

DRAFT 7 - 6 Sept 2023



**EVERYWHERE
FOR EVERYONE,
ALWAYS.**



ANNUAL REPORT 2023

“Lifting every
voice and
representing
Every face.”



OUR VISION

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

MANIFESTO

Our nation is our home. Built by our heritage. Narrated by our customs. Here, we move with Ubuntu. We stay connected by isintu that brings us closer to our roots.

No matter where we are we show our nation's greatness. We rise in rhythm and raise our flag. We are Free. Empowered. Outspoken and unapologetic. We weave our stories and songs to echo around the world.

Look around you. Witness the show stopping moments that we bring to life together. From colourful artists in Cape Town to trendsetters in Louis Trichardt. From the heritage pride in Durban to the pride events all around our nation. From Pretoria to Secunda. kae-kapa-kae.

We remain triumphant despite adversity, because we are empowered by our diversity. United we stand, divided we fall. That is why we move forward, together, lifting every voice and representing every face. From around the fire to TV, radio and online, we embrace our mother tongue.

We have been doing it from generations to generations. We are still doing it with those that are proud of our nation. We'll still do it with those that stay the course of pushing our nation forward.

We are the source that brings you Mzansi – from yours to you. The source that's Everywhere for Everyone. Always.

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.

This is the 86th Annual Report of the South African Broadcasting Corporation (SOC) 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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"We have been
doing it from
generations to
generations."

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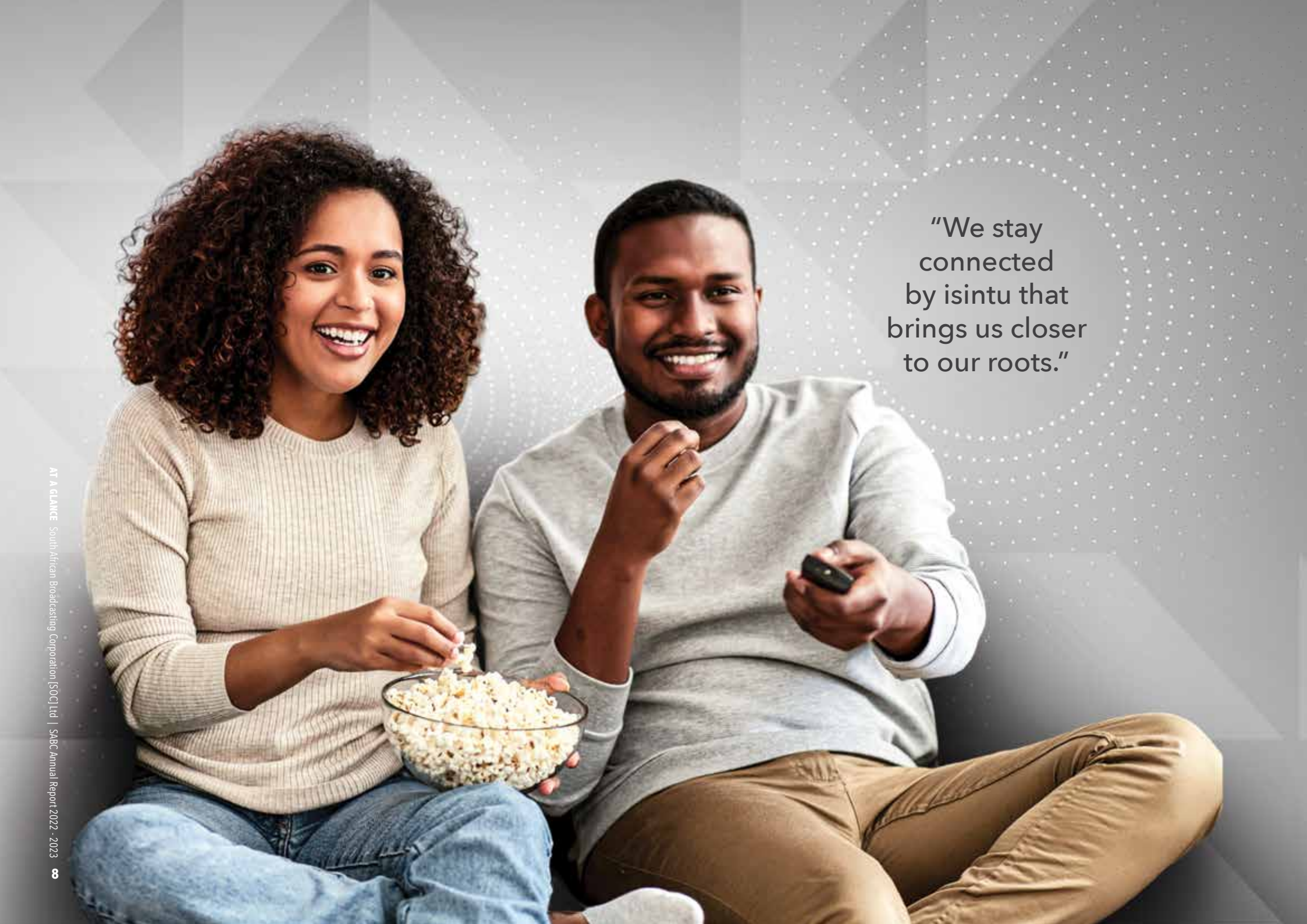
87
 Years of
 Broadcasting

**EVERYWHERE
 FOR EVERYONE,
 ALWAYS.**

LIST OF ABBREVIATIONS/ACRONYMS

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

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



"We stay
connected
by isintu that
brings us closer
to our roots."

AT A GLANCE

SABC'S LEGISLATIVE FRAMEWORK, MANDATES AND OBJECTIVES

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 subjected to a list of legislation governing its operations.

The Broadcasting Act

The Broadcasting Act 4 of 1999 (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 license conditions of the Corporation's five television channels and 18 radio stations.

The business of the SABC is further defined by the Act into two distinct services namely; the 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 license 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 account separately for each group of services (PBS 15 radio stations and two TV channels; PCS three radio stations and three TV channels).

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 license 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, amongst 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;
- Protection of Personal Information Act No 4 of 2013;
- Promotion of Access to Information Act 2 of 200;
- Promotion of Administrative Act 3 of 2000; 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:

- (a) To make its services available throughout the Republic;
- (b) 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, sponsorship, license fees or any other means of finance;
- (c) To acquire from time to time a license or licenses for such period and subject to such regulations, provisions and license 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 subject to section 33 of this Act;

5 TV
Channels and
18 Radio
stations

EVERYWHERE
FOR EVERYONE,
ALWAYS.

