
Assets recognised in the statement of financial position	1 669 727	1 796 473	1 669 727	1 796 473
Changes in the present value of the defined benefit obligation are as follows:				
Opening balance	10 955 534	9 814 426	10 955 534	9 814 426
Current service cost	218 671	213 513	218 671	213 513
Interest cost	1 217 775	995 864	1 217 775	995 864
Actuarial (gain)/loss	363 739	888 004	363 739	888 004
Benefit paid	(1 557 255)	(1 043 459)	(1 557 255)	(1 043 459)
Employee contribution	66 672	87 186	66 672	87 186
Closing defined benefit obligation	11 265 136	10 955 534	11 265 136	10 955 534
Changes in the fair value of plan assets are as follows:				
Opening balance	13 402 550	10 589 529	13 402 550	10 589 529
Employee contributions	66 672	87 186	66 672	87 186
Employer contributions	175 816	240 764	175 816	240 764
Benefits paid	(1 557 255)	(1 043 459)	(1 557 255)	(1 043 459)
Expected returns of plan assets	1 562 307	1 289 007	1 562 307	1 289 007
Fund expenses	(21 884)	(25 086)	(21 884)	(25 086)
Interest Income	560 598	2 264 609	560 598	2 264 609
Fair value plan assets at the end of the year	14 188 804	13 402 550	14 188 804	13 402 550
The amounts recognised in profit or loss are determined as follows:	125 861	79 630	125 861	79 630
Current service cost	(218 671)	(213 513)	(218 671)	(213 513)
Interest income/(cost)	344 532	293 143	344 532	293 143
The amounts recognised in the statement of other comprehensive income are determined as follows	(428 423)	700 976	(428 423)	700 976
Actuarial (gain)/loss on defined benefit	(989 021)	(1 563 633)	(989 021)	(1 563 633)
Expected return on plan assets	560 598	2 264 609	560 598	2 264 609
Net periodic pension charge	(302 562)	780 606	(302 562)	780 606
The principal actuarial assumptions at the reporting date(expressed as weight averages) are as follows:				
	2022	2021	2020	
Discount Rate at 31 March	11,75 %	12,25 %	12,60 %	
Inflation	6,75 %	7,30 %	6,75 %	
Future salary increases	8,25 %	8,80 %	8,25 %	
Future pension increases	6,75 %	7,30 %	6,75 %	

Plan assets comprises:

	2022		2021		2020	
	R'000	%	R'000	%	R'000	%
Domestic equity	7 165 346	50,50 %	6 312 601	47,10 %	4 500 550	42,50 %
Bonds	2 922 894	20,60 %	2 559 887	19,10 %	2 202 622	20,80 %
Cash	397 287	2,80 %	254 648	1,90 %	243 559	2,30 %
Property	255 398	1,80 %	268 051	2,00 %	211 791	2,00 %
Foreign assets	3 447 879	24,30 %	4 007 363	29,90 %	3 431 007	32,40 %
	14 188 804	100,00 %	13 402 550	100,00 %	10 589 529	100,00 %

	2022	2021	2020	2019	2018	2017
	R'000	R'000	R'000	R'000	R'000	R'000
Defined benefit obligation	(11 265 136)	(10 955 534)	(9 814 426)	(10 771 417)	(11 608 061)	(10 952 377)
Plan assets	14 188 804	13 402 550	10 589 529	12 821 357	12 460 933	12 286 049
Asset ceiling adjustment	(1 253 941)	(650 543)	-	-	-	-
Surplus	1 669 727	1 796 473	775 103	2 049 940	852 872	1 333 672

The defined benefit pension plan typically exposes the Group to actuarial risks such as:

Salary inflation	The retirement benefits liability is linked to salary inflation. Higher salary inflation than expected will lead to higher values of the defined benefit when it becomes due.
Investment return	If the investment return earned on the Fund's assets is lower than expected in the period leading up to an eligible member's benefit, this increases the risk that the Employer will have to settle a larger balance of cost associated with the benefit.
Cash flow risk	The Employer meets the balance of the cost of providing benefits to the defined benefit members. The Employer's current contribution rate is 16.5%. There is a risk to the Employer that, due to unforeseen circumstances, funds may not be available at the time that they are required to meet the balance of cost of providing benefits.
Changes in bond yields	A decrease in the bond yields, which are used to determine the discount rate at which the projected benefit at retirement is discounted to the valuation date, will increase the Employer's retirement benefits liability. This will be partially offset by an increase in the value of the plan asset's bond holdings. High volatility in the above rates may lead to volatile balance sheet and income statement disclosures.
Longevity risk	The longevity risk is the risk that pensioners will live longer than expected. Possible contributing factors are medical advances, better health care and greater emphasis on following healthier lifestyles. This would lead to benefits being payable for longer than expected.
Future changes in legislation	The Employer is required by the Pension Funds Act to adhere to any new legislation changes published by the FSCA. There is a risk to the Employer that the changes in legislation may lead to increases in the balance of cost of providing benefits.

Sensitivity Analysis

Although the Corporation expects no salary increases until it returns to profitability, reasonable possible changes in one of the significant actuarial assumptions at the end of the reporting period, keeping all other assumptions constant, would have the following effect on the defined benefit obligation as displayed below::

Inflation (pension and salary increase rates)	1% decrease (10 363 529)	Base (6.75%) (11 265 136)	1% increase (12 505 885)
Discount rate	1% decrease (12 497 439)	Base (11.75%) (11 265 136)	1% increase (10 268 103)
Post-retirement mortality improvements	Base (0.5% decrease) (11 003 184)	Valuation basis (11 265 136)	Base (0.5% increase) (11 536 037)

7. Prepayments**Figures in R'000**

	Group		Company	
	2022 Audited	2021	2022 Audited	2021
Programme, film and sports rights	9 506	103 886	9 506	103 886
Software licences	32 688	7 322	32 688	7 322
Other-commercial utilities	6 069	7 457	2 167	7 457
Total	48 263	118 665	48 263	118 665
Less: Current Portion	(42 562)	(100 231)	(42 562)	(100 231)
Non-current portion	5 701	18 434	5 701	18 434

8. Consumables

Figures in R'000

	2022 Audited	2021	2022 Audited	2021
Finished goods	4 123	4 307	4 123	4 307
Inventories (write-downs)	4 123	4 307	4 123	4 307
	(244)	(244)	(244)	(244)
	3 879	4 063	3 879	4 063

9. Trade and Other Receivables

Financial instruments:

Trade receivables	514 646	568 542	514 646	568 542
Allowances for discounts, rebates and returns	-	-	-	-
Loss allowance	(29 350)	(37 299)	(29 350)	(37 299)
Trade receivables at amortised cost	485 296	531 243	485 296	531 243
Other receivable	122 076	102 590	120 336	103 362

Non-financial instruments:

VAT	-	-	-	-
Total trade and other receivables	607 372	633 833	605 632	634 605

Split between non-current and current portions

Current assets	607 372	633 833	605 632	634 605
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	607 372	633 833	605 632	634 605
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Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

The SABC applies credit policy in managing the credit management of customers. The credit management process entails assessing the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with set limits. The compliance with credit limits by wholesale customers is regularly monitored by line management. Each customer's credit profile is determined and affects the allowable credit terms and credit limits.

There have been no significant changes in the credit risk management policies and processes since the prior reporting periods.

The average credit period on trade receivables is 50 days (2021: 54 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no material changes in the estimation techniques or significant assumptions made during the current reporting period, except for the increased provision matrix rates to incorporate Covid-19 pandemic impact.

Credit risk profiles for different customer categories are disclosed under note 32.

Expected credit loss rate:

Figures in R'000

Not past due	
Less than 30 days past due	
31 - 60 days past due	
61 - 90 days past due	
91 - 120 days past due	
More than 120 days past due	
Expected credit loss: 4.20% (2021: 4.42%)	
Provision for credit notes: 1.50% (2021: 2.14%)	

Total

Not past due	
Less than 30 days past due	
31 - 60 days past due	
61 - 90 days past due	
91 - 120 days past due	
More than 120 days past due	
Expected credit loss: 4.20% (2021: 4.42%)	
Provision for credit notes: 1.50% (2021: 2.14%)	

Total

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for receivables:

Figures in R'000

Opening balance in accordance with IFRS 9

Provisions reversed on settlement of trade receivables

Other

Closing balance

Exposure to currency risk

Refer to note 32 for details of currency risk management for trade receivables.

Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
2022		2021	
Group			
457 061	-	504 799	-
22 867	-	21 208	-
1 879	-	7 074	-
523	-	1 695	-
341	-	1 540	-
31 975	-	32 226	-
-	(21 617)	-	(25 135)
-	(7 733)	-	(12 164)
514 646	(29 350)	568 542	(37 299)
Company			
457 061	-	504 799	-
22 867	-	21 208	-
1 879	-	7 074	-
523	-	1 695	-
341	-	1 540	-
31 975	-	32 226	-
-	(21 617)	-	(25 135)
-	(7 733)	-	(12 164)
514 646	(29 350)	568 542	(37 299)

Group		Company	
2022	2021	2022	2021
Audited		Audited	
(37 299)	(51 206)	(37 299)	(51 206)
4 431	4 673	4 431	4 673
3 518	9 234	3 518	9 234
(29 350)	(37 299)	(29 350)	(37 299)

Analysis of Impairment of trade receivables expenses

Impairment of trade receivables expense in the Statement of profit or loss consists of:-

	Group		Company	
	2022 Audited	2021	2022 Audited	2021
Figures in R'000				
Loss allowance	(7 949)	(13 907)	(7 949)	(13 907)
TV Licence write off and other debtor impairment	48 127	113 934	48 127	113 934
	40 178	100 027	40 178	100 027

10. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand	927	873	927	873
Bank balances	17 927	37 445	17 927	34 398
Short-term deposits	1 151 743	1 444 475	1 151 743	1 444 475
Receivables finance facility	9 590	-	9 590	-
	1 180 187	1 482 793	1 180 187	1 479 746

The corporation entered into a debtor financing facility of R280 000 000 with a maximum term facility of 90 days from statement date of approved debts at prime 0.5% per annum. An annual facility fee of 1% of the facility amount was payable on the date of signature of the facility letter. Any excess over the approved facility amount will attract an interest charge of prime plus 8%.

