

**YeboYethu (RF) Limited**

**Registration no. 2008/014734/06**

**Condensed consolidated interim financial statements  
for the six months ended 30 September 2019**

The preparation of these condensed consolidated interim financial statements was supervised by Dr. phil. T. Streichert and has been reviewed by the independent auditors, Ernst & Young Inc.

**YeboYethu (RF) Limited**

**Condensed consolidated interim financial statements for the six months ended 30 September 2019**

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<b>Contents</b>	<b>Page</b>
Independent auditor's review report on the condensed consolidated interim financial statements	1-2
Condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of financial position	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 - 15

**Directors' statement of responsibility**

The directors are responsible for the preparation, integrity and fair presentation of the condensed consolidated interim financial statements of YeboYethu (RF) Limited and its subsidiary ('the Group').

The condensed consolidated interim financial statements have been reviewed by the independent auditing firm Ernst & Young Inc. which was given unrestricted access to all financial records and related data, including minutes of meetings of shareholders, the board and committees of the board. The directors believe that all representations made to the independent auditors during their review were valid and appropriate. The auditor's review report is presented on the next page.

The condensed consolidated interim financial statements for the six months ended 30 September 2019 presented on pages 3 to 15 have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') and in accordance with and containing the information required by the International Accounting Standard 34: Interim Financial Reporting ('IAS 34') as issued by the International Accounting Standards Board ('IASB'), the Financial Reporting Guides as issued by the South African Institute of Chartered Accountants ('SAICA') Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange ('JSE') Listings Requirements and the requirements of the Companies Act of 2008, as amended. They are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements, including judgements involving estimations. The going concern basis has been adopted in preparing the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements were approved by the board on 22 November 2019 and are signed on its behalf by:



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**ZBM BASSA**  
Chairperson



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**TV MOKGATLHA**  
Chairman: Audit committee

## **INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **To the Shareholders of YeboYethu (RF) Limited**

We have reviewed the condensed consolidated interim financial statements of YeboYethu (RF) Limited set out on pages 3 to 15, contained in the accompanying interim report, which comprises the condensed consolidated statement of financial position as at 30 September 2019, and the condensed consolidated income statement, comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes.

#### *Directors' Responsibility for the Condensed Consolidated Interim Financial Statements*

The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of YeboYethu (RF) Limited for the six months period ended 30 September 2019 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.



*Other matter – Prior Period(s) Reviewed / Audited by Another Auditor*

The condensed consolidated interim financial statements of YeboYethu (RF) Limited for the six months period ended 30 September 2018 and the annual financial statements of YeboYethu (RF) Limited for the year ended 31 March 2019, were reviewed and audited by another auditor who expressed an unmodified conclusion and an unmodified opinion on those statements on 16 November 2018 and 7 June 2019, respectively.

*Ernst & Young Inc*

**Ernst & Young Inc.**

Director: Imraan Akoodie CA (SA)

Registered Auditor

22 November 2019

102 Rivonia Road

Sandton

**YeboYethu (RF) Limited**

**Condensed consolidated interim financial statements for the six months ended 30 September 2019**

**Condensed consolidated statement of comprehensive income**

	Notes	Six months ended 30 September 2019 Reviewed R'000	Six months ended 30 September 2018 Reviewed R'000	Year ended 31 March 2019 Audited R'000
<b>Income</b>		457,805	3,268	455,350
Expenditure	2	(9,327)	(28,254)	(39,876)
<b>Operating profit/(loss)</b>		448,478	(24,986)	415,474
Finance income		492	681	1,696
Finance cost	3	(345,808)	(64,643)	(409,449)
Gain/(loss) on remeasurement of financial instruments	4	939,644	1,378,057	(281,485)
<b>Profit/(loss) before tax</b>		1,042,806	1,289,109	(273,764)
Taxation	5	(210,618)	(996,072)	(624,620)
<b>Net profit/(loss)</b>		832,188	293,037	(898,384)
<b>Total comprehensive income/(loss)</b>		832,188	293,037	(898,384)
		<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings/(loss) per share	6	1,573	1,579	(2,517)