SHOWCASING SABC PLATFORMS

RADIO

The SABC has a total of 18 radio stations and manages the international radio service Channel Africa on behalf of the Department of Communications and Digital Technologies.

SABC radio stations have remained relevant, widely accessible and are a key platform for the Public Broadcaster to deliver on its public service mandate, via a vast terrestrial transmitter network to the majority of South Africans. SABC Radio also fully embraces audience trends in the online space and continues to show healthy growth in digital and social media platform audiences. The portfolio of stations curate and publish daily podcast episodes to allow global listeners to tune into their favourite SABC radio station via live streaming. This medium continues to show steady growth.

Public Broadcasting Services (PBS)



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

Average weekly audience: 1 193 000 adults (15+)



Lesedi FM has continued to deliver high quality informative, educational and entertaining content to the majority of Sesotho speaking South Africans. 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 in terms of listenership.

Average weekly audience: 3 611 000 adults (15+)



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

Average weekly audience: 1 284 000 adults (15+)



Lotus FM caters to primarily 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: 261 000 adults (15+)



Motswedding FM follows a philosophy which is informed by the need for personal empowerment and development of its listeners. An aspirational station that strives to be cosmopolitan, the station has spill over listenership in 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: 3 114 000 adults (15+)



Munghana Lonene FM broadcasts in Xitsonga and supports the aspirations of its listeners whilst 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: 1 412 000 adults (15+)



Phalaphala FM provides programming that 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 both young and old aspirant Tshivenda speaking listeners to keep them informed about the world around them.

Average weekly audience: 1 239 000 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 consists of adult crossover music, magazine, live sport 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: 1 829 000 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 orientated Afrikaans speaking audiences that are proudly South African. Sports and Arts are some of RSG's key programming drivers.

Average weekly audience: 1 210 000 adults (15+)



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

Average weekly audience: 548 000 adults (15+)



Thobela FM dedicates its programming to supporting the personal growth of its listeners, preservation of culture within a modern context, and enhancing individual economic development. 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: 2 628 000 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 as well as to focus on self-development.

Average weekly audience: 293 000 adults (15+)



Ukhozi FM is South Africa's biggest radio station, boasting more than 7 million listeners. It focuses on educational, informative, and entertaining programming that prioritises personal development, economic growth and spiritual upliftment of its audiences. 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 audiences of more than seven million for the past five years.

Average weekly audience: 7 686 000 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: 4 219 000 adults (15+)



XK FM caters for the San people of Platfontein in the Northern Cape. The community mainly speaks Xun-tali (!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.

Average weekly audience: 1 000 adults (15+)

Public Commercial Services (PCS)



5FM is an entertainment powerhouse for South African youth, offering the most popular and 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, and this is at the core of its values.

Average weekly audience: 963 000 adults (15+)



Behind the scenes of the #METROFMTop30WithKyezi, featuring your favourite hits.



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 through showcasing high-quality events and highlighting public concerns.

Average weekly audience: 698 000 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 over 4 million listeners. 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.

Average weekly audience: 4 612 000 adults (15+)

Administered on Behalf of 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.

Audience Data: Broadcast Research Council (BRC) Radio Audience Measurement Survey (RAMS) - Past 7 Days Adult (aged 15+) Listening February 2022 to January 2023.



AT A GLANCE South African Broadcasting Corporation (SABC) Ltd | SABC Annual Report 2022 - 2023

TV Licences #SABCThingsThatMatter campaign featuring talent from our TV programming lineup.

VIDEO ENTERTAINMENT

SABC Video Entertainment 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) via 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, 17.9 million South African viewers a day (TAMS).

PBS

SABC 1 *Mzansi fo sho* 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 SABC+ streaming platform.

All Adults (15yrs+) performance period audience reach: 9.8 million South African viewers a day.

SABC 2 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 SABC+ streaming platform.

All Adults (15yrs+) performance period audience reach: 5.1 million South African viewers a day.

PCS



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 SABC+ streaming platform.

All Adults (15yrs+) performance period audience reach: 2.9 million South African viewers a day.

Digital Terrestrial Television (DTT) and Satellite Network Channels

The channels include SABC Sport and SABC News.



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.

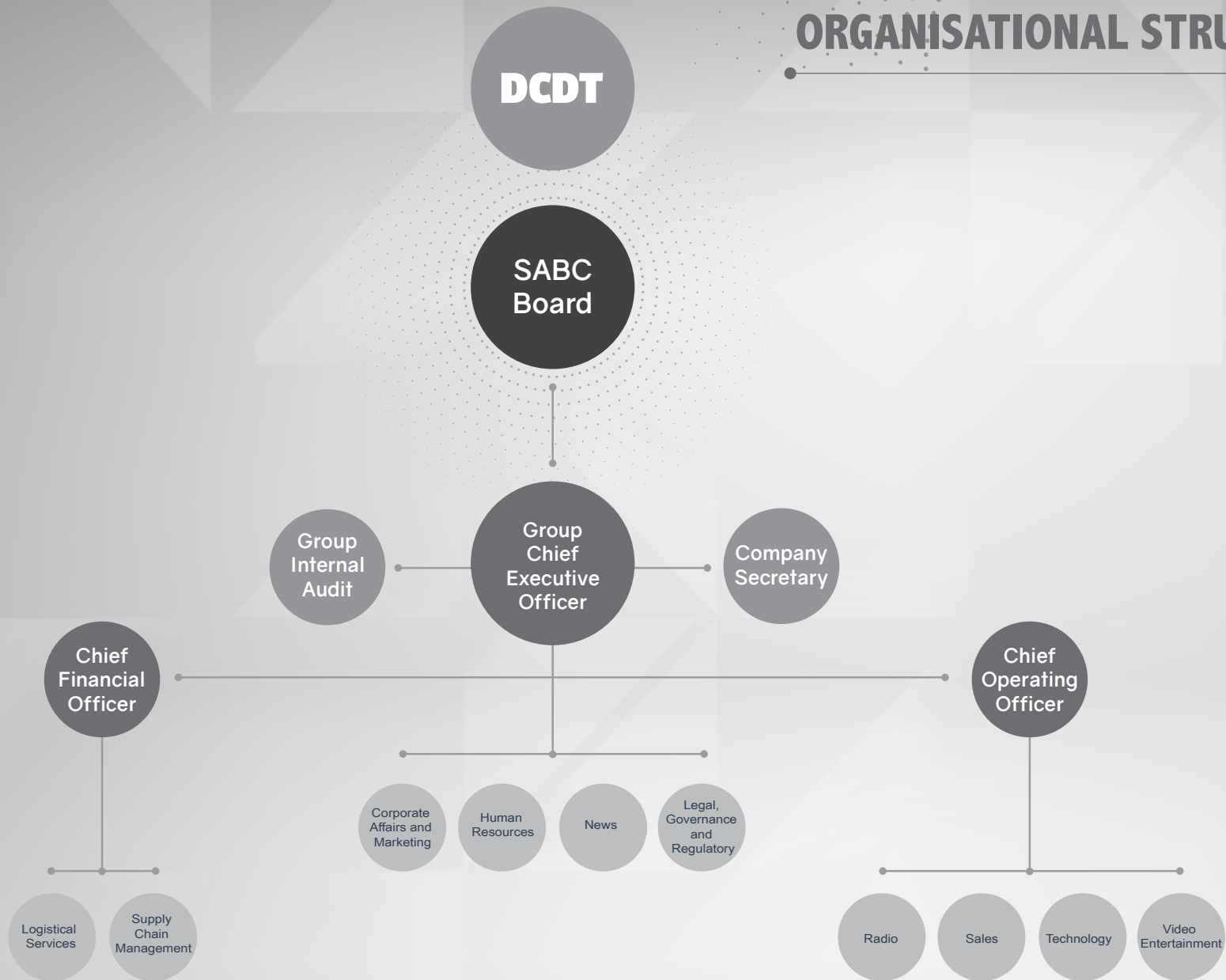
All Adults (15yrs+) performance period audience reach: 894 thousand South African viewers a day.