Security pledged over the facility is as follows:-

- First cession over the book debts
- Cession over credit insurance
- Cession over the clearing accounts debtors will be paying into

11. Share Capital

Authorised

Ordinary shares (no par value)	1 001	1 001	1 001	1 001
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On 5 September 2019, the SABC received confirmation of an allocation from the Contingency Reserve through the Adjustments Appropriation Bill B16-2019 amounting to R3.2 bn. The appropriation was for payment of financial assets and provided as a recapitalisation equity injection. In a Board meeting held on 31 January 2020, the Board of Directors resolved that amendments to the Memorandum of Incorporation (Mol) be made to issue 1 (one) ordinary share to the Government of the Republic of South Africa at an aggregate issue price of R3.2 bn. The CIPC amended the Mol on 5 May 2021.

Reconciliation of number of shares issued:

Reported as at 1 April 2021	1 001	1 001	1 001	1 001
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Issued Share capital

Ordinary shares (R'000)	3 200 001	3 200 001	3 200 001	3 200 001
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12. Fair Value Adjustment Reserve

Opening balance	-	6 412	-	6 412
Gains /(losses) arising during the year	-	939	-	939
Reclassification of cumulative gain to profit/loss	-	(7 351)	-	(7 351)
Closing balance at 31 March	-	-	-	-

13. Government Debt Instrument

Figures in R'000

Non-current portion
Non-current portion
Perpetual debt
Redeemable long-term portion
Current portion

Group		Company	
2022	2021	2022	2021
Audited		Audited	
-	14 913	-	14 913
-	14 913	-	14 913
-	14 913	-	14 913
-	-	-	-
-	-	-	-
-	14 913	-	14 913

On 1 February 1972, the Company's shareholder converted a long-term loan into non-redeemable capital. The permanent capital was previously not repayable. The National Treasury on 7 November 2016 provided the SABC with an approval to redeem a portion of the perpetual debt amounting to R12.477 m over three years. The perpetual debt was fully settled in 2021/22.

In terms of the Exchequer Act, No. 66 of 1975, as amended, interest was payable, at a rate of 6.5% per annum on the outstanding capital amount. The instrument represents a financial liability (in the form of perpetual debt) under IAS 32 - Financial Instruments: Presentation, because of the underlying obligation to deliver cash in the form of future interest payments to the Group's shareholder.

14. Loans and Borrowings

Held at amortised cost

Secured

ABSA instalment sale facility for vehicles payable over five years bearing variable interest of prime less 1.50% per annum. The contract was entered into on 20 October 2015. The instalment sale is repayable in monthly payments of R1.1m. The final payment was made on 30 September 2021 as the contract term ended.

Figures in R'000

Installment sale liabilities
Less: Settlement

Non-current portion

Group and Company

Balance	Cash flows	Balance
-	(3 764)	3 764
-	3 764	(3 764)
-	-	-

Installment sale liabilities

Less than one year

Minimum lease payments R'000	Interest R'000	Principal R'000	Minimum lease payments R'000	Interest R'000	Principal R'000
-	-	-	3 764	56	3 708

15. Deferred Government Grant

Figures in R'000

Balance on 1 April
Amounts received during the year:
Amounts received during the year for Community radio stations
Amounts received during the year for Education projects
Amounts received during the year for Channel Africa projects
Amounts received during the year for SETA Grants
Amounts recognised in profit or loss (including amortisation and depreciation of assets acquired with the grant)
Balance on 31 March
Less: Current portion

Non-current portion

Group and Company

2022	2021
291 342	303 427
189 781	183 549
-	-
126 818	123 795
56 188	55 130
6 775	4 624
(163 823)	(195 634)
317 301	291 342
(240 594)	(177 587)
76 707	113 755

In February 2005, the Department of Communications and National Treasury committed an amount of R700 m including VAT to the Group over a period of five years, in order to facilitate the Group's migration from analogue to digital technical infrastructure. Additional amounts were contributed by the Departments during 2010/11 (R150 m including VAT), 2013/14 (R76 m including VAT) and 2014/15 (R62 m including VAT). The total amount of grant funding for digital technical infrastructure received to date is R988 m since 2005. This grant is recognised to profit/ loss in line with the depreciation amount. The carrying amount of grant funded assets as at 31 March 2022 is R127 m.

16. Deferred Tax

Deferred tax liability

Figures in R'000

	Group		Company	
	2022	2021	2022	2021
	Audited		Audited	
Property, plant and equipment	(78 529)	(84 633)	(78 529)	(84 633)
Defined benefit asset	(450 826)	(503 012)	(450 826)	(503 012)
Programme, film and sports rights	29 742	(10 892)	29 742	(10 892)
Available-for-sale financial assets	-	(2 031)	-	(2 031)
Doubtful debt allowance - non TV licences	(3 170)	(2 611)	(3 170)	(2 611)
Doubtful debt allowance -TV licences	(5 193 535)	(4 460 998)	(5 193 535)	(4 460 998)
Prepayments	(300)	(379)	(300)	(379)
Operating lease receivable	(285)	(314)	(285)	(314)
Section 24C	(53 223)	-	(53 223)	-
Revenue included in the Accrued TV Licences relating to impaired TV Licence debtors	(400 319)	(34 711)	(400 319)	(34 711)

Total deferred tax liability

(6 150 445) (5 099 581) (6 150 445) (5 099 581)

Deferred tax asset

Operating lease liability/RoU assets	-	14 499	-	14 499
Variable remuneration	44 778	54 200	44 778	54 200
Straight-lining of operating leases	-	466	-	466
PRMA	316 071	335 632	316 071	335 632
Deferred income	137 708	88 303	137 708	88 303
Other payables and provisions	125 201	126 295	125 201	126 295
Amounts accrued not received-TV licences	6 109 483	5 249 315	6 109 483	5 249 315
Donations deductible in future	-	2 255	-	2 255
Tax Loss	569 362	393 991	589 362	165 356
Deferred tax balance from temporary differences other than unused tax losses	-	-	-	-
Tax losses avail for set off against future tax in	7 302 603	6 264 956	7 302 603	6 264 956
Valuation allowance of deferred tax assets	7 302 603	6 264 956	7 302 603	6 264 956

Total deferred tax asset

7 302 603 6 264 956 7 302 603 6 264 956

Deferred tax liability	(6 150 445)	(5 099 581)	(6 150 445)	(5 099 581)
Deferred tax asset	7 302 603	6 264 956	7 302 603	6 264 956

Total net deferred tax asset

1 152 158 1 165 375 1 152 158 1 165 375

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability as at 1 April	-	-	-	-
Deferred tax recognised in profit and loss	83 200	(39 976)	83 200	(39 976)
Current year loss	(127 187)	(280 640)	(127 187)	(280 640)
Deferred tax loss not recognised	-	39 976	-	39 976
Effect of rate change	(41 621)	-	(41 621)	39 976
Timing differences not recognised- other comprehensive income	85 608	280 640	85 608	280 640

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

[If the deferred tax benefits acquired in a business combination are not recognised at the acquisition date but are recognised after the acquisition date (see paragraph 68 of IAS 12), provide a description of the event or change in circumstances that caused the deferred tax benefits to be recognised.]

Opening tax loss	1 631 565	629 280	1 631 565	629 280
Current year created (income)/loss	471 063	1 002 285	471 063	1 002 285

Available for utilisation in future years

2 102 628 1 631 565 2 102 628 1 631 565

The deferred tax asset in relation to TV licence gross income (section 1 of the Income Tax Act No. 58 of 1962) and the deferred tax liability in relation to the application of section 11(j) of the Income Tax Act No. 58 of 1962) is based on the best estimate as at 31 March 2022 and is subject to South African Revenue Service ruling.

The Group has not recognised a deferred tax asset in respect of assessed loss as management considers that it is no longer probable that the Group will generate taxable income to utilise the deferred tax asset. In the event that the Group returns to profitability, it will have a deferred tax asset of R1152 million available for future utilisation.

17. Employee Benefits Obligation

Non-current statement of financial position obligations for:

Figures in R'000

Non-current statement of financial position obligations for:

	Group 2022 Audited	2021	Company 2022 Audited	2021
Post-employment medical benefits*	1 170 633	1 198 687	1 170 633	1 198 687
Leave pay	1 270	1 375	1 270	1 375
Long service awards	88 294	85 182	88 294	85 182
	1 260 197	1 285 244	1 260 197	1 285 244

Current statement of financial position obligations for:

Employee incentive	15 205	45 372	15 205	45 372
Leave pay	139 254	135 462	139 254	135 462
Long service awards	6 689	6 567	6 689	6 567
	161 148	187 401	161 148	187 401

Total Statement of Financial Position obligations for employee benefits	1 421 344	1 472 645	1 421 344	1 472 645
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Statement of Profit and loss (see also note 23):

Post-employment medical benefits	149 284	131 509	149 284	131 509
Leave pay	38 685	64 841	38 685	64 841
Long service awards	14 232	16 394	14 232	16 394
	202 201	212 744	202 201	212 744

The Group provides a varying subsidy towards medical aid contributions payable by employees who elect to remain on the medical aid scheme after retirement. This subsidy is unfunded and is provided for based on actuarial valuations performed annually. The valuation assumes a varying subsidy of 60%; 75% and 100% consistent with the 2019 valuation scenario. The plan is only open to employees who joined SABC before 1 June 2002. There are different levels of post-employment subsidy namely; staff who retired between 1979 and 31 March 1990 with past service greater than 5 years, receive a 100% medical aid subsidy from SABC; staff who retired between 1979 and 31 March 1990 with past service of less than 5 years receives a 75% medical aid subsidy from SABC; staff who retired from 1 April 1990 and thereafter receives a 60% subsidy. Not all in receipt of a post-employment subsidy are retired on SABC Pension Fund; there are a select group of Non-Pensioner Retirees whom qualified for post-employment subsidies. The method of accounting, significant assumptions and the frequency of the valuation are similar to those used for the defined benefit pension scheme as set out with the addition of the Healthcare cost inflation of 7,85%.