YeboYethu (RF) Limited  
Condensed consolidated interim financial statements for the six months ended 30 September 2019

Condensed consolidated statement of financial position

	Notes	As at 30 September 2019 Reviewed R'000	As at 30 September 2018 Restated <sup>1</sup> R'000	As at 31 March 2019 Restated <sup>1</sup> R'000
<b>Assets</b>				
<b>Non-current assets</b>				
		13,693,395	14,413,293	12,753,751
Financial assets	7	13,692,939	14,412,837	12,753,295
Tax receivable		456	456	456
<b>Current assets</b>				
		14,931	35,234	14,408
Accounts receivable		11,004	30,870	10,300
Restricted cash	15	313	441	313
Cash and cash equivalents		3,614	3,923	3,795
<b>Total assets</b>		<b>13,708,326</b>	<b>14,448,527</b>	<b>12,768,159</b>
<b>Equity and liabilities</b>				
Share capital	8	4,193,265	4,193,265	4,193,265
Ordinary share premium		359,883	359,883	359,883
Retained loss		(1,950,789)	(1,491,645)	(2,742,232)
<b>Total equity</b>		<b>2,602,359</b>	<b>3,061,503</b>	<b>1,810,916</b>
<b>Non-current liabilities</b>				
		11,098,826	11,357,172	10,950,706
Borrowings	9, 15	9,838,859	9,935,948	9,901,219
Deferred tax	5	1,259,967	1,421,224	1,049,487
<b>Current liabilities</b>				
		7,141	29,852	6,537
Accounts payable		4,891	26,919	4,113
Tax payable		-	69	27
Dividends payable	15	2,250	2,864	2,397
<b>Total equity and liabilities</b>		<b>13,708,326</b>	<b>14,448,527</b>	<b>12,768,159</b>

<sup>1</sup> Refer Note 15 for detail.

**YeboYethu (RF) Limited**

**Condensed consolidated interim financial statements for the six months ended 30 September 2019**

**Condensed consolidated statement of changes in equity**

	<b>Share capital R'000</b>	<b>Ordinary share premium R'000</b>	<b>Retained loss R'000</b>	<b>Total equity R'000</b>
<b>1 April 2019</b>	4,193,265	359,883	(2,742,232)	1,810,916
Net profit	-	-	832,188	832,188
Dividends	-	-	(40,745)	(40,745)
<b>30 September 2019 - Reviewed</b>	<u>4,193,265</u>	<u>359,883</u>	<u>(1,950,789)</u>	<u>2,602,359</u>
<b>1 April 2018</b>	*	359,883	1,490,599	1,850,482
Issue of shares	4,193,265	-	-	4,193,265
Net profit	-	-	293,037	293,037
Dividends	-	-	(3,275,281)	(3,275,281)
<b>30 September 2018 - Reviewed</b>	<u>4,193,265</u>	<u>359,883</u>	<u>(1,491,645)</u>	<u>3,061,503</u>
<b>1 April 2018</b>	*	359,883	1,490,599	1,850,482
Issue of shares	4,193,265	-	-	4,193,265
Net loss	-	-	(898,384)	(898,384)
Dividends	-	-	(3,334,447)	(3,334,447)
<b>Balance at 31 March 2019 - Audited</b>	<u>4,193,265</u>	<u>359,883</u>	<u>(2,742,232)</u>	<u>1,810,916</u>

(\*) Less than R500.