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.

All Adults (15yrs+) performance period audience reach: 1.1 million South African viewers a day.

ORGANISATIONAL STRUCTURE



FOREWORD BY THE CHAIRPERSON

As the public service broadcaster started its 87th year of existence, it was optimistic about the year ahead. The reported financial performance as of 31 March 2022 continued the positive trend of preceding years. There had been encouraging movement in the policy and regulatory framework, the Turnaround Strategy was well on its way to being successfully concluded and initiatives to sustainably address the cost of signal distribution and sport rights had commenced. The mandate from the Board was clear though; the Corporation was expected to pick up the pace as competitors had largely recovered from the impact of the COVID-19 pandemic.

However, the year that unfolded proved to be a difficult one.

Three years since it embarked on a turnaround strategy, and though the Corporation had stabilised and numerous gains could be reported, the growth phase that should have followed, remained elusive. This can be attributed to increasing external and internal adverse circumstances that affected the Corporation's ability to generate revenue and consequently its liquidity and solvency. Most notable of these were the lacklustre state of the economy, ongoing uncertainties surrounding the imminent Analogue Switch Off, consistent higher levels of load-shedding in the last six months of the year and numerous challenges in the Sales department. The Corporation was further unable to grow its audience ratings, though these did stabilise.

Adding to the challenging time was the expiration of the term of the Board and the delay in the appointment of a new Board.

Despite the above, and the outdated funding model, the SABC continued to deliver on its mandate to educate, inform and entertain, and consistently impacted and improved the lives of South Africans and delivered services, that met and exceeded expectations.

On the positive side, though the progress on the Competition Commission cases were slow, the reform in the policy and regulatory environment gained momentum in the later part of the year and the strength of the governance structures, processes and the presence of ethical leadership were confirmed as healthy by various assurance providers. The launch of the SABC+ streaming platform was a particular highlight of the year.

As at 31 March 2023, the Corporation had started the plans for the 2024 Elections, the highly successful and premium METRO FM Music Awards property was going to be back after a 6-year hiatus and on 18 April 2023, the new Board was appointed.

For just 72 cents a day in TV licence fees and with only 3% funding from Government Grant, South Africans continue to get 19 radio stations and 5 Free to Air Television Channels of which two are exclusively available on

the DTT platform. In addition, the Corporation offers one news channel on subscription satellite.

The liquidity and solvency risk has however now escalated to breaking point and with the continued unfunded cost of public mandate and the high TV License payment evasion rate it is now more than ever critical that the funding model for the Corporation is eventually overhauled.

As we take the baton from the previous Board, financial sustainability is the biggest challenge the Corporation faces and this is therefore a priority focus of this Board.

With the expectation that the SABC Bill will be approved in the remainder of the 2023 fiscal, we look forward to working with the Shareholder to develop policies that enable change in the future direction of the Corporation in a sustainable manner. Furthermore, we will engage the Independent Communications Authority of South Africa (ICASA) to motivate for ease of regulatory compliance especially due to the highly competitive space, the Corporation operates in.

We wish to thank the previous Board for their leadership, sacrifice and commitment to this national treasure and pillar of democracy that we are now the custodians of. You have laid a strong foundation upon which we will be privileged to continue building a sustainable public broadcasting service that supports all South African citizens and constitutional democracy. We also wish to thank the staff and management for the continued commitment and resilience despite the challenging trading environment.

We are honoured to serve.



Mr Khathutshelo Mike Ramukumba
Chairperson of the Board



SABC BOARD



1. Mr Khathutshelo Mike Ramukumba
Chairperson of the Board



2. Ms Nomvuyiso Batyi
Deputy Chairperson of the Board



3. Dr Renee Horne



4. Ms Palesa Kadi



5. Ms Phathiswa Magopeni



6. Mr David Maimela



7. Ms Aifheli Makhwanya



8. Mr Dinkwanyane Kgalema Mohuba



12. Mr Mpho Tsedu



10. Ms Karabo Motaung



11. Adv Tseliso Thipanyane



9. Ms Magdalene Moonsamy



13. Ms Nada Wotshela
Group Chief Executive Officer (Acting)



14. Ms Yolande van Biljon
Chief Financial Officer



15. Mr Ian Plaatjes
Chief Operations Officer

COMPOSITION OF THE BOARD

The SABC has a unitary Board structure, which in terms of the Broadcasting Act No. 4 of 1999, as amended, will comprise 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 8 Non-Executive Directors on 11 April 2019 and the appointment resulted in a fully quorate and functional Board whose term expired in October 2022 prior to concluding the financial year under review.

On 18 April 2023, the Honourable State President appointed 12 Non-Executive Directors whose term will expire in April 2028.

Change of Leadership

DIRECTORS

1. Mr Khathutshelo Mike Ramukumba Chairperson of the Board

MBA (Henley Business School) and currently completing a PhD (University of Pretoria).