The amount recognised in the Statement of Financial Position is determined as follows:

Present value of unfunded obligations

Post-employment medical benefits	1 170 633	1 198 687	1 170 633	1 198 687
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Changes in the present value of the post-employment medical benefits are as follows:

Opening defined benefit obligation	1 198 687	941 900	1 198 687	941 900
Current service cost	6 265	10 724	6 265	10 724
Interest cost	143 019	120 785	143 019	120 785
Subsidy payments	(71 438)	(62 442)	(71 438)	(62 442)
Actuarial (gain)/loss	(105 900)	187 720	(105 900)	187 720
Closing defined benefit obligation	1 170 633	1 198 687	1 170 633	1 198 687

The amount recognised in profit or loss is determined as follows:

Current service cost	6 265	10 724	6 265	10 724
Interest cost	143 019	120 785	143 019	120 785

The amount recognised in other comprehensive income is determined as follows:

Actuarial (gain)/loss on post-employment medical benefits	(105 900)	187 720	(105 900)	187 720
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Total, included in employee compensation and benefit expenses, including items recognised in other comprehensive income

	43 384	319 229	43 384	319 229
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The principal actuarial assumptions at the reporting date (expressed as weighted averages) are as follows:

Discount rate at 31 March	11,30 %	12,40 %
Medical inflation rate per annum	7,85 %	8,90 %
Take-up rate by retired employees	30,00 %	30,00 %

	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000
Post-employment medical benefits obligations	(1 170 633)	(1 198 687)	(941 900)	(1 066 141)	(1 096 169)

Sensitivity Analysis

Healthcare cost inflation	1% decrease (1 056 491)	Base (8.90%) (1 170 633)	1% Increase (1 306 587)
Discount rate	1% decrease (1 306 657)	Base (12.40%) (1 170 633)	1% Increase (1 057 941)
Post-retirement mortality improvements	-1 year (1 204 983)	Valuation Base (1 204 983)	+1 year (1 136 320)

The above sensitivity analysis is based on a change in one of the significant actuarial assumptions at the end of the reporting date, keeping all other assumptions constant. When calculating the sensitivity of the employee benefits obligation to the significant actuarial assumptions the projected unit credit method has been applied.

The methods and types of assumptions used in preparing the sensitivity analysis did not materially change compared to the previous period.

The amount recognised in the Statement of Financial Position for Long Service Awards is determined as follows:

	Group		Company	
	2022 Audited	2021	2022 Audited	2021
Figures in R'000				
Present value of unfunded obligations				
Long service awards	94 983	91 749	94 983	91 749

Changes in the present value of the long service awards are as follows:

Opening defined benefit obligation	91 749	100 144	91 749	100 144
Current service cost	6 567	6 604	6 567	6 604
Interest cost	7 665	9 790	7 665	9 790
Benefits payments	(6 262)	(14 696)	(6 262)	(14 696)
Actuarial (gain)/loss	(4 736)	(10 093)	(4 736)	(10 093)
Closing defined benefit obligation	94 983	91 749	94 983	91 749

The amount recognised in profit or loss is determined as follows:

Current service cost	6 567	6 604	6 567	6 604
Interest cost	7 665	9 790	7 665	9 790

The amount recognised in other comprehensive income is determined as follows:

Actuarial (gain)/loss on long service award	(4 736)	(10 093)	(4 736)	(10 093)
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Total, included in employee compensation and benefit expenses, including items recognised in other comprehensive income

	9 496	6 301	9 496	6 301
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The principal actuarial assumptions in respect of long service awards at the reporting date (expressed as weighted averages) are as follows:

Discount rate at 31 March	10,40 %	8,65 %
Rate of salary increase	7,30 %	6,30 %

	2022 R'000	2021 R'000	2020 R'000
Long service award obligation	(94 983)	(91 749)	(100 144)

Sensitivity Analysis

Salary Inflation	1% decrease (93 400)	Valuation Basis (94 983)	1% Increase (96 763)
Discount rate	1% decrease (102 687)	Valuation Basis (94 983)	1% increase (88 175)

Long service awards

The Group provides long service awards to its employees continuous service intervals; it starts from five years of service to 45 years of service. These awards are unfunded and are provided for based on actuarial valuations performed annually. These awards consist of a cash portion as well as a gift portion, where continuous service reach 30 years and more; five days of long service leave is also granted and for each subsequent five-year interval. To determine the present value of the obligation the Projected Unit Credit Method is used.

The principal actuarial assumptions in respect of long term leave pay at the reporting date (expressed as weighted averages) are as follows:

Discount rate at 31 March	8,20 %	6,85 %
Rate of salary increase	7,00 %	5,15 %

18. Other Non-Current Liabilities

	Group		Company	
	2022	2021	2022	2021
	Audited		Audited	
Competition Commission penalty - non current portion	-	4 180	-	4 180

Figures in R'000

The SABC was fined by the Competition Commission for breach of competitive behaviour in the advertising industry. Included in the accruals is an amount of R4.180 m which is payable the following financial year.

19. Trade and Other Payables

Financial instruments:

Trade payables	19 652	40 798	19 652	40 798
Accruals	220 606	182 245	220 606	182 245
Accruals programme, film & sports rights	133 023	130 743	133 023	130 743
Other payables	127 719	115 667	127 719	115 667

Non-financial instruments:

Personnel related liabilities	44 689	199 748	44 689	199 748
VAT	67 550	56 255	67 550	56 255
	613 239	725 456	613 239	725 456

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	501 000	469 453	501 000	469 453
Non-financial instruments	112 239	256 003	112 239	256 003
	613 239	725 456	613 239	725 456

Exposure to currency risk

Refer to note 32 Financial instruments and financial risk management for details of currency risk management for trade payables.

20. Provisions

	Group and Company				
	2022				
	Opening balance	Additions	Utilised during the year	Reversed during the year	Closing balance
Legal proceedings	225 346	18 825	-	(42 497)	201 674
Other provisions	75 080	101 117	-	(60 806)	115 391
	300 426	119 942	-	(103 303)	317 065
	2021				
Legal proceedings	226 989	18 393	(7 665)	(20 036)	225 346
Other provisions	75 423	109 823	-	(102 501)	75 080
	302 412	128 216	(7 665)	(122 537)	300 426

- Legal claims against the SABC were instituted by various individuals/institutions and a provision has been raised in that regard. Certain of these matters are before the courts and others the Group is attempting to settle out of court. Management estimates the potential outcome of these legal claims based on the most objective evidence on hand from internal and external legal advisors until such time that ultimate legal resolution has been finalised. Refer to note 1.15 for basis of estimates and assumptions in determining any provision raised.
- Other provisions include provisions for royalties and operating expenditures with cashflow expected to taken place within 12 months..

21. Revenue

Revenue from contracts with customers

Figures in R'000

	Group		Company	
	2022	2021	2022	2021
	Audited		Audited	
Mobile Revenue	37 014	14 402	37 014	14 402
Channel carriage fees	208 025	197 033	208 025	197 033
Programme rights and exploitation rights	48 206	31 588	48 206	31 588
Advertising revenue	3 078 475	3 345 721	3 078 475	3 345 721
Sponsorship revenue	664 432	354 406	664 432	354 406
Licence fees	815 055	788 426	815 055	788 426
Business enterprise and facilities revenue	27 816	25 992	27 816	25 992
	4 879 023	4 757 568	4 879 023	4 757 568

Revenue other than from contracts with customers

Revenue recognised from government grants	163 823	195 634	163 823	195 634
	5 042 846	4 953 202	5 042 846	4 953 202

At each annual renewal date, a licence holder is billed their prescribed annual licence fee in terms of legislation. Due to the high levels of fee payment evasion by licence holders, the Group assesses the probability of receiving the licence fees on an individual account basis. Where the timing and amount of receipt cannot be reliably measured and receipt is not considered probable, revenue is not recognised. During the year TV Licences amounting to R4.446 bn (2021: R4.416 bn) were billed of which only R815.0 m (2021: R788.4 m) met the probability recognition criteria.

Contract liabilities

Advertising revenue	55 575	47 641	55 575	47 641
TV licence fee income	106 323	98 478	106 323	98 478
Sponsorship revenue	151 009	49 904	151 009	49 904
Total contract liabilities	312 907	196 023	312 907	196 023

Contract liability relates to payments received in advance of performance under a contract and contracts where the customer has an ability and intention to pay that amount of consideration when it is due. All unsatisfied performance obligations are expected to be completed within one year from reporting date.

Contract assets

TV Licence (unmatched to account holders)	18 339	19 380	18 339	19 380
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Contract assets are recognised to the extent that performance obligations have been performed by the Group and that revenue has been recognised in accordance with IFRS 15 Revenue from contracts with customers, but for which the Group's right to consideration is not yet unconditional. For TV Licence fees this would be licences renewed through an agent for which a valid licence in the name of the account holder is yet to be ratified and issued to the corporation. When the right to consideration becomes unconditional, the contract asset is transferred to trade receivables.

The implementation of bulk sponsorship deals and other initiatives exceeded performance as clients were attracted to the deal structure. The effect of this was a significant increase in both contract assets and liabilities relating to sponsorship as at 31 March 2022.

(i) Significant change in contract assets and liabilities

	Contract assets and liabilities			
Revenue recognised that was included in contract liability at beginning of period	(196 023)	(363 287)	(196 023)	(363 287)
Increase due to cash received, excluding amounts recognised as revenue during the period	312 907	196 023	312 907	196 023
	116 884	(167 264)	116 884	(167 264)

All consideration from contracts with customers is included in the amounts of contract liabilities presented above. Contract liabilities are all expected to be recognised in revenue in 12 months succeeding the financial year end. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. The Group applies the practical expedient in paragraph C5 (c) of IFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations and when revenue is expected to be recognised as revenue.

(ii) Revenue recognised in relation to contract liabilities

The following table below shows how much of the revenue recognised in the current period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year.

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Group		Company	
	2022 Audited	2021	2022 Audited	2021
Figures in R'000				
Advertising revenue	47 641	23 269	47 641	23 269
TV licence fee income	98 478	73 976	98 478	73 976
Sponsorship revenue	49 904	266 042	49 904	266 042
No revenue was recognised from performance obligations satisfied in previous periods	-	-	-	-
	196 023	363 287	196 023	363 287

22. Other Operating Income

Rental income	8 651	9 687	8 651	9 687
Travel commission	337	58	337	58
Event sponsorships and other	16 052	5 318	16 052	5 318
	25 040	15 063	25 040	15 063

23. Employee and Directors Compensation and Benefit Expense

Cost of Employment	1 932 992	2 539 103	1 932 992	2 539 103
Long-service Awards	14 232	16 394	14 232	16 394
Defined benefit pension fund recognised in profit or loss	(125 861)	(79 630)	(125 861)	(79 630)
Post-employment medical benefits	149 284	131 509	149 284	131 509
Leave pay	38 507	64 841	38 507	64 841
Total amounts recognised in profit or loss	2 009 154	2 672 217	2 009 154	2 672 217
Items recognised in other comprehensive income:				
Actuarial (gain)/loss-post-retirement medical aid liability	(105 900)	187 720	(105 900)	187 720
Actuarial (gain)/loss-Pension fund defined benefit	989 021	(1 563 633)	989 021	(1 563 633)
Actuarial(gain)/loss-Long service awards	(4 739)	(10 093)	(4 739)	(10 093)
Expected return on plan assets	(560 598)	2 264 609	(560 598)	2 264 609
	2 326 938	3 550 820	2 326 938	3 550 820

24. Professional and Consulting Fees

Audit fees	27 970	19 201	27 970	19 201
Consulting fees	47 039	37 619	47 039	37 619
Managerial	21 645	15 782	21 645	15 782
Technical	25 155	21 837	25 155	21 837
Other	239	-	239	-
	75 009	56 820	75 009	56 820

25. Operational Expenses

Other expenses include the following charges:

Operating lease charges	1 980	(791)	1 980	(791)
Premises	1 739	1 801	1 739	1 801
Equipment	241	(2 592)	241	(2 592)
Legal claim provision raised/(reversed)	119 942	128 216	119 942	128 216

26. Profits/(losses) on Disposal of Assets

Profit/(loss) on disposal of assets	(6 201)	(1 333)	(6 201)	(1 333)
Profit/(loss) on sale of assets relates to the disposal of items of property, plant and equipment and computer software. Refer to note 30 for carrying amount and proceeds of items of property, plant and equipment and computer software disposed.				