YeboYethu (RF) Limited

Condensed consolidated interim financial statements for the six months ended 30 September 2019

Condensed consolidated statement of cash flows

	Notes	Six months ended 30 September 2019 Reviewed R'000	Six months ended 30 September 2018 Restated <sup>1</sup> R'000	Year ended 31 March 2019 Audited R'000
<b>Cash flows from operating activities</b>				
Cash generated from operations	15	449,244	879	419,840
Tax paid		(164)	(122)	(448)
Dividends paid	15	(40,892)	(3,275,476)	(3,335,109)
<b>Net cash flows generated from/(utilised in) operating activities</b>		<b>408,188</b>	<b>(3,274,719)</b>	<b>(2,915,717)</b>
<b>Cash flows from investing activities</b>				
Investment in Vodacom Group	7	-	(7,332,756)	(7,332,756)
Finance income received		492	681	1,696
<b>Net cash flows generated from/(utilised in) investing activities</b>		<b>492</b>	<b>(7,332,075)</b>	<b>(7,331,060)</b>
<b>Cash flows from financing activities</b>				
Proceeds on ordinary shares issued		-	750,000	750,000
Borrowings incurred		-	9,905,960	9,905,960
Repayment of borrowings		(69,999)	-	(225,097)
Finance cost paid		(338,169)	(34,654)	(189,093)
Overnight deposit (decrease)/increase		(693)	(14,618)	4,773
<b>Net cash flows (utilised in)/generated from financing activities</b>		<b>(408,861)</b>	<b>10,606,688</b>	<b>10,246,543</b>
<b>Net movement in cash and cash equivalents</b>		<b>(181)</b>	<b>(106)</b>	<b>(234)</b>
Cash and cash equivalents at the beginning of the period/year		3,795	4,029	4,029
<b>Cash and cash equivalents at the end of the period/year</b>		<b>3,614</b>	<b>3,923</b>	<b>3,795</b>

<sup>1</sup> Refer Note 15 for detail.



Notes to the condensed consolidated interim financial statements

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of IFRS and in accordance with and containing the information required by IAS 34: Interim Financial Reporting as issued by the IASB, the Financial Reporting Guides as issued by the SAICA Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008, as amended. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, which is the Group's functional and presentation currency.

The condensed consolidated interim financial statements incorporate the interim financial statements of YeboYethu (RF) Limited and its wholly owned subsidiary, YeboYethu Investment Company (RF) Proprietary Limited which is one reportable segment ('the Group') for the period 30 September 2019.

The significant accounting policies are consistent in all material respects with those applied for the year ended 31 March 2019. The Group adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Group from 1 April 2019, none of which had any material impact on the Group's financial results for the period. Significant accounting policies are available for inspection at the Group's registered office. Judgements, estimates and methods of computation applied during the prior period have changed as a result of the implementation of a Broad-based black economic empowerment ('BBBEE') transaction entered into September 2018, refer Note 7.

Full details on changes in accounting policies will be disclosed in the Group's consolidated annual financial statements for the year ending 31 March 2020.

	Six months ended 30 September 2019 Reviewed R'000	Six months ended 30 September 2018 Reviewed R'000	Year ended 31 March 2019 Audited R'000
<b>2. Expenditure</b>			
Administration fees	(7,091)	(4,300)	(14,745)
Consulting fees	(833)	(23,123)	(23,293)
Auditors' remuneration	(685)	(168)	(621)
Directors fees (Refer Note 13)	(651)	(529)	(973)
Other	(67)	(135)	(244)
	(9,327)	(28,254)	(39,876)

Administration fees mainly comprises:

- share register maintenance fee;
- Annual General Meeting expenses;
- fees associated with trading, security license and initial listing;
- administration service fees to Vodacom Group;
- general administration and call centre agents cost;
- costs associated with payment of dividends;
- agency fees to Rand Merchant Bank (a division of FirstRand Bank Limited);
- printing and posting of the annual report as well as the typesetting of the interim results.

Consulting fees for the current financial period comprises fees for valuation services and placement fee on recruitment of non-executive directors, whereas in the prior financial period/year costs were mainly associated with the new BBBEE deal that was concluded during September 2018.

Auditors remuneration in the current period comprises of current period's audit fees as well as a portion relating to prior year audit fees.