Khathutshelo Ramukumba is a Chartered Accountant and a Vice Principal: Finance and Business Enterprise/Chief Financial Officer of UNISA. Prior to that he was the CFO of the South African Post Office, CEO of CHIETA (Chemical Industry Sector Education Training Authority), and CFO and CEO of the National Youth Development Agency. Prior to this, he held various senior internal audit management roles at Rand Water. He is currently Audit Committee member at Mpumalanga Provincial Treasury, Audit Committee member and Chairperson at the Mpumalanga Provincial Legislature and Member of the Northwest Provincial Government Audit Committee. He has also been a member of the audit committees for Limpopo Provincial Government, Sekhukhune District Municipality, Unisa Enterprise, and the Youth Development Institute of South Africa (YDISA). He was the chairman of the board of the Ekurhuleni Development Agency, a member of the board of YDISA, and served as an ex-officio member of the NYDA board.

2. Ms Nomvuyiso Batyi Deputy Chairperson of the Board

Master of Business Leadership (University of South Africa), BProc and LLB degrees (University of Fort Hare).

Ms Nomvuyiso Batyi is the Chief Executive Officer of the newly established Association of Communications and Technology. Prior to this, she was at the Film and Publication Board (FPB) as the Interim Chief Executive Officer. She previously held the position of Head: Presidential Commission: 4IR Programme Management Office at the DCTD. She led the COVID-19 Response Project Management Office for the Communications and Digital Technologies sector and sub-sectors. Before this, she served as the Acting Director General DCDT, then Department of Communications (DoC), until it was merged with the Department of Telecommunications and Postal Services (DTPS) to create the new Department of Communications and Digital Technologies (DCDT). Besides serving as the accounting officer for the DoC, in her capacity as acting director general she led the National Macro Organisation of Government (NMOG) process of the department. Ms Batyi worked at Primedia Broadcasting as Executive: Human Capital and Regulatory Affairs. Prior to serving two terms as an executive board member at ICASA, she was also the Acting Senior Manager: Policy Analysis and Development and Manager: Competition for ICASA, having cut her teeth as an investigator for the Competition Commission of South Africa.

3. Dr Renee Horne

BA Law, BA Honours: International Relations, and MA Politics: South African Politics (UKZN), and MSc International Politics and a PhD Political Economy (University of London).

With more than fifteen 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. She has advised international governments, media and business on the political and economic policies of a number of African countries and has worked extensively all over the world. 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 and has interviewed many high-profile personalities. Since 1994, Dr Horne has been a course designer, facilitator and guest speaker on Global Business, Political Economy and International Relations in Africa and the Middle East at numerous institutions such as the School of Oriental and African Studies (SOAS), University of London, the University of KwaZulu-

Natal, Rhodes and Johannesburg University, John Hopkins University, Centre for Strategic and International Studies (CSIS). Dr Horne was the Principal to Nex Rubica Capital (Africa Division), an international company based in London. She was also the Wits Business School MBA Director and International Relations Director, 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 Academy International Leadership Executive Development Programme.

4. Ms Palesa Kadi

BA Hons Political Studies and Comparative Economic Systems, Post Graduate Diploma Management, MA degree and PhD candidate in Development Studies.

Ms Palesa Kadi is Chairperson of the South African Geographical Names Council at the Department of Sports, Arts and Culture. She is an Advisory Member of the Women in Technology in Africa (WiT) group and the Chairperson of the United Nations Group of Experts Geographical Names – Dutch and German-speaking countries. Formerly, she was part-time for the Broadcasting Complaints Commission of South Africa Commissioner. Ms Kadi has worked as a media activist, researcher and regulator in the broadcasting and telecommunications space. She served as a councillor at ICASA. She currently serves as a Non-Executive Director for the National Housing and Finance Corporation and as a Council Member of the Tshwane North TVET College. She has also served on other Boards, including the Calabash Trust, a community tourism initiative in Nelson Mandela Bay; the Eastern Province Cricket Board; the Alliance France Management Board; Commonwealth Youth Advisory Board; and the Media Development and Diversity Agency Board. Ms Kadi continues to champion the development of regulations, governance and women empowerment in the broadcasting and telecommunications sector.

5. Ms Phathiswa Magopeni

BA Hons, and MPhil ed. Degrees (University of the Western Cape), Integrated Marketing Communications HDip (AAA School of Advertising), a PGDip in Business Studies, and an MBA (GIBS, University of Pretoria).

Ms Phathiswa Magopeni is the Chief Operations Officer at Bhekisisa Centre for Health Journalism; Chair of the PBS Committee, a Menell/Duke University Media fellow and Bloomberg Media Initiative Africa fellow, a member of the World Editors Forum, a Council Member of the South African National Editors Forum and chairs the forum's Education and Training Committee. She has over two decades of strategic, operational

and editorial leadership experience in the media sector, with expertise in multimedia broadcasting. She has held executive management and editorial leadership roles, including Editor-in-Chief and Group Executive for SABC News and Current Affairs, SABC Group Executive for Television, and Head of Terrestrial News Services at eNCA.

She has lectured at the University of the Western Cape and the University of Cape Town.

6. Mr David Maimela

MA Politics cum laude (University of Johannesburg).

Mr Maimela is a public policy manager, thinker and strategist with specialisations in politics, governance, international relations and foreign policy. He has more than 14 years' experience as a professional, straddling the public, research and academic, civil society and consultancy sectors. In his previous work, he served as Chief of Staff: Office of the Commissioner at the Competition Commission SA; Researcher: Political Economy Faculty at MISTRA and as Deputy Director: Policy and Governance, Office of the Premier, Gauteng; and Head of Office (Chief of Staff): Office of the MEC, Gauteng Health. He is a Member of Council at the University of Limpopo, Board Member of the Gauteng Growth and Development Agency, as well as MEGA in Mpumalanga. He was formerly a Trustee of the SABC Medical Aid Scheme. David is Director: Executive Support for the principal and Vice-Chancellor of UNISA. He is recognised as a member of the Mapungubwe Society of Researchers (MMSR).

7. Ms Aifheli Makhwanya

Bachelor of Law, Master of Laws and Master of Arts and Culture degrees (University of Witwatersrand) and a number of management advancement and legal certificates and diplomas (various universities).

Ms Makhwanya has 19 years' experience in research, legal, management roles in the public sector and as a consultant/researcher in the cultural and creative industries. In these roles, Aifheli gained wide experience, including in policy and research, arts, marketing and governance and strategy development. She has served as a Member of ICASA's Consumer Advisory Panel and on the Department of Sport, Arts and Culture's Funding Appeals Committee. She is a Member of the Council of the Market Theatre Foundation. She is a member of the Institute of Directors Southern Africa.

8. Mr Dinkwanyane Kgalema Mohuba

BA Paed, B.Ed (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); Master of Business Administration (Regenesys Business School); Certificate in Theology and Diploma in Ministries (Teamwork Bible College International).