27. Net Finance Gain

Figures in R'000

Interest received from banking institutions
Net foreign exchange gain on monetary items
Interest income
Dividend income
Finance Income
Interest paid
Interest paid - Permanent Capital
Installment sale and lease liabilities
Other interest paid
Net forex gains (losses) foreign borrowing
Finance Expenses
Net financing gain/(loss)

Group		Company	
2022	2021	2022	2021
Audited		Audited	
53 925	79 670	53 925	79 670
9 269	2 040	9 269	2 040
63 194	81 710	63 194	81 710
-	437	-	437
63 194	82 147	63 194	82 147
(2 040)	(13 988)	(2 040)	(13 988)
(727)	(969)	(727)	(969)
(1 082)	(2 701)	(1 082)	(2 701)
(231)	(10 318)	(231)	(10 318)
(4 003)	5 649	(4 003)	5 649
(6 043)	(8 339)	(6 043)	(8 339)
57 151	73 808	57 151	73 808

28. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	(200 784)	(530 175)	(200 205)	(531 538)
Tax at the applicable tax rate of 27% (2021: 28%)	(54 211)	(148 449)	(54 055)	(148 831)

Tax effect of adjustments on taxable income

Non-taxable income	(10 559)	(190 479)	(10 559)	(190 097)
Deferred tax effect income	20 627	18 312	20 627	18 312
Effect of rate change	(41 621)	-	(41 621)	-
Deferred tax asset not recognised - other temporary differences	85 764	320 616	85 608	320 616
	-	-	-	-

Income tax expense				
Income tax recognised in profit or loss				
Current year - temporary difference	83 200	(39 976)	83 200	(39 976)
Assessed loss - current year	(127 187)	(280 640)	(127 187)	(280 640)
Reversing temporary differences	-	-	-	-
Deferred tax asset not recognised- other temporary differences	-	39 976	-	39 976
Effect of rate change	(41 621)	-	(41 621)	-
Deferred tax asset not recognised	85 608	280 650	85 608	280 640
	-	-	-	-

Reconciliation of the tax expense

Reconciliation between comprehensive loss and tax loss

Comprehensive income/(loss) before tax	(317 787)	(523 349)	(317 787)	(523 349)
Tax at the applicable tax rate of 28% (2020: 28%)	85 802	441 200	85 802	441 200
Deferred tax derecognised-OCI	(85 802)	(441 200)	(85 802)	(441 200)
	-	-	-	-

Income tax expense				
Income tax recognised in other comprehensive income				
Defined benefit asset	115 674	(196 273)	115 674	(196 273)
Post-retirement medical aid	(28 593)	(52 561)	(28 593)	(52 561)
Long service awards	(1 279)	10 896	(1 279)	10 896
Deferred tax not recognised-OCI	(85 802)	237 98	(85 802)	237 98
	-	-	-	-

29. Cash Generated from Operations

Figures in R'000

Loss before taxation

Adjustments for:

Depreciation and impairment of property, plant and equipment

Depreciation of right-of-use assets

Amortisation of computer software

Amortisation of programme, film and sports rights

Profit/(loss) on disposal of assets

Impairment of Trade Receivables

Revenue recognised from government grants

Gains on reclassification of financial assets

Fair value gain on derecognised financial assets

Dividends received

Investment income

Finance costs

Increase/(decrease) of provision on trade receivables

Impairment of subsidiaries

Operating cash inflow before payment for acquisition of programme, film and sports rights

Net acquisition of programme, film and sports rights

Operating cash outflow before changes in working capital, employee benefits

Changes in working capital:

Consumables

Trade and other receivables

Contract assets

Prepayments

Trade and other payables

Contract Liabilities

Deferred government grant

Defined benefit assets and liabilities

Other non-current liabilities

Provisions

Employee benefits obligation

Cash generated from operations

30. Proceeds from Disposal of Assets

Net book value of disposals and asset verification adjustment

Profit/(loss) on sale of assets

31. Tax(paid)/refunded

Balance at beginning of the year

Balance at end of the year

	Group		Company	
	2022	2021	2022	2021
	Audited		Audited	
Loss before taxation	(200 784)	(530 175)	(200 205)	(531 538)
Adjustments for:				
Depreciation and impairment of property, plant and equipment	114 747	136 580	114 747	136 580
Depreciation of right-of-use assets	8 664	18 589	8 664	18 589
Amortisation of computer software	11 584	5 885	11 584	5 885
Amortisation of programme, film and sports rights	1 358 738	1 027 378	1 358 738	1 027 378
Profit/(loss) on disposal of assets	6 201	1 333	6 201	1 333
Impairment of Trade Receivables	40 178	100 027	40 178	100 027
Revenue recognised from government grants	(163 823)	(195 634)	(163 823)	(195 634)
Gains on reclassification of financial assets	-	(939)	-	(939)
Fair value gain on derecognised financial assets	(583)	-	(583)	-
Dividends received	-	(437)	-	(437)
Investment income	(63 194)	(81 710)	(63 194)	(81 709)
Finance costs	6 043	8 339	6 043	8 339
Increase/(decrease) of provision on trade receivables	(7 949)	(13 907)	(7 949)	(13 907)
Impairment of subsidiaries	-	-	-	1 761
Operating cash inflow before payment for acquisition of programme, film and sports rights	1 109 822	475 329	1 110 401	475 727
Net acquisition of programme, film and sports rights	(1 351 428)	(1 008 340)	(1 351 428)	(1 008 340)
Operating cash outflow before changes in working capital, employee benefits	(241 606)	(533 011)	(241 027)	(532 613)
Changes in working capital:				
Consumables	184	216	184	216
Trade and other receivables	32 662	223 400	33 434	223 400
Contract assets	1 041	243 036	1 041	243 036
Prepayments	70 402	(42 869)	70 402	(42 869)
Trade and other payables	(112 217)	(93 214)	(112 217)	(93 214)
Contract Liabilities	116 884	(167 264)	116 884	(167 264)
Deferred government grant	25 959	(12 085)	25 959	(12 085)
Defined benefit assets and liabilities	(301 677)	(320 394)	(301 677)	(320 394)
Other non-current liabilities	(4 180)	(15 884)	(4 180)	(15 884)
Provisions	16 639	(1 986)	16 639	(1 986)
Employee benefits obligation	(7 155)	(43 860)	(7 155)	(43 860)
Cash generated from operations	(403 064)	(763 915)	(401 758)	(763 915)
Proceeds from Disposal of Assets				
Net book value of disposals and asset verification adjustment	7 316	3 738	7 316	3 738
Profit/(loss) on sale of assets	(6 201)	(1 333)	(6 201)	(1 333)
	1 115	2 405	1 115	2 405
Tax(paid)/refunded				
Balance at beginning of the year	(68 840)	(69 491)	(68 840)	(69 491)
Balance at end of the year	61 977	68 840	61 977	68 840
	(6 863)	(651)	(6 863)	(651)

The closing tax liability is management's estimate as at 31 March 2022 and management believes that the amount will be further reduced (subject to SARS approval) by the allowances not claimed in prior year in respect of: Programmes and fixed assets amounting to R171 million and R84 million respectively.

32. Financial Instruments and Risk Management

Categories of financial instruments

Categories of financial assets

Figures in R'000

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Group					
2022					
Trade and other receivables	9	-	607 372	607 372	-
Cash and cash equivalents	10	-	1 180 187	1 180 187	-
		-	1 787 559	1 787 559	-

Figures in R'000

	Note(s)	Fair value through other comprehensive income equity instruments	Amortised cost	Total	Fair value
2021					
Trade and other receivables	9	-	633 833	633 833	-
Cash and cash equivalents	10	-	1 482 793	1 482 793	-
Other financial assets		8 528	-	8 528	8 528
		8 528	2 116 626	2 125 154	8 528

Figures in R'000

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Company					
2022					
Trade and other receivables	9	-	605 632	605 632	-
Cash and cash equivalents	10	-	1 180 187	1 180 187	-
		-	1 785 819	1 785 819	-

Figures in R'000

	Note(s)	Fair value through other comprehensive income equity instruments	Amortised cost	Total	Fair value
2021					
Trade and other receivables	9	-	634 605	634 605	-
Cash and cash equivalents	10	-	1 479 776	1 479 776	-
Other financial assets		8 528	-	8 528	8 528
		8 528	2 114 381	2 122 909	8 528

Figures in R'000

Categories of financial liabilities

	Note(s)	Amortised cost	Loans and borrowings	Total	Fair value
Group					
2022					
Trade and other payables	19	501 000	-	501 000	-
2021					
Trade and other payables	19	469 453	-	469 453	-
Loans and borrowings	14	-	3 764	3 764	-
		469 453	3 764	473 217	-

Figures in R'000

	Note(s)	Amortised cost	Loans and borrowings	Total	Fair value
Company					
2022					
Trade and other payables	19	501 000	-	501 000	-
2021					
Trade and other payables	19	469 453	-	469 453	-
Loans and borrowings	14	-	3 764	3 764	-
		469 453	3 764	473 217	-

Capital management

The Group's share capital is 100% owned by the Government. The Group does not hold any other form of share capital. There are no changes expected in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements. The Group manages its capital to ensure that the entity is able to continue as a going concern by maintaining a minimum liquidity reserve of R50m, and 15% of its investment portfolio in liquid investments.

Borrowing facilities

The unutilised borrowing facilities include general short-term banking facilities, asset-based finance facilities as well as guarantee facilities.