Notes to the condensed consolidated interim financial statements

	Six months ended 30 September 2019 Reviewed R'000	Six months ended 30 September 2018 Reviewed R'000	Year ended 31 March 2019 Audited R'000
<b>3. Finance cost</b>			
Interest expense			
Class A preference shares	(154,558)	(13,873)	(170,660)
Class B preference shares	(191,250)	(16,116)	(204,135)
Transaction costs	-	(34,654)	(34,654)
	<u>(345,808)</u>	<u>(64,643)</u>	<u>(409,449)</u>

Interest expense is recognised at a rate of 68% of prime on the outstanding balance of the Class A preference shares and at a rate of 70% of prime on the outstanding balance of the Class B preference shares.

Transaction costs associated with the preference share funding have been expensed in the prior period/year.

	Six months ended 30 September 2019 Reviewed R'000	Six months ended 30 September 2018 Reviewed R'000	Year ended 31 March 2019 Audited R'000
<b>4. Gain/(loss) on remeasurement of financial instruments</b>			
Gain on fair value of Vodacom SA option asset	-	1,421,037	1,421,037
Gain/(loss) on fair value of Vodacom Group shares	939,644	(42,980)	(1,702,522)
	<u>939,644</u>	<u>1,378,057</u>	<u>(281,485)</u>

The gain/(loss) on fair value of Vodacom Group shares in the respective period/year resulted from the increase/decrease in the Vodacom Group Limited ('Vodacom Group') share price. Refer Note 7 for detail on the share price.

**5. Taxation**

**5.1 Income tax expense**

South African current tax			
Current year	(138)	(191)	(476)
South African deferred tax			
Current year	(210,480)	(995,881)	(624,144)
	<u>(210,618)</u>	<u>(996,072)</u>	<u>(624,620)</u>
<b>Components of deferred tax charged to profit or loss</b>			
Capital gains tax on fair value gain	(210,480)	(995,881)	(624,144)

Notes to the condensed consolidated interim financial statements

	Six months ended 30 September 2019 Reviewed R'000	Six months ended 30 September 2018 Reviewed R'000	Year ended 31 March 2019 Audited R'000
<b>5. Taxation (continued)</b>			
<b>5.1 Income tax expense (continued)</b>			
<b>Factors affecting tax expense for the year</b>			
The table below discloses the differences between the expected income tax expense at the South African statutory tax rate and the Group's total income tax expense:			
Profit/(Loss) before tax	1,042,806	1,289,109	(273,764)
Expected income tax (charge)/credit on profit before tax at the South African statutory tax rate	(291,986)	(360,951)	76,654
Capital gains tax	-	(677,569)	(305,832)
Non-deductible finance cost	(96,826)	(18,100)	(104,943)
Non-deductible expenditure	(2,611)	(7,911)	(20,869)
Non-taxable portion of gain on remeasurement of financial instrument (capital gains tax rate difference)	52,620	67,544	(397,128)
Exempt dividend income	128,185	915	127,498
	(210,618)	(996,072)	(624,620)

The South African statutory tax rate is 28.0%; the Group's effective tax rate is positive 20.2% on a profit before tax (September 2018: positive 77.3%, March 2019: negative 228.2%). The negative effective tax rate for the year ended 31 March 2019 is due to the capital gains tax arising from the underlying investment in Vodacom Group and the non-deductible loss on remeasurement of financial instruments and finance costs.

	Six months ended Reviewed R'000	Six months ended Reviewed R'000	Year ended Audited R'000
<b>5.2 Deferred tax and components</b>			
Deferred tax liability	1,259,967	1,421,224	1,049,487
<b>Reconciliation of net deferred tax balance</b>			
Balance at the beginning of the year	1,049,487	425,343	425,343
Charge to profit or loss	210,480	995,881	624,144
Balance at the end of the year	1,259,967	1,421,224	1,049,487

Deferred tax on the revaluation of the investment in Vodacom Group/Vodacom (Proprietary) Limited ('Vodacom SA') option asset is raised at the capital gains tax rate. Reference to the Vodacom SA option asset pertains to the prior financial period/year.