Mr Mohuba is currently a Non-Executive Director of PRASA and served as the Executive Director: Marketing and Communications. He was Acting Dean of student affairs at the University of Limpopo from February 2017 to November 2018. He has served on the governance and management structures of the Council, Audit Committee of Council, Risk Management Committee, Senate, Executive Management Committee (EMC) and the Executive Committee Senate (ECS). He served as Director of Endecon Ubuntu (Pty) Ltd for ten years and was also Chairperson: Board of Trustees for the Mpumalanga Department of Agriculture, the IDC and the UL Nguni Cattle Development Project. He was recently appointed by the City of Johannesburg to serve as a Board Member of the Johannesburg Social Housing Company's (JOSHCO) Development Committee. Mr Mohuba has a passion for community development programmes and has an excellent track record of serving two terms (six years) as chairperson of the School Governing Body at Pietersburg English Medium Primary School in Polokwane

Mr Mohuba is Chartered Public Relations Practitioner (CPRP) of Public Relations Institute of Southern Africa (PRISA) and an Individual Member of both the Institute of Directors South Africa (IODSA) and The Business Ethics Network of Africa (BEN-Africa).

9. Ms Magdalene Moonsamy

LLB (University of Durban Westville) and currently studying Masters in Law (University of Kwa-Zulu Natal).

Ms Moonsamy is an Admitted Attorney of the High Court, a Sole Proprietor at Magdalene Moonsamy Attorneys, Funder of the Women's Justice Foundation, a former Member of Parliament, former COO of the NYDA, the Special Advisor: Legal to the Minister of Defence, and international human rights activist. She served as chief jurist at the US Tribunal for Black, Brown and Indigenous people, and was a former board member at Iziko Museums. She has worked and been active in numerous solidarity movements and continues to provide service to her country. She is an activist and has served a lengthy period of her life in leadership roles in politics. She is also a lecturer at LEAD in drafting of contracts and the deputy chairperson for the African Peer Review Mechanism.

10. Ms Karabo Motaung

B.Com Honours Degree in Economics from Rhodes University, a Post Graduate Certificate in Competition Law from the University of Witwatersrand and a Masters Degree in Competition Law and Economic Regulation from the University of Johannesburg.

Ms Motaung is Principal Analyst in the Advocacy and Stakeholder Relations Division at the Competition Commission. Karabo Motaung joined the Competition Commission in 2013 and has worked in the Economic Policy and Research Division, the Enforcement and Exemptions Division as well as the Cartels Division.

Karabo is an economist by training and has extensive experience in competition and economic regulation. She holds a B.Com Honours Degree in Economics from Rhodes University, a Post Graduate Certificate in Competition Law from the University of Witwatersrand and a Masters Degree in Competition Law and Economic Regulation from the University of Johannesburg.

11. Adv Tseliso Thipanyane

LLB (National University of Lesotho) LL.M (University of the Western Cape); LL.M (University of Johannesburg) and Phd candidate (GIBS).

Adv Thipanyane is the Chairperson of the Southern African Institute for Responsive and Accountable Governance (SAIRG), former Chief Executive Officer of the South African Human Rights Commission (SAHRC), and former Chief Executive Officer of the Safer South Africa Foundation. He spent over 13 years in the SAHRC as Head of Research, mainly responsible for the monitoring of economic and social rights and access to information rights, before becoming the Chief Executive Officer. He is a former researcher on criminal justice at the University of KwaZulu-Natal and former law lecturer at the University of the Western Cape (criminal procedure), Columbia University Law School, New York (African Human Rights Systems), and Ramapo College of New Jersey (African Politics and Human Rights). He has written numerous publications on human rights issues and has presented conference papers in over twenty countries in Africa, Europe, America and Asia. He was admitted as an Advocate of the High Court of Lesotho and South Africa and has served on the project committee on child justice of the then SA Law Commission. He was a Member of the Executive Committee of the Council for the Advancement of South Africa's Constitution (CASAC), and a former board member of the Open Democracy Advice Centre (ODAC).

12. Mr Mpho Tsedu

MA in Politics (International Relations) (University of Johannesburg); Bachelor of Arts (Honours in International Politics) (University of Johannesburg); Bachelor of Arts in Political Science and International Politics (University of the North) and studies Phd in Political Studies (Nelson Mandela University).

Mr Tsedu is a highly accomplished senior executive with over 25 years of extensive experience in the journalism, media, communications and marketing industries. Having worked at the SABC as a presenter for both radio and television, Mr Tsedu also served as HoD for Business Leadership

South Africa, Policy Advisor at the Department of Communications and Digital Technologies, and is part of the BRICS Research Forum, as he currently leads the Institute of Foreign Affairs.

Tsedu has a diverse educational background with academic qualifications in diplomacy, political science, international politics and international relations, providing him with a unique perspective on global affairs and trends. He is currently pursuing an MBA and while completing his PhD, demonstrating his commitment to continued learning and professional development. He is equipped with a broad range of skills, including strategic planning, crisis management, stakeholder engagement and effective communication techniques.

EXECUTIVE MEMBERS OF THE BOARD

13. Ms Nada Wotshela

Group Chief Executive Officer (GCEO) Acting

Appointed on 1 July 2023

Bachelor of Arts Degree (University of Fort Hare), Management Advancement Programme (WITS Business School).

Nada Wotshela is the SABC's Group Executive responsible for SABC Radio portfolio since 2017 and currently serving as the public broadcaster's Acting GCEO.

She is well versed within the cutting-edge media landscape and has gained valuable experience from various business units within the SABC. Her deep understanding of the legislative and regulatory environment within the sector makes her one of the most outstanding women in the media industry.

She has demonstrated great leadership and strong financial acumen throughout her career in the industry as she served the SABC in various leadership roles including being the Provincial General Manager for the Eastern and Western Cape Provinces respectively, as well as managing two radio stations. She cut her teeth in the industry as a presenter, producer, and newsreader 26 years ago at the now defunct Ubuntu Community Radio in the erstwhile Port Elizabeth. Her passion and drive to make a difference in society through media found a home in the public broadcaster when she joined the SABC in April 1999. Ascending to the position of Group Executive for Radio was a result of consistent yearning for greater opportunities, as she strongly believed that it would place her in a better position to positively contribute to society.

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 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 the 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, in seven years 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.

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.