Included in normal guarantees, the Group has guarantees against the employee housing scheme to the value of R0.105 million, and a guarantee for Airwave Travel's IATA travel agency licence.

General short-term banking facilities (available for future operating activities)

Figures in R'000	Note(s)	Group		Company	
		2022	2021	2022	2021
		Audited		Audited	
FNB/Rand Merchant Bank		-	-	-	-
Nedbank		-	-	-	-
ABSA Corporate and Merchant Bank		13 800	13 800	13 800	13 800
Unutilised		12 710	9 355	12 710	9 355
Asset finance (available to settle capital commitments)					
Provided		7 800	7 800	7 800	7 800
Utilised		-	(3 749)	-	(3 749)
Unutilised		7 800	4 051	7 800	4 051
Guarantees					
Provided		45 000	45 000	45 000	45 000
Utilised		(310)	(310)	(310)	(310)
Unutilised		44 690	44 690	44 690	44 690
Receivable facility					
Provided		280 000	280 000	280 000	280 000
Utilised		-	-	-	-
Unutilised		280 000	280 000	280 000	280 000
Loan and borrowings	14	-	3 764	-	3 764
Trade and other payables	19	501 000	469 453	501 000	469 453
Government debt instrument	13	-	14 913	-	14 913
Total borrowings		501 000	488 130	501 000	488 175
Cash and cash equivalents	10	(1 180 187)	(1 482 793)	(1 180 187)	(1 482 793)
Net borrowings		(679 187)	(994 663)	(679 187)	(994 663)
Equity		2 462 363	2 980 934	2 460 623	2 978 615
Gearing ratio		20 %	16 %	20 %	16 %

Financial risk management

Overview

The Group is exposed to the following risks that arise out of the normal course of business from its use of financial instruments :

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group Audit Committee is tasked with overseeing how management monitors compliance with the Group's policies and procedures and the reviews of the adequacy of the internal audit function's monitoring of these risks. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL) and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Risk management

The SABC applies a Credit Policy in managing the credit management of customers. The credit management process entails assessing the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with set limits. The compliance with credit limits by wholesale customers is regularly monitored by line management. Each customer's credit profile is determined and affects the allowable credit terms and credit limits.

(ii) Impairment of financial assets

The SABC has one type of financial asset that are subject to IFRS 9's expected credit loss model:

- trade receivables (commercial revenue and TV licence)

The SABC adopted the Simplified Approach for Trade Receivables in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. However, no impairment loss was identified for contract asset assets.

The expected credit loss rates are based on the payment profiles of sales over a 12 month period and historical credit losses experienced within prior periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The following qualitative factors have been incorporated into measurement of expected credit losses:

- Any changes in the contractual/ credit terms
 - Declining profitability of the borrower based on the latest available financial statements
 - Any other legal/ operational information available to the SABC affecting the borrower
- The trade debtors with the significant risk (past 30 days due), with the following characteristics have been rebutted:

- Where there is a set-off agreement in place for the amount owed by the Corporation and amount owed to Corporation for the same trade debtor/ trade creditor
- Amount is owed by the National/ Provincial department is deemed to be recoverable

On that basis, the loss allowance as at 31 March 2022 and 31 March 2021 was determined as follows for both trade receivables and contract assets:

	Current	Within 30 days past due	31-90 days past due	More than 90 days past due	Total
31 March 2022					
Expected loss rate	1%	2%	100%	100%	-
Gross carrying amount-Trade receivables	457 061	22 867	2 402	32 316	514 646
	457 061	22 867	2 402	32 316	514 646
31 March 2021					
Expected loss rate	1%	2%	100%	100%	-
Gross carrying amount-Trade receivables	504 799	21 208	8 769	33 766	568 542
	504 799	21 208	8 769	33 766	568 542

Trade and other receivables

The closing loss allowances for trade receivables and contract assets as at 31 March 2022 reconcile to the opening loss allowances as follows:

	Trade receivables
Closing balance-31 March 2021	(37 299)
Opening loss allowance as at 1 April 2021	(37 299)
Unused amount reversed	7 949
Closing loss allowance as at 31 March 2022	(29 350)

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. No impairment losses were identified for contract assets. Subsequent recoveries of amounts previously written off are credited against the same line item. Refer to note 11: Trade and other receivables for an analysis of impairment of trade receivables expense.

In determining the measurement of the expected credit losses, the SABC followed the below methodology. The impairment was adjusted for the Covid-19 pandemic impact in the current year.

Credit risk rating	Description	Explanation	Impairment matrix (Bucket value)
1	Low	Customer account balances which are only - % current and/or 30 days past due with a credit rating between A to B, these are deemed to have low risk	- %
2	Moderate	Customer account balances which are only 2 % current and/or 30 days past due with a credit rating between A to B, but have qualitative factors	2 %
		Customer account balances which are current 3 % and/or 30 days past due (which are also included in the past 30 days)	3 %
		Customer account balances which are current and/or 30 days past due with a credit rating of C are deemed to have moderate risk	4 %
3	Significant	Past 30 days past due and there is no substantiating evidence to rebut Par.5.5.11 (IFRS 9) rebuttable presumption.	100 %
		Customer account balances which are current and/or 30 days past due with a credit rating of D and worse are deemed to have significant risk	25 %

(i) Security

For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(ii) Guarantees

The Company has guarantees issued by the Company were R0.150 million relating to the employee housing scheme.

The Group holds collateral as security

The nature and fair value of this collateral is as follows:

Figures in R'000

Coface

Group		Company	
2022	2021	2022	2021
Audited		Audited	
1 245 269	1 315 630	1 245 269	1 315 630

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due or can only do so at excessive high costs. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient cash, marketable securities and credit facilities to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Where internal funding is constrained, external sources of funding are explored.

The Group manages its cash flow requirements by forecasting for both the short-term (three months) and the long-term (one to three years) cash requirements of the Group. The Group has borrowing facilities amounting to R7 million (2021: R32 million) which include short-term banking facilities as well as asset-based finance facilities.

The following analysis details the contractual maturity of the Group's non-derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to settle the liability. The analysis includes both interest and principal cash flows.

Non-derivative financial liabilities	Carrying amount R'000	Contractual cash flow R'000	Up to 6 months R'000	6 months to 1 year R'000	1 year to 3 years R'000	Thereafter
2022						
Trade payables	19 652	19 652	19 652	-	-	-
Accruals	220 606	220 606	220 606	-	-	-
Accrued expense - Programme, film and sports rights	133 023	133 023	133 023	-	-	-
Other payables*	127 719	127 719	127 719	-	-	-
Other non-current liabilities	-	4 180	-	-	-	-
Lease liabilities	7 144	7 144	-	-	-	-
	508 144	512 324	501 002	-	-	-
2021						
Trade payables	40 798	40 798	40 798	-	-	-
Accruals	182 245	182 245	182 245	-	-	-
Accrued expense - Programme, film and sports rights	130 743	130 743	130 743	-	-	-
Other payables*	115 667	115 667	115 667	-	-	-
Other non-current liabilities	4 180	4 180	-	-	-	-
Loans and borrowings	3 764	3 764	-	-	-	-
Government debt instrument	14 913	14 913	-	-	-	-
Lease liabilities	19 038	19 038	-	-	-	-
	511 348	511 348	469 455	-	-	-

* excludes statutory accruals and payables

Market risk

Market risk is the probable changes in market prices, such as foreign exchange rates and interest rates, that will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management framework is to protect and enhance the performance of the statement of financial position and profit or loss by managing and controlling market risk exposures and to optimise the funding of capital projects.

Currency risk

Foreign currency risk arises primarily from international programming rights that are procured in foreign currency and the procurement, implementation and maintenance of the broadcasting infrastructure. Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group uses forward contracts to manage foreign currency risk arising from future commercial transactions and recognised assets and liabilities and is responsible for managing the net position in each foreign currency.

The Group's risk management policy is to economically hedge between 35% to 75% of firm commitments for a rolling 12 month period. The Group has not applied hedge accounting for these forward currency contracts. The Group only covers known commitments and does not speculate in foreign currency. The minimum percentage cover for less than one year is 35%.

The corporation's functional currency performed better in the year under review as the target budget rate was achieved.

The Group's exposure to foreign currency risk based on notional amounts was as follows:

	US Dollar '000	Rand '000
2022		
Trade payables	(6)	(88)
Gross financial position exposure	(6)	(88)
Net financial position exposure	(6)	(88)
2021		
Trade payables	(47)	(416)
Gross financial position exposure	(47)	(416)
Net financial position exposure	(47)	(416)

The following significant exchange rates applied during the year:

	Average Rate		Reporting date spot rate	
	2022	2021	2022	2021
USD 1	14.64	16.58	14.61	14.78
EUR 1	16.73	19.27	16.20	17.33

Sensitivity analysis

A 10% strengthening of the Rand against the following currency at 31 March would have increased profit/decreased loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for the 2020/21 financial reporting period. Due to the nature of the transactions, there is no effect on equity.

Profit or (loss)**Figures in R'000**

USD

A 10% weakening of the Rand against the above currency at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's income and operating cash flows are substantially dependent on changes in market interest rates. The interest rates of finance leases to which the Group is a lessee are fixed at inception of the lease or variable over the term of the lease, and therefore expose the Group to fair value interest rate risk. At reporting date the interest rate profile of the Group's interest bearing financial instruments was:

Carrying amount**Fixed rate instruments**

Government debt instrument	-	14 913	-	14 913
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Variable rate instrument

Loan and borrowings	-	(3 764)	-	(3 764)
Cash and cash equivalents	1 180 187	1 482 793	1 180 187	1 479 746
	1 180 187	1 479 029	1 180 187	1 475 982

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rates financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

Profit/loss 100 bp increase

Variable rate instrument	3 764	13 966	3 764	13 966
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A decrease of 100 basis points in interest rates at the reporting date would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

Fair value of financial instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different valuation levels are identified as follows by IFRS 13:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. The following methods and assumptions are used to estimate the fair value of each class of financial instruments

(i) Other financial assets

The carrying amount of these financial assets is the fair value, and is quoted in an active market.