The deferred tax on the remeasurement of the investment in Vodacom Group is based on the fair value less the base cost of the investment as rolled over in terms of Section 42 of the Income Tax Act No. 58 of 1962.

The deferred tax liability is expected to be realised upon sale of the Vodacom Group shares that is not estimated to be within twelve months from reporting date.

Notes to the consolidated interim financial statements

	Six months ended 30 September 2019 Reviewed Cents	Six months ended 30 September 2018 Reviewed Cents	Year ended 31 March 2019 Audited Cents
<b>6. Earnings and dividends per share</b>			
Basic and diluted earnings/(loss) per share	1,573	1,579	(2,517)
Headline and diluted headline earnings/(loss) per share	1,573	1,579	(2,517)
Dividends per share (Note 6.3)	77	7,400	7,512

Earnings/(loss) per share calculations are based on earnings/(loss) for the period/year and the weighted average number of ordinary shares outstanding as set out below:

	Six months ended 30 September 2019 Reviewed R'000	Six months ended 30 September 2018 Reviewed R'000	Year ended 31 March 2019 Audited R'000
<b>6.1 Earnings and headline earnings</b>			
Earnings/(loss) and headline earnings/(loss) attributable to equity shareholders for all earnings per share amounts disclosed above	832,188	293,037	(898,384)

This disclosure is a requirement of the JSE Limited and is not a recognised measure under IFRS. It has been calculated in accordance with Circular 4/2018 as issued by SAICA.

**6.2 Weighted average number of ordinary shares outstanding**

Weighted average number of ordinary shares outstanding	52,915,960	18,560,147	35,690,991
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38,520,660 shares were issued in the prior period/year. Refer Note 8.

There was no dilutive effect on earnings in the current and prior period/year.

**6.3 Dividends per share**

Dividends per share of 77 cents per share is based on 52,915,960 shares, paid on 1 July 2019 (September 2018: Dividends per share of 7,400 cents per share consist of a dividend per share of 100 cents based on 14,395,300 shares, paid on 4 June 2018, and the special dividend per share of 7,300 cents based on 44,669,671 shares, paid on 14 September 2018; March 2019: Dividends per share of 7,512 cents per share consist of a dividend per share of 100 cents based on 14,395,300 shares, paid on 4 June 2018, and the special dividend per share of 7,300 cents based on 44,669,671 shares, paid on 14 September 2018 as well an interim dividend per share of 112 cents based on 52,915,960 shares paid 10 December 2018).

Notes to the condensed consolidated interim financial statements

7. Financial assets

7.1 Financial asset at fair value through profit or loss

In demonstrating its ongoing and continued commitment to transformation and BBBEE ownership in South Africa, Vodacom Group, together with Vodacom SA entered into a number of agreements in terms of which the original shareholders of YeboYethu, together with Lisinfo Investments 209 (Proprietary) Limited ('RBH') and Main Street 661 (Proprietary) Limited ('Thebe'), YeboYethu ESOP and Vodacom Siyanda Employee Trust ('the Trust') in September 2018, acquired 6.23% of the issued shares in Vodacom Group (post issuance) in terms of a BBBEE transaction through YeboYethu and YeboYethu Investment. The transaction entailed a series of interlinked and inter-conditional steps.

The above resulted in an exchange of 49,689,995 Vodacom SA shares for Vodacom Group shares on a fair market value basis for R7.1 billion and the purchase of additional 64,761,185 Vodacom Group shares for R7.3 billion. The purchase of the Vodacom Group shares was financed through preference share funding from the external funders as well as from Vodacom Group.

Vodacom Group shares are used as security for the class A preference share funding obtained from the external funders.