PREVIOUS MEMBERS OF THE BOARD

- Mr Bongumusa Makhathini - Chairperson of the Board
(16 Oct 2017 - 15 Oct 2022)
- Ms Mamodupi Mohlala-Mulaudzi - Deputy Chairperson of the Board
(11 Apr 2019 - 15 Oct 2022)
- Prof Sathasivan Cooper - Board Member
(11 Apr 2019 - 15 Oct 2022)
- Adv Benjamin Lekalakala - Board Member
(11 Apr 2019 - 15 Oct 2022)
- Mr Michael Markovitz - Board Member
(16 Oct 2017 - 15 Oct 2022)
- Ms Jasmina Patel - Board Member
(11 Apr 2019 - 15 Oct 2022)
- Mr Jack Howard Phalane - Board Member
(16 Oct 2017 - 15 Oct 2022)
- Ms Mary Bernadette Papayya - Board Member
(11 Apr 2019 - 15 Oct 2022)
- Dr Marcia Socikwa - Board Member
(11 Apr 2019 - 15 Oct 2022)
- Mr Madoda Mxakwe - GCEO - Executive Member of the Board
(1 July 2018 - 30 June 2023)

TABLE: Committees of the Board and their Membership

Members	Audit and Risk	Finance, Investment and Procurement	HR and Remuneration	PBS	PCS	Social and Ethics	Governance and Nomination	Digital Technology	News and Editorial	Total
Mr Khathutshelo Mike Ramukumba							C			1
Ms Nomvuyiso Batyi		M					D/C	C		3
Dr Renee Horne	M	C							M	3
Ms Palesa Kadi	C		M						D/C	3
Ms Phathiswa Magopeni	D/C			C				D/C		3
Mr David Maimela					C			M	M	3
Ms Aifheli Makhwanya					D/C	M	M			3
Mr Dinkwanyane Kgalema Mohuba			C	D/C				M		3
Ms Magdalene Moonsamy			D/C	M		D/C				3
Ms Karabo Motaung		D/C			M	M				3
Adv Tseliso Thipanyane			M			C	M			3
Mr Mpho Tsedu		M		M					C	3

C - Chairperson; D/C - Deputy Chairperson and M - Member

SABC LEADERSHIP



Ms Nada Wotshela
Group Chief Executive Officer (Acting)
- Appointed 1 July 2023



Ms Yolande van Biljon
Chief Financial Officer



Mr Ian Plaatjes
Chief Operations Officer



Ms Katlego Mpepu
Chief Internal Auditor



Mr Mahmood Saljee
Company Secretary (Acting)
- Appointed 13 March 2023



Dr Mojaki Mosia
GE: Human Resources



Ms Mmoni Seapolole
GE: Corporate Affairs and Marketing
(Acting) - Appointed 1 February 2023



Mr Philli Moilwa
GE: Legal, Governance and Regulatory
(Acting) - Appointed 1 August 2023



Ms Khosi Dlamini
GE: Sales (Acting) - Appointed 1 July 2023



Mr Merlin Naicker
GE: Video Entertainment



Mr Nkgakga Monare
GE: News and Current Affairs



Mr Sipehele Sixaso
GE: Radio (Acting) - Appointed 1 July 2023



Mr Lungile Binza
GE: Technology



Ms Valencia Njoko
Head: Supply Chain Management



Ms Sylvia Tladi
Head: TV Licences



Mr Stephen Paradza
Head: Real Estate and Logistics (Acting)
- Appointed 1 July 2023

PROVINCIAL OFFICES



Ms Carmen Schneider
Head: Regional Operations



Ms Ayanda Makaula
ROM: Eastern Cape



Mr Mandla Mbusi
ROM: Free State and Northern Cape



Mr Simphiwe Ngcobo
ROM: KwaZulu Natal



Mr Lungile Nduvane
ROM: Mpumalanga



Mr Oupa Mamabolo
ROM: Limpopo



Mr Raymond Makgopa
ROM: North West



Mr. Kenneth Makatees
ROM: Western Cape

PROVINCIAL OFFICES AND LEADERSHIP

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.

GROUP CHIEF EXECUTIVE OFFICER'S OVERVIEW

It is my absolute pleasure to present the SABC Annual Report for the 2022/23 financial year. This Annual Report encapsulates the Corporation's reportage on the implementation of the previous five year's Road Map. We are also called upon to take stock of the financial year that was and examine the extent to which we have succeeded or failed in fulfilling the SABC's public mandate. We are also called upon to chat a way forward in creating a sustainable public broadcaster that will withstand the challenges of the future.

SABC Turnaround Plan which was adopted in 2018 initially contained 120 key activities. Of these, 105 were deemed to be within the SABC's control or major influence. The remaining 15 related to policy, legislative, and regulatory changes critical to the SABC's goal of staying relevant in the fast-changing broadcasting environment and achieving financial sustainability. As at the end of February 2023, the SABC decided not to pursue nine (9) out of the 105 key activities within its control due to various reasons, including minimal prospects of success. This left the SABC with 96 key activities to pursue. As at the end of March 2023, 98% of the activities were completed.

Based on the identified milestones and deliverables, the 2018 Turnaround Plan was therefore successfully implemented. The plan was however impacted by external variables that were unknown at the time of the development of the plan. These variables included analogue switch off (ASO), economic downturn, and load-shedding which had an adverse impact on the audience share and revenue components of the plan. The declining audiences and advertising revenues, as well as the cost of unfunded mandate continue to cripple the business of the SABC.

The introduction of on-demand digital media platforms has also put the SABC's Video Entertainment division under tremendous pressure as viewers' consumption patterns are rapidly changing. This development has further fragmented advertising revenues and the SABC has not been spared.

The industry expects that digital advertising revenues will surpass linear advertising by 12% in 2025. This places significant risk on the financial health of the SABC. The introduction of our own OTT platform,

SABC+ seeks to align the SABC with the changes in the media landscape and counter the subsequent revenue migration.

Despite the above challenges, SABC's television and radio content continued to receive Awards and other forms of recognition from various industry bodies. The leading channel in the country during primetime remains SABC1 with the most watched programme being Uzalo. It is remarkable to note that 84% of the most watched programmes in the top 25 most watched programmes on Dstv are SABC programmes.

SABC1 was once again lauded as the number one television brand by Sunday Times and City Press readers. Our channels were able to introduce 30% fresh content in the form of high quality and relevant programmes such as Zahara I Rise, Ushuni Kamaskandi, Too Hot to be Single, Igumbi Lamakhosikazi, Good Men, The Taste Masters, and The Festive Season Pop-up channel.

SABC Radio is still unparalleled in terms of reach, relevance, and popularity, commanding over 70% of adult South African Radio listening. METRO FM was voted the Coolest Radio Station for the 10th year running by Sunday Times Gen Next participants who are the young people of this country. With the launch of SABC's OTT platform, SABC+ in November 2022, Radio once again fully embraced this world-class initiative and a pop-up channel was launched to broadcast content around the Thobela FM Gospel Festival, attracting over 17 000 listeners on the day.