	2022				2021			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Financial assets	Group							
Other financial assets								
FPVL	-	-	-	-	8 528	8 528	-	-
Financial assets at amortised cost								
Trade and other receivables	607 372	-	-	-	633 833	-	-	-
Cash and cash equivalents	1 180 187	-	-	-	1 482 793	-	-	-
Total Financial assets	1 787 559	-	-	-	2 125 154	8 528	-	-
Financial liabilities								
Financial liabilities measured at amortised cost								
Government debt instrument	-	-	-	-	(14 913)	-	-	-
Loan and borrowings	-	-	-	-	(3 764)	-	-	-
Trade and other payables	(501 000)	-	-	-	(469 453)	-	-	-
Net financial liabilities	1 286 559	-	-	-	1 637 024	8 528	-	-

	2022				2021			
	Carrying amount R'000	Fair value			Carrying amount R'000	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		R'000	R'000	R'000		R'000	R'000	R'000
Company								
Other financial assets								
FVPL	-	-	-	-	8 528	8 528	-	-
Financial assets at amortised cost								
Trade and other receivables	605 632	-	-	-	634 605	-	-	-
Cash and cash equivalents	1 180 187	-	-	-	1 479 746	-	-	-
Total Financial assets	1 785 819	-	-	-	2 122 879	8 528	-	-
Financial liabilities								
Financial liabilities measured at amortised cost								
Government debt instrument	-	-	-	-	(14 913)	-	-	-
Loan and borrowings	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	(3 764)	-	-	-
Total Financial liabilities	(501 000)	-	-	-	(469 498)	-	-	-
Net financial liabilities	1 284 819	-	-	-	1 634 704	8 528	-	-

33. Leases (Group as Lessee)

Details pertaining to leasing arrangements, where the Group is a lessee are presented below:

Figures in R'000

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Group		Company	
	2022	2021	2022	2021
	Audited		Audited	
Buildings	8 345	11 377	8 345	11 377
Office equipment	3 819	6 111	3 819	6 111
	12 164	17 488	12 164	17 488

Additions to right-of-use assets

Buildings	1 674	3 823	1 674	3 823
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss.

Buildings	6 945	16 298	6 945	16 298
Office equipment	1 719	2 291	1 719	2 291
	8 664	18 589	8 664	18 589

Other disclosures

Interest expense on lease liabilities	59	2 148	59	2 148
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Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	5 425	11 343	5 425	11 343
Two to five years	2 246	8 762	2 246	8 762
	7 671	20 105	7 671	20 105
Less finance charges component	(527)	(1 067)	(527)	(1 067)
	7 144	19 038	7 144	19 038
Non - current liabilities	1 261	8 717	1 261	8 717
Current liabilities	5 883	10 321	5 883	10 321
	7 144	19 038	7 144	19 038

34. Commitments

Authorised capital expenditure

Already contracted for but not provided for

Figures in R'000

- Property, plant and equipment
- Programme, film and sports rights

Total commitments

Group		Company	
2022	2021	2022	2021
Audited		Audited	
139 126	53 101	139 126	53 101
1 139 099	1 006 102	1 139 099	1 006 102
1 278 225	1 059 203	1 278 225	1 059 203

This committed expenditure relates to plant and equipment and programme, film and sports rights will be financed by existing cash resources and funds internally generated.

Commitments for programme, film and sports rights will be funded internally. The local commitments and the currency exposure on foreign programme, film and sports rights at 31 March 2022 is as follows:

	Local commitments	Foreign commitments		Total
	EURO/USD'00			
	R'000	R'000	R'000	R'000
Year ending March 2023	798 815	1 538	22 475	821 290
Local currency	798 815	-	-	798 815
Foreign-US Dollar	-	1 538	22 475	22 475
Year ending March 2024	215 371	2 785	40 701	224 574
Local currency	215 371	-	-	215 371
Foreign-US Dollar	-	2 785	40 701	40 701
Year ending March 2025	31 816	2 048	29 921	61 737
Local currency	31 816	-	-	31 816
Foreign-US Dollar	-	2 048	29 921	29 921
Total commitments	1 046 002	6 371	93 097	1 139 099

35. Contingencies

Unless the outflow of economic resources is considered remote, contingent liabilities are disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity. In some cases it may be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The disclosed contingent liabilities all arise from claims lodged by third parties against the Group where judgement by a competent court of law is pending, and management has obtained legal advice that the SABC has a high probability of success in defending these legal claims. The claims active as at 31 March 2022 and giving rise to contingent liabilities are detailed as follows:

	Possible Losses for the Group 2022 R'000
(i) An ex-employee terminated as a result of implementation of section 189(2) of Labour Relations Act, served with a Statement of Claim in terms of Rule 6 of the Labour Court Rules on the grounds that substantive and procedural fairness of section 189(2). Prior to the Applicant referring the matter to the Labour Court, the Applicant first referred a dispute to the CCMA. The applicant claiming reinstatement with back pay or 12 months compensation. Matter awaiting a hearing date.	650
(ii) On 24 July 2020, a third party instituted action against the SABC for services alleged rendered and not paid for.	-
(iii) On 4 October 2021 the SABC was served with a combined summons wherein the Plaintiff is instituting action for alleged sexual harassment lodged against one SABC employee on the grounds that the SABC was negligent and failed to prevent the harassment and victimisation that led to her premature resignation.	19 234
(iv) The application instituted action against the SABC and another broadcaster to compel these parties to notify the Competition Tribunal on the acquisition of control that arises from an agreement entered into in 2013. The matter was heard on 5 February 2021 and the court ordered that the Competition Commission must initial the proceeding and serve all affected parties with their founding affidavit which they did and the SABC is currently preparing their answering affidavit. (The financial effect on the matter is unquantifiable)	8 195
(v) Summons was served on the SABC on 7 July 2020 instituted in the High Court of South Africa Gauteng Local Division Johannesburg. The Plaintiff claims an amount in respect of services rendered, but not paid and damages arising out of a breach of Contract.	16 053
(vi) A former independent contractor instituted action against the SABC claiming damages for allegedly sexual misconduct. The SABC filed a Notice of Intention to Defend and served the Plaintiff with a notice of exception on the basis that the Plaintiff failed to make a case of vicarious liability against the SABC. The Plaintiff has objected to the exception and is opposed to amending its papers. The Plaintiff had up until Tuesday 2 November 2021 to furnish us with their heads of argument but failed to do so. The matter was re-allocated for hearing on 8 March 2022.	3 500
(vii) The SABC was served with summons by the Plaintiff on 9 June 2021 claiming damages from the SABC and three other former executives of an amount of R262 053 500.00 for loss of earnings and earning capacity, loss of enjoyment of the amenities of life, medical expenses and reputational damage for malicious criminal prosecution. The Plaintiff's Attorneys have proposed that we have the roundtable meeting as per the Rule 41A. Our Attorneys are currently engaging with the Plaintiff's Attorneys to finalise and also agree on a suitable date.	262 053
(viii) A former employee has instituted action against the SABC and is claiming damages for unlawful dismissal.	15 000
(ix) On 11 February 2020, the SABC was served with a summons instituted in the High Court of South Africa Local Division Johannesburg. An employee is suing the SABC for defamation claiming her dignity and the right to practice her profession have been assailed by the Defendants conduct as she is unable to get employment.	500
(x) On 3 March 2022, the applicant issued summons against the SABC for services rendered, and loss of income as a result of a gap period where there was no independent contract agreement concluded pursuant to the SABC's termination of the first ICA	474
(xi) A former SABC Freelancer contracted by SABC Sport is suing the SABC for damages due to the non- renewal of his contract.	444
(xii) The Plaintiff is suing the corporation and some executives and Board members and personnel for Defamation of Character based on the corporation's announcement and publication of the outcome of a disciplinary hearing outcome and the reasons thereto.	500
(xiii) The Court ordered that the name of the Plaintiff be removed from the report and there was no order as to costs. The plaintiff is subsequently suing for the SABC claiming defamation action against the corporation.	500
(xiv) The SABC is defendant to ongoing litigation brought forward by employees and ex- employees relating to dismissal or unfair dismissal on the bases of misconduct, incapacity, non-renewal of contract. Other employee related cases include other unfair labour practice and claims for breach of contract.	142 475
(xvi) The SABC dismissed employees due to medical aid fraudulent misconduct (unauthorised medical claims). There was a settlement reinstatement offer previously made to these employees which has since lapsed. This was previously recognised as a provision due to constructive obligation which is no longer present and only a possible loss is now disclosed.	374 852
	844 430

38. Related Parties

Relationships

Ultimate holding company 1

The Group is 100% controlled by its Shareholder, the Government, represented by the Department of Communications & Digital Technologies.

The Group is a Schedule 2 public entity in terms of the Public Finance Management Act, no 1 of 1999 as amended.

The related parties of the group consist mainly of all other State-Owned Companies (SOC) excluding schedule 3C listed entities, the Department of Communication and Digital technologies (DCDT) and all entities within the Communication and technologies portfolio. Key management personnel of the Company or its shareholder and close family members are related parties. The related parties of the Company also include its subsidiary (see note 1.2). The list of public entities in the national sphere of government was provided by National Treasury on their website www.treasury.gov.za. Related parties exclude national departments because of the autonomy guaranteed in terms of the Constitution of the republic and powers conferred on the Board to run the corporation independently.

The Group with regards to government related entities is required to disclose the nature and amount of each individually significant transaction and for other transactions that are collectively but not individually significant, a quantitative or qualitative indication of their extent.

Related-party transactions and balances of R20 million and above are separately disclosed as they are considered to be significant in terms of the materiality framework.

Transactions and balances not at arms length even not above R20 million materiality threshold are considered significant. All transactions with related parties are concluded on at arms length, unless stated otherwise.

The AGSA is the corporation's independent external auditor. The AGSA is a government entity in the national sphere, but has not been disclosed as a related party as they are independent in terms of the Constitution of the Republic.

(i) Transactions with subsidiaries

2022		2021	
Amount of transactions R'000	Amounts owed (to)/by subsidiary R'000	Amount of transactions R'000	Amounts owed (to)/by subsidiary R'000
-	-	-	-

Receivables from/(payables to) SABC Foundation NPC

Related-party relationships exists between the Company and its wholly-owned subsidiary, SABC Foundation NPC. Transactions entered into are in the normal course of business and on an arm's length basis. Amounts due and owing are settled accordingly.

The Foundation has ceased operations and is in the process of deregistration.

(ii) Significant transactions with government related entities Included in Revenue are the following:

Included in Revenue are the following:

Aggregate of all transactions that are collectively significant

Figures in R'000

Government Communication and Information services

Aggregate sales to other government related entities not listed above

Group		Company	
2022 Audited	2021	2022 Audited	2021
77 545	127 225	77 545	127 225
51 576	47 527	51 576	47 527
129 121	174 752	129 121	174 752

Outstanding balances with government related entities

Included in Receivables are the following:

Government Communication and Information services

Aggregate sales to other government related entities not listed above

9 993	22 727	9 993	22 727
10 430	766	10 430	766
20 423	23 493	20 423	23 493

Goods and services are sold to related parties on an arm's length basis at market related prices.