	As at 30 September 2019 Reviewed R'000	As at 30 September 2018 Reviewed R'000	As at 31 March 2019 Audited R'000
<b>Investment in Vodacom Group</b>			
Cost (114,451,180 shares in Vodacom Group)	14,455,817	14,455,817	14,455,817
Fair value adjustment	(762,878)	(42,980)	(1,702,522)
Opening balance	(1,702,522)	-	-
Gain/(loss) on fair value of Vodacom Group shares	939,644	(42,980)	(1,702,522)
	<u>13,692,939</u>	<u>14,412,837</u>	<u>12,753,295</u>
	<b>As at 30 September 2019</b>	<b>As at 30 September 2018</b>	<b>As at 31 March 2019</b>
The investment is categorised as level 1 in the fair value hierarchy. Fair value was determined using the JSE listed share price as below:			
JSE listed closing share price	R119.64	R125.93	R111.43
	<u>R'000</u>	<u>R'000</u>	<u>R'000</u>

8. Share capital

8.1 Ordinary share capital

Authorised

100.0 million authorised ordinary shares at no par value	-	-	-
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Issued

52.9 million ordinary shares at no par value	4,193,265	4,193,265	4,193,265
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YeboYethu (RF) Limited  
Condensed consolidated interim financial statements for the six months ended 30 September 2019

Notes to the condensed consolidated interim financial statements

	As at 30 September 2019 Reviewed R'000	As at 30 September 2018 Reviewed R'000	As at 31 March 2019 Restated <sup>1</sup> R'000
<b>9. Borrowings</b>			
<b>Non-current</b>			
Class A preference shares	4,437,779	4,667,832	4,528,120
Class B preference shares	5,401,080	5,268,116	5,373,099
	9,838,859	9,935,948	9,901,219

<sup>1</sup> Refer Note 15 for detail.

**10. Related parties**

All transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions. Directors' remuneration is disclosed in Note 13.

	As at 30 September 2019 Reviewed R'000	As at 30 September 2018 Reviewed R'000	As at 31 March 2019 Audited R'000
<b>10.1 Balances with related parties</b>			
<b>Accounts receivable</b>			
Vodacom Group Limited	10,990	30,163	10,297
<b>Accounts payable</b>			
Vodacom Group Limited	101	13,820	41
<b>Borrowings</b>			
Vodacom Group Limited	5,401,080	5,268,116	5,373,099

**YeboYethu (RF) Limited**  
**Condensed consolidated interim financial statements for the six months ended 30 September 2019**

**Notes to the condensed consolidated interim financial statements**

	<b>Six months ended 30 September 2019 Reviewed R'000</b>	<b>Six months ended 30 September 2018 Reviewed R'000</b>	<b>Year ended 31 March 2019 Audited R'000</b>
<b>10. Related parties (continued)</b>			
<b>10.2 Transactions with related parties</b>			
Vodacom Group Limited			
Dividends received	457,805	-	452,082
Service fee	(2,350)	-	(2,349)
Finance income received	393	476	1,384
Class B preference share interest	(191,250)	(16,116)	(204,135)
Vodacom (Proprietary) Limited			
Dividends received	-	3,268	3,268
The Innovator Trust (entity within the Vodacom Group structure)			
Dividends paid	(924)	(88,753)	(90,096)
YeboYethu Employee Participation Trust (entity within the Vodacom Group structure)			
Dividends paid	(520)	(7,459)	(8,146)
Vodacom Siyanda Employee Trust (entity within the Vodacom Group structure)			
Dividends paid	(8,509)	-	(11,420)

**11. Fair value hierarchy**

The investment in Vodacom Group is measured at fair value and disclosed as level one financial instrument to which the fair value is as follows:

	<b>As at 30 September 2019 Reviewed R'000</b>	<b>As at 30 September 2018 Reviewed R'000</b>	<b>As at 31 March 2019 Audited R'000</b>
<b>Level one</b>			
Financial assets at fair value through profit or loss	13,692,939	14,412,837	12,753,295

The fair value of the level one instrument is determined using the JSE listed share price.

**12. Commitments**

Operating commitments	(1,731)	(4,774)	(3,659)
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The operating commitments will be financed through internal cash generation.

Notes to the condensed consolidated interim financial statements

	Six months ended 30 September 2019 Reviewed R	Six months ended 30 September 2018 Reviewed R	Year ended 31 March 2019 Audited R
<b>13. Directors' fees</b>			
ZBM Bassa (Chairperson)	(224,472)	(187,447)	(357,179)
SM Radebe	-	(122,916)	(197,116)
AM Hall	(75,128)	(82,968)	(158,096)
S Sithole	-	(135,207)	(237,232)
B Silwanyana	(94,605)	-	(15,768)
A Conrad	(94,605)	-	(7,884)
TV Mokgatla	(161,914)	-	-
	<u>(650,724)</u>	<u>(528,538)</u>	<u>(973,275)</u>

**14. Events after reporting period**

The board is not aware of any matter or circumstance arising since the end of the financial period, not otherwise dealt herein, which significantly affects the financial position of the Group at 30 September 2019 and the results of its operations or cash flows for the period ending 30 September 2019.

**Dividends receivable**

Vodacom Group declared a dividend of 380 cents per share and a special dividend of 60 cents per share on 8 November 2019, payable on 2 December 2019 to shareholders recorded in the register at the close of business on Friday 29 November 2019.

In terms of the funding agreements, R440.4 million of the borrowings including interest will be repaid during December 2019.

**Dividend declared after the reporting date and not recognised as a liability**

A final dividend of R59.3 million for the period ending 30 September 2019, was declared on 22 November 2019, payable on 17 December 2019 to shareholders recorded in the register at the close of business on 13 December 2019. The net dividend is 89.60000 cents per share after taking into account dividend withholding tax of 22.40000 cents per share for those shareholders not exempt from dividend withholding tax.

**15. Restatement**

**15.1 Unclaimed dividends**

The dividend unpaid by the central securities deposit participant ('CSDP') to the beneficial shareholders was presented by the Group as a current liability in its financial statements for the six months ended 30 September 2018. Subsequent to the release of the financial results, the Group established that it had extinguished its obligation to the beneficial shareholders when it made the payment to the CSDP, resulting in an error on the incorrect recognition of the dividends payable and a corresponding amount in restricted cash.

This had no impact on the financial performance and the cash balance of the Group as at 30 September 2018.

The effect of the adjustment on the statement of financial position and the statement of cash flows is as follows:

	Before adjustment R'000	Adjustment R'000	After adjustment R'000
<b>Statement of financial position</b>			
Restricted cash	120,406	(119,965)	441
Dividends payable	122,829	(119,965)	2,864
<b>Statement of cash flows</b>			
<b>Cash flows from operating activities</b>			
Cash (utilised in)/generated from operations	(119,086)	119,965	879
Dividends paid	(3,155,511)	(119,965)	(3,275,476)



**Notes to the condensed consolidated interim financial statements**

**15. Restatement (continued)**

**15.1 Unclaimed dividends (continued)**

The incorrect recognition had no impact on the financial performance, financial position and cash flow balance for the year ended 31 March 2019.

**15.2 Classification of liability**

A portion of the Group's borrowings was incorrectly presented as current liability in its financial statements for the year ended 31 March 2019. Subsequent to the release of the March 2019 audited financial results, the Group determined that all borrowings should have been presented as a non current liability as the criteria to classify it as current were not met. This results in an adjustment between current liabilities and non-current liabilities.

This had no impact on the financial performance and the cash flow of the Group as at 31 March 2019.

The effect of the adjustment on the statement of financial position as at 31 March 2019 is as follows:

	<b>Before adjustment R'000</b>	<b>Adjustment R'000</b>	<b>After adjustment R'000</b>
<b>Statement of financial position</b>			
<b>Non-current liability</b>			
Borrowings	9,610,864	290,355	9,901,219
<b>Current liability</b>			
Borrowings	290,355	(290,355)	-