Purchases of goods and services

Aggregate of all transactions that are collectively significant

Sentech (SOC) Limited

Aggregate Purchases from other government related entities

692 204	703 715	692 204	703 715
291 474	23 689	291 474	23 689
983 678	727 404	983 678	727 404

Balances with government related entities

Included in Payables are the following:

Aggregate Purchases from other government related entities

12 081	1 515	12 081	1 515
12 081	1 515	12 081	1 515

Goods and Services are purchases from related parties on an arm's length basis at market related prices

(iii) Grants and sponsorships

	2022		2021	
	Amount of transactions R'000	Amounts owed (to)/by subsidiary R'000	Amount of transactions R'000	Amounts owed (to)/by subsidiary R'000
Government grants recognised in revenue	163 823	-	195 634	-
Government grants received	189 781	-	183 549	-
Deferred government grant	-	317 301	-	291 342
	353 604	317 301	379 183	291 342

Goods and services are purchased from related parties on an arms length basis at market related prices.

(iv) Interest payments

Shareholder - permanent capital	15 802	-	-	14 913
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(v) Employee benefit payments

SABC Pension fund	175 816	1 669 727	240 764	1 796 473
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(vi) Administered projects

	Opening balance R'000	Funds received R'000	Applied to expenditure R'000	Applied to net assets R'000	Interest accrued R'000	Closing balance R'000
For the year ended 31 March 2022						
Channel Africa	10 149	56 188	(27 873)	-	-	38 464
	10 149	56 188	(27 873)	-	-	38 464
For the year ended 31 March 2021						
Channel Africa	5 583	55 130	(50 564)	-	-	10 149
	5 583	55 130	(50 564)	-	-	10 149

(vii) Service contracts for permanent executive directors**Service contract**

	Mxakwe M	van Biljon Y	Plaatjies IC
-Start date	1 July 2018	25 June 2018	1 November 2019
- End date	30 June 2023	24 June 2023	31 October 2024
Service period	45 Months	45 Months	29 months
Remaining	1 years and 3 months	1 years and 3 months	2 Years and 7 months

(viii) Directors' and key management personnel compensation

Remuneration paid to the person in any capacity

Service as		Service period in months	Basic salary R'000	Bonuses and commisions R'000	Cheque Expenses and other allowance R'000	Employer's contribution to pension fund, medical aid and other R'000	Total
Year ended 31 March 2022							
Non-executive Directors							
Makhathini BE	Board Chairperson	12	-	-	865	-	865
Mohlala MM	Deputy Chairperson	12	-	-	662	-	662
Phalane JH	Board member	12	-	-	465	-	465
Mohuba DK	Board member	12	-	-	452	-	452
Markovitz MG	Board member	12	-	-	486	-	486
Cooper S	Board member	12	-	-	538	-	538
Maimela D	Board member	12	-	-	421	-	421
Lekalakala MB	Board member	12	-	-	489	-	489
Patel J	Board member	12	-	-	477	-	477
Socikwa MM	Board member	12	-	-	488	-	488
Papayya MBP	Board member	12	-	-	506	-	506
Mudau S	Independent Audit and Risk Committee member	6	-	-	1	-	1
Executive Directors							
Mxakwe MT	Group Chief Executive Officer	12	3 687	-	1 354	725	5 766
Van Biljon Y	Chief Financial Officer	12	2 154	-	835	380	3 369
Plaatjies IC	Chief Operating Officer	12	2 252	-	619	466	3 342
Senior Management							
Bayi LV	Company Secretary	12	1 718	-	624	345	2 687
Zikode TP	Chief Audit Executive	12	1 867	-	879	374	3 120
Wotshela NN	Group Executive: Radio	12	1 942	-	711	385	3 038
Mosia M	Group Executive: Human Resources	12	1 629	-	582	336	2 547
Ntuli GM	Group Executive: Corp Affairs and Marketing	12	1 539	-	535	333	2 407
Magopeni PP	Group Executive: News and Current Affairs	10	1 325	-	514	232	2 071
Naicker M	Group Executive: Video Entertainment	12	1 563	-	434	318	2 315
Nxumalo R	Group Executive: Commercial Enterprises	11	1 629	-	875	336	2 840
Vanara NJ	Group Executive: Legal Governance and Regulatory (Acting)	12	1 596	-	641	282	2 519
Binza L	Chief Digital Officer	12	1 792	-	694	316	2 802
Uren DC	Group Executive: News and Current Affairs (Acting)	2	860	-	230	201	1 291
Tshiruvhela IK	Chief Audit executive(Acting)	3	1 024	-	382	263	1 669
	Group Executive:Co mmercial Enterprises (Acting)	-	1 118	-	847	260	2 225
			-	27 700	-	16 606	5 552 49 858

Remuneration paid to the person in any capacity

Service as		Service period in months	Basic salary R'000	Bonuses and commisions R'000	Cheque Expenses and other allowance R'000	Employer's contribution to pension fund, medical aid and other R'000	Total
Year ended 31 March 2021							
Non-executive Directors							
Makhathini BE	Board Chairperson	12	-	-	917	-	917
Mohlala MM	Deputy Chairperson	12	-	-	897	-	897
Phalane JH	Board member	12	-	-	470	-	470
Mohuba DK	Board member	12	-	-	466	-	466
Markovitz MG	Board member	12	-	-	521	-	521
Cooper S	Board member	12	-	-	486	-	486
Maimela D	Board member	12	-	-	494	-	494
Lekalakala MB	Board member	12	-	-	517	-	517
Muthien B	Board member	12	-	-	-	-	-
Patel J	Board member	12	-	-	504	-	504
Socikwa MM	Board member	12	-	-	413	-	413
Papayya MBP	Board member	12	-	-	533	-	533
Executive Directors							
Mxakwe MT	Group Chief Executive Officer	12	3 679	-	1 357	717	5 753
Van Biljon Y	Chief Financial Officer	12	2 150	-	835	377	3 362
Plaatjies IC	Chief Operating Officer	12	2 252	-	622	460	3 334
Senior Management							
Bayi LV	Company Secretary	12	1 714	-	626	341	2 681
Zikode TP	Chief Audit Executive	12	1 635	-	677	374	2 914
Wotshela NN	Group Executive: Radio	12	1 938	-	713	380	3 031
Mosia M	Group Executive: Human Resources	12	1 354	-	487	281	2 122
Ntuli GM	Group Executive: Corp Affairs and Marketing	4	1 536	-	538	328	2 402
Magopeni PP	Group Executive: News	12	1 602	-	645	281	2 528
Naicket M	Group Executive: Video Entertainment	12	1 560	-	447	314	2 321
Nxumalo R	Group Executive: Comercial Enterprises	12	1 490	-	549	293	2 332
Williams RB	Group Executive: Commercial Enterprises (Acting)	-	1 204	-	307	284	1 795
Vanara NJ	Group Executive: Governance and Assurance (Acting)	12	1 433	-	806	252	2 491
Tladi SN	Group Executive: Co mmercial Enterprises (Acting)	1	1 019	-	548	226	1 793
		-	24 794	-	15 375	4 908	45 077

~ - including contributions on employer variable pension contribution

* - included in basic salary and expenses and other allowances is compensation paid in respect of loss of office.

37. License Agreements

The Group was granted the following Public Television Broadcasting Licences by the Independent Communications Authority of South Africa (ICASA) for the period 18 December 2008 to 18 December 2023: SABC1 and SABC2.

The Group was granted the following Commercial Television Broadcasting Licences by ICASA for the period 18 December 2008 to 18 December 2023: S#.

The Group was granted the following Public Sound Broadcasting Licences by ICASA for the period 18 December 2018 to 17 December 2028: SAfm, RSG, Umhlobo Wenene FM, Ukhozi FM, Lesedi FM, Motswedding FM, Thobela FM, Ligwalagwala FM, Ikwekwezi FM, Munghana Lonene FM, Phalaphala FM, Lotus FM, Radio 2000, XK FM and Tru FM.

The Group was granted the following Commercial Sound Broadcasting Licences by ICASA for the period 18 December 2018 to 17 December 2028: 5FM, METRO FM and Good Hope FM.

The licence area for all of the licences above is the Republic of South Africa. The Licences were granted at no consideration and the Group is required to comply with the applicable regulations as amended from time to time. No subsequent expenditure has been incurred on these licences.

38. Expenditure through irregular processes and losses through fruitless and wasteful expenditures

The incidents/ instances of contraventions which resulted into the irregular expenditure have been categorised and disclosed below.

(i) All losses through any irregular expenditure

Section 1 of the Public Finance Management Act, No. 1 of 1999, as amended, defines irregular expenditure as expenditure, other than unauthorised expenditure, incurred in contravention of or that is not incurred in accordance with a requirement of any applicable legislation.

The following amounts have been determined as being irregular expenditure, in terms of section 55(2)(b)(i) of the Public Finance Management Act, No. 1 of 1999, as amended:

	Notes	2022 R'000	2021 R'000
Opening balance		2 854 992	5 398 766
Prior period error		(1 517)	8 477
Add: Irregular Expenditure-identified in the current year relating to the prior years		42 680	63 428
Balance as restated		2 896 155	5 470 671
Add: Irregular expenditure-identified in the current year		91 425	111 068
Less: Irregular Expenditure condoned in the current year but relating to prior years		(36 327)	(183 210)
Less: Irregular expenditure referred to the Accounting Authority for removal from the notes to the annual financial statements in line with Instruction note 2 of 2019/20		(53 205)	(2 543 537)
Irregular Expenditure awaiting condonation subject to further investigation		2 898 048	2 854 992
Payments without contracts	a	7 009	5 748
Deviations	b	11 689	14 210
Procurement policy/process not followed			
Minimum number of quotations not obtained	c	267	1 955
Bids advertised for less than minimum number of days	d	-	345
Incorrect evaluation criteria applied to bids	e	43 939	63 808
Use of supplier without following procurement process	f	5 878	1 003
Irregular awards due to lack of planning	g	1 091	157
Procurement through quotation process versus competitive	h	1 185	5 158
Variation order in excess of 15%	i	-	2 588
Awards made to suppliers without obtaining valid Tax clearance certificates	k	-	593
Schedule All	l	7 155	2 727
Tender above R30 million did not include subcontracting as a condition of a tender	m	13 212	12 713
Non compliance with National Treasury Instruction note on PPE Emergency Procurement (Covid-19)	n	-	63
		91 425	111 068

38.1 Irregular Expenditure condoned in the FY2022 but relating to contracts awarded in prior years

Figures in R'000		2022 R'000	2021 R'000
Incorrect evaluation criteria applied to bids	National Treasury	36 327	111 225
Irregular awards due to lack of planning	National Treasury	-	71 985
		-	183 210

On 29 July 2020, the National Treasury condoned the irregular expenditure incurred in the amount of R185.5 million (contract value) as a result of the appointment of Mafoko Security Services on condition that the names of those implicated and the case numbers are reflected in the notes under the heading irregular expenditure in the annual financial statement. The court case is still on-going and the cost incurred to date is R147 million.

38.2 Irregular Expenditure not condoned and removed

Awards made to suppliers without obtaining valid tax clearance certificates	National Treasury	-	2 543 537
Incorrect evaluation criteria applied to bids		25 935	-
Payment without contract		244	-
Tender above R30 million did not include subcontracting as a condition of the tender		27 026	-
		53 205	2 543 537

The Irregular Expenditure was not condoned by the relevant authority and was thus referred to the Accounting Authority for removal from the note in line with Instruction Note 2 of 2019/2020

38.3 Details of Irregular Expenditure under assessment and therefore not included in Main Note

Non-compliance with SCM regulations	1 547 025	60 819
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The SABC implemented a project to review the population of procurement transactions from 1 April 2018 to 31 March 2022. In this period the vendor spend amounted to R14.4 billion of which R6,9 billion was under investigation. At the time of reporting, transactions amounting to R6,6 billion (96%) had been assessed and R277 million (4%) had not yet been assessed. Potential IE of R1,5 billion (8%) has been identified as a result of the project review.

The above is indicative of the alleged irregular expenditure identified during the review which is under assessment by management and is therefore not included in the main note.

Key

- a** The Corporation made payment to suppliers without a valid contract. This could be as result of the procurement process not yet finalised or poor planning.
- b** Payments that did not qualify as deviations which is defined as an emergency, sole source or where prior approval was requested from National Treasury.
- c** The Corporation issued Purchase Orders without obtaining the minimum number of quotations as required by the SCM policy.
- d** The Corporation awarded bids without advertising for the minimum number of days as required by the SCM policy.
- e** The bid evaluation and/or adjudication processes did not follow the pre-approved evaluation criteria as set out in the policy and the PPPFA
- f** The Corporation procured goods and services without following due procurement process.
- g** Poor planning that leads to deviating from normal SCM process.
- h** The Corporation procured goods and services through the quotation process whereas the SCM policy requires goods and services above the competitive bid threshold to follow an open tender process.
- i** Variation order in excess of 15% as prescribed by National Treasury.
- j** The Corporation awarded purchase orders /contracts for services without following a competitive bidding or quotation process in accordance with the Policy and PPPFA.
- k** The Corporation awarded contracts to suppliers without obtaining original tax clearance certificates or confirming the tax matters of the suppliers prior to awarding.
- l** Goods and services relating to TVOB are procured through ScheduAll system. These transactions are deemed irregular expenditure due to the impracticality of following SCM processes.
- m** The Corporation awarded a tender above R30 million which did not include subcontracting as a condition of a tender. The Corporation did not have evidence to indicate whether or not it was feasible to subcontract on this tender.
- n** The Corporation awarded works to supplier in contravention of the requirements of the National Treasury Instruction Note on PPE Emergency Procurement (COVID 19).
- o** The Corporation awarded contracts without following Construction Industry Development Board processes.

(ii) Material losses through fruitless and wasteful expenditures

Section 1 of the Public Finance Management Act, No. 1 of 1999, as amended, defines fruitless and wasteful expenditure as expenditure which were made in vain and could have been avoided had reasonable care been exercised

The following material losses, through fruitless and wasteful expenditure have been identified as being reportable in terms of the materiality framework approved by the Minister of Communications and Digital Technologies (DCDT) for the year under review:

	2022 R'000	2021 R'000
Opening balance	199 739	297 130
Less: Reversal of incorrectly disclosed prior year amount	(5 494)	(13 208)
Restated opening balance	194 245	283 922
Current year movements	10 922	21 253
Add: Fruitless and wasteful expenditure-incurred in the current year	10 373	10 283
Add: Fruitless and wasteful expenditure-relating to prior years identified in the current year	549	10 970
Fruitless and wasteful expenditure not written off	205 167	305 175
Less: Amounts recoverable	(222)	(2 213)
Less: Written off	(54 898)	(103 223)
Fruitless and wasteful expenditure not written off	150 047	199 739

Details of fruitless and wasteful expenditure

Incident	Remedial action implemented		
Content impairment	Further investigation into the amounts to determine appropriate remedial action and consequence management	5 553	591
Interest, penalties and fines on late payments	SAPCCC will develop a repeat fees Management and Administration function on SAP, that will assist in managing repeat fees and minimising interest on late payments. All repeat fees incurred are not recoverable , amounts will submitted for approval to be written off.	3 356	7 421
Fans delivered that cannot be utilised	A credit note has been received for the Fans to the amount of R145k for the supply of the Fans.	222	-
Employees overpaid after s189 that have not been recovered	The SABC is in a process of recovering amounts from the affected employees. Employees were informed to refund the amounts overpaid to them to the SABC and did not do so.	263	--
Overpayment of freelancer for services rendered	Amounts will be referred to LCC for recommendation and recovery	13	-
Debt collection fee	Amount will be submitted for approval to be written off	12	-
Rental of unoccupied office space	Amounts will be submitted for approval to be written off.	1 500	10 758
Other	Amounts will be recovered from the affected suppliers and /or employees, where amounts cannot be recovered, submissions will be prepared for Board approval to have the amounts written off	-	2 628
No value received	To recover value and report to the appropriate authorities	-	446
Flights missed	Amounts will be recovered from the affected employees	3	-
Traffic fines	Amounts will be recovered from the affected employees	1	-
		10 923	21 253
Figures in R'000		Group and Company	
Current			10 373
Prior			549
			10 922

39. Going Concern

In preparing the consolidated financial statements, the Directors are responsible for evaluating the corporation's ability to continue as a going concern and as a consequence the appropriateness of the going concern assumption in the preparation of the financial statements. The Board of Directors have assessed the economic environment, current financial position, and the Company's expected cash flows for the next 12 months through to the end of March 2023.

At the reporting date the ease of lockdown restrictions during the year positively impacted some of the revenue streams with the exception of advertising revenue which significantly underperformed due to a deteriorating television share. Commercial revenue (advertising and sponsorship revenue) increased by 1.6% compared to the prior year and overall increased by 2% from prior year.

The corporation experienced a negative operating cashflows of R352 million. The net loss reported showed a 62% reduction to R201 million from R530 million. This was mainly attributable to growth in Sponsorship revenue by R310 million and employee cost savings of R663 million due to work optimisation and delayed appointment to vacancies. The corporation has continued implementing, tracking the progress, and reporting on the progress made on the turnaround plan to the Shareholder. At reporting date 90% of the turnaround plan initiatives have been achieved reflecting the Board and management's efforts and commitment to turnaround the entity.

The tough trading conditions forecasted makes it imperative for austerity measures to be implemented with immediate effect particular attention will be around cash management at the back of mitigating plans that will set the corporation in a recovery trajectory.

The revenue decline will be mitigated by the following measures in the forecast period:-

- Amendment to must carry regulations.
- Increments in Sponsorship revenue
- OTT and digital revenue
- Deferral of the Analogue Switch Off (ASO)
- Cash receipt from the disposal of non-core properties

The cash position as at 31 March 2022 declined to R1.17 billion (2021:R1.48 billion). The corporation will be able to meet its short-term obligations, as it has access to cash of R1.17 billion and it will apply stringent cash and liquidity risk management mechanisms. The current ratio is 1.35:1 (2021:1.63:1). In assessing the liquidity position, various short to medium cashflow forecasts were prepared. Cashflow forecasts are prepared and monitored daily within acceptable levels. The forecasts indicate that the SABC will be able to meet its financial obligations as they fall due for at least the next 12 months.

Management has managed to secure on commercial terms a debt finance facility of R280 million which will be available to meet short-term working capital requirements as necessary, as at reporting date, there is no utilisation or draw down of the facility as no need has arisen.

Management has considered several estimates, judgments and assumptions in performing the cashflow forecasts, the most significant of which are listed below:-

- Scenario analysis applied to forecast figure is conservative. The forecast net loss is R123 million
- Limitations in determining the impact of ASO on revenue and audience share
- Amendment to the Must carry regulations will have an impact on cashflows from 2024 as a grace period for negotiations has been granted to broadcasters.

The Board of Directors considers that there are material uncertainties that cast doubt on the corporation's ability to operate as a going concern but that the corporation has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future.

Based on this assessment, the Directors consider it appropriate to adopt the going concern assumption for the preparation of the annual financial statements.

40. Non-current Assets Held For Sale

The Group has decided to hold for sale its Property, plant and equipment and investment property due to a change in the SABC's property strategy. The assets are considered to be non-core assets and consist of residential and commercial properties.

The decision was made by the Board of Directors to hold for sale these assets in line with the implementation of the turnaround plan.

The non-current assets held for sale have extended beyond the one year period as result of illegal occupations and finalisation of transfer of property to the buyer.

The company remains committed to the disposal transaction.

Assets and liabilities

Non-current assets held for sale

Figures in R'000

Property, plant and equipment
Investment property

	Group		Company	
	2022 Audited	2021	2022 Audited	2021
Property, plant and equipment	960	960	960	960
Investment property	566	566	566	566
	1 526	1 526	1 526	1 526

What we have done for ourselves
alone dies with us; what we have

done for others

and the world remains
and is immortal.

- Albert Pike

This section is dedicated to SABC employees who have passed on during the year under review.

Thank you for the knowledge you generously gave, the expertise and skills you shared with those around you, the time you devoted to the public broadcaster to ensure that it fulfils its mandate, and the rays of light that your spirit has left in the hearts of colleagues with whom you shared your days.

We will continue to fly the SABC flag high in your honour.

Rememberance

Honouring SABC Employees

Theme:

In honour of Archbishop Desmond Tutu, who sadly passed away during the reporting period, the concept was based on his legacy and wisdom.

Heartbeat = Life = Purpose

A vital unifying force represented by a pulse on a continuous line – that which links us – symbolic of the horizon or future and the impact a deed of kindness can bring.

It is the one thing that connects and unifies us all, It makes us human and as long as our heart keeps beating, we will have the ability to make a change – **positive change**.

We can **restore** things that are broken and **encourage** others through the way we act or conduct ourself, especially towards others, to do the same.

WE will continue to RISE BY LIFTING OTHERS.

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