The SABC has done all it can to stabilize and position itself for growth. The achievement of our growth goals is also dependent on finalization



STRATEGIC OVERVIEW

of the key actions in the Turnaround Plan relating to legislative and regulatory reforms. Without these changes, the SABC will remain in the sustaining phase in the short term, before regressing under the weight of the untenable legislative and regulatory provisions.

We value the contribution of the SABC Board. We would like to express our gratitude to all our stakeholders in the broadcasting industry who continue to play a significant role in assisting our efforts towards the achievement of all short-medium to long-term goals as set out in our Road Map.

The successes we have registered as a corporation throughout the past five years of implementation of our Turnaround Plan, the lessons learnt during the period under review and the measures put in place to improve our areas of weakness, can only attributed to the diligence of SABC staff members.



Ms Nada Wotshela
Group Chief Executive Officer (Acting)

As the public broadcaster, the SABC must offer, in all South Africa's official languages, a range of informative, educational, and entertainment programmes that showcase South African attitudes, opinions, ideas, values, talent, and artistic creativity. Programming must also offer a plurality of views and a variety of news, information, and analyses from a South African perspective, and advance the national and public interest.

SABC content is available through a variety of platforms and services. The SABC strives to keep expanding its services to all through various advancements in technology. This ensures compliance with the universal service mandate of the SABC. To fulfil this extensive mandate, especially given the SABC's current funding model, is a considerable challenge. Increased competition for viewers and listeners has resulted in intense financial pressure on the broadcaster's business model.

Concerns about media concentration and the need to enhance diversity of editorial content are becoming increasingly important. Equally important is the ever-growing phenomenon of 'fake news'. In this context, it is critical for the Corporation to be seen as a credible source of a wide range of voices and perspectives in South Africa.

License conditions for television channels and radio stations require the SABC to offer programming that, while being of value to the public, does not necessarily generate revenue. The challenge that the SABC faces is that the heavy financial burden around the overall Broadcast Mandate of Entertaining, Educating, and Informing, is not necessarily aligned to the commercial viability of the Broadcaster and does not have a funding model that supports it.

The situation is compounded by the obligation that exists for Pay TV services to carry SABC channels. Until very recently (March 2022), the obligation required the carriage to be free of charge. The Regulations disregarded the value of SABC channels and gave Pay TV services undue leverage of growing their services through the SABC content. The recognition in the revised Regulations

of the need for the carriage of the SABC's channels to be on the basis of commercial terms is currently hollow as in the event of an inability to agree on commercial terms (as has been the case since the revised Regulations were published), the status quo remains. The SABC is not able to withdraw its channels, and Multichoice continues to benefit at the expense of the SABC.

SABC Radio continued to adhere to its public broadcasting mandate as well as other organisational goals such as broadcasting programmes that support social cohesion, nation building, promotion of democracy and empowerment of citizens. The stations started the new year with New Year promos in addition to new year well-wishes/messages recorded by several on air presenters. January coverage proceeded to include the ANC's January 8 statement, delivered by President Cyril Ramaphosa in Bloemfontein; the release of matric results nationally and provincially; and the reopening of schools. SABC radio stations highlighted the plight of the school pupils from poverty-stricken communities often find themselves lacking school uniforms, stationery and other educational necessities, and some stations assisted by collected stationery and laptops. The spotlight was also placed on school preparations, placement of learners, and budget for the new academic year, separation anxiety and other psychological effects of going back to school post the festive season holidays.

Though the benefits from the increased investment in content are gaining momentum, the targeted audience ratings remain at risk for various reasons. A significant reason is the pace at which the ASO is being implemented.

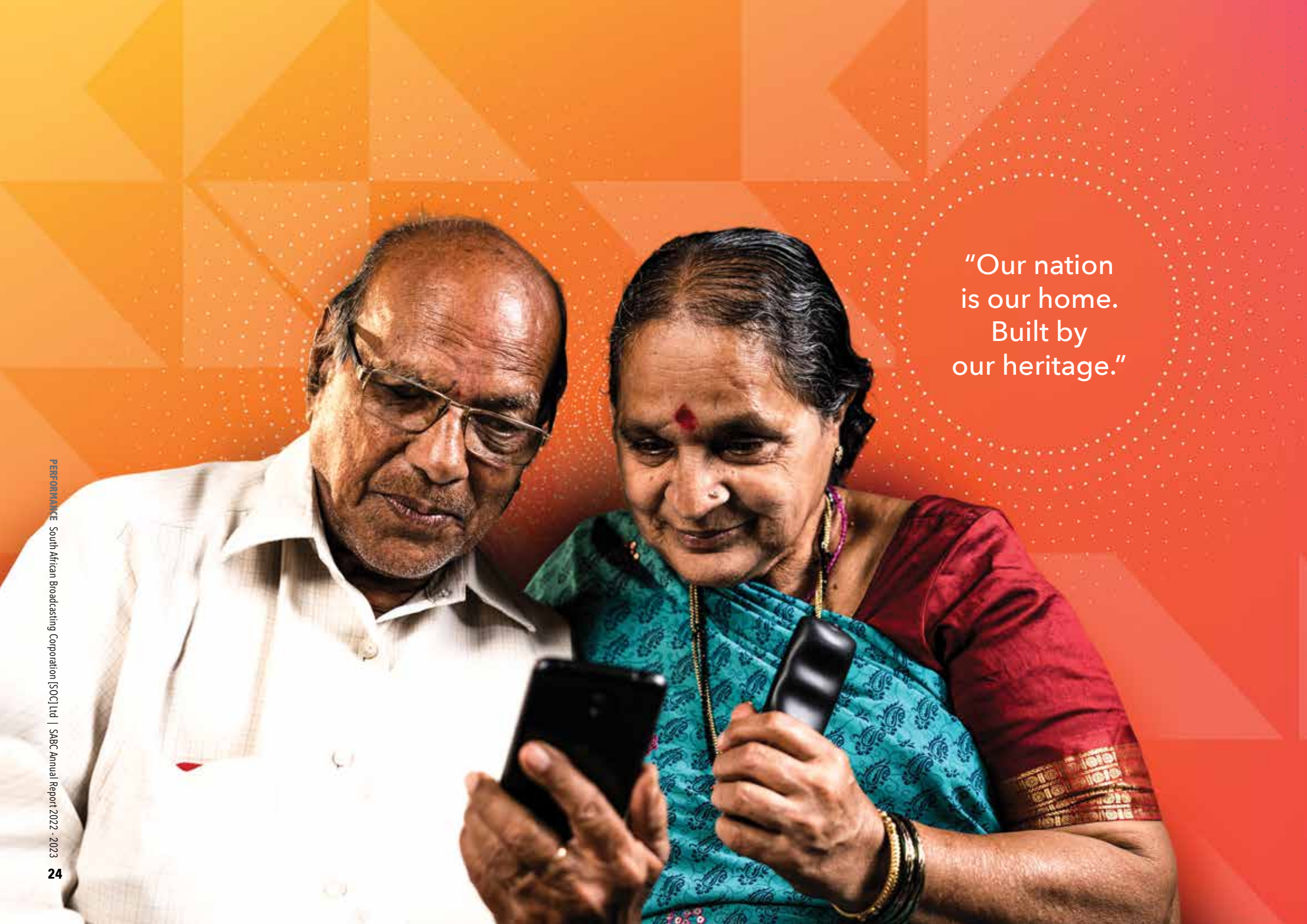
- In the absence of STB installation thresholds being achieved prior switch-off, the ASO adversely impacts audience reach of the SABC services, and consequently a reduction in SABC audiences.
- ASO has removed 30-40% of the SABC audience, the decline in audience reach following the switching off of the SABC's transmitters in Free State, Limpopo, Mpumalanga, North-West, and Northern Cape:

There is an obligation for the SABC to broadcast national sports programming, developmental and minority sports in line with the Broadcasting Act, and certain listed sports events in line with the ICASA Sports Regulations. However, the exorbitant cost of sports rights and the limited potential for revenue generation are prohibitive, and result in guaranteed losses. The SABC has submitted to ICASA the adverse effects of the 2010 Sports Regulations which yielded unintended consequences of commercialisation of sports rights, inaccessibility of premium sports content, and unreasonable sub-licensing conditions of sports rights.

Included in the cost of mandate for Sport are the following special events:

- Olympics
- ICC T20 Australia
- FIFA World Cup Qatar
- ICC Cricket World Cup India
- IRB Rugby World Cup France

SABC+ APP making SABC available to everyone everywhere.



“Our nation
is our home.
Built by
our heritage.”

PERFORMANCE

SITUATIONAL ANALYSIS

Service Delivery Environment

The previous financial year was a difficult one for the SABC. While the COVID-19 pandemic was largely under control, the aftermath is still being felt. There was on-going loadshedding, the repo rate was increased by 3.25% over the year, the fuel cost was unprecedentedly high, reaching close to R27 per litre in the middle of the year, inflation was running at 7.2% in December 2022.

It is unlikely that the situation is going to improve much during 2023. Global growth is projected to slow to about 3.6%,¹ with South Africa's growth being projected to be about 1.1% over the year.² While the unemployment rate has reduced slightly, it is still very high, standing officially at 32.9%, although the youth unemployment rate is over 50%.³ It is also clear that loadshedding is going to be a "normal" part of life for the foreseeable future.

In order to continue operating effectively in these difficult circumstances, the SABC is going to have to be innovative and imaginative in how its operations are run, while still prioritising content that adheres to policy and legislation and still being accessible, educational, inclusive and entertaining. Retaining and employing knowledgeable staff should allow the SABC to compete more aggressively from a content perspective and to operate at an optimal level.

Accelerating the growth of its digital products and tailoring content to prevailing market demands should make the pursuit of clients more successful. Proactive and adaptive responses to the ever-changing environment will help the Corporation to survive. The SABC needs to have suitable plans to navigate impending economic and market challenges, while taking full advantage of all emerging opportunities, and learning and adjusting to the current precarious economic situation.

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

- 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 contents of the draft white paper are encouraging for the Corporation's future prospects. 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.
- The Corporation is further budgeting for at least break-even over the MTEF period. However, it is critical that externalities, such as the ASO 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. The SABC further remains concerned about significant audience losses due to the ASO process. 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.
- Pace of policy, legislative and regulatory change – The extremely slow pace of policy, legislative and regulatory change was not assumed. While there has been some movement in this regard, the absence of finalisation of the most significant of these required changes continues to cost the SABC dearly. The point has repeatedly been made – and continues to be made – that it is not possible for the SABC to hold on to the gains it has made in turning around, let alone achieve financial sustainability, without these policy, legislative, and regulatory changes.
- The market dominance of the SABC's radio stations was once again confirmed by the data contained in the April 2022 – March 2023 BRC RAMS results released during the quarter. Of the Top 20 stations, 13 were SABC Radio stations, with Ukhozi FM leading the pack at 7 597 000 listeners in a week. The Top 5 are all SABC radio stations. This demonstrates the extent of the appeal that SABC Radio has in all official languages to all available radio listeners.

**UKHOZI FM
takes the lead with
7597 000
listeners**

**EVERYWHERE
FOR EVERYONE,
ALWAYS.**

¹ <https://www.imf.org/en/Publications/WEO>

² <https://issuu.com/oecd.publishing/docs/south-africa-oecd-economic-outlook-projection-note>

³ <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q3%202022.pdf>

THE OLD ANALOGUE TELEVISION SIGNAL WILL SOON BE SWITCHED OFF IN ALL PROVINCES



DCDT communications communicated via SABC regarding the Analogue switch off.

- The establishment of an organisation with a high-performance culture and adherence to its values of Respect, Integrity, Quality and Trust remains a priority within Human Resources. During the period under review, the journey towards outstanding employee experience continued through the focus on creating a conducive working climate in which everyone experiences a strong sense of belonging, as well as living and performing at their best.
- Despite many challenges, progress has been achieved during the past nearly four years in aligning the governance processes with the existing legislative and regulatory framework as well as good governance practices.
- Loadshedding and power outages – The extent both in terms of severity and duration of power shortages witnessed in South Africa over the past two years is unprecedented and severely impacted on audience share during prime time.
- Pace of analogue switch-off (ASO) – The aggressive and audience-eroding approach to the ASO was not anticipated.
- The SABC Turnaround Plan was developed, and implementation began in late 2019. Good progress was made in the following years, and a number of key outcomes were achieved. Four key objectives have not been realised, and these are increased revenue from classic advertising and sponsorship; increased revenue from TV licences increased television audiences and some important legislative and regulatory policy changes that need to be made if the SABC is to be able to operate effectively. We will need to concentrate on these in the coming months.
- Much has been done over the past few years to strengthen the Corporation's governance structures and processes. New policies

and procedures have been developed and as a result much irregular, fruitless and wasteful expenditure has been reduced and expenses are being contained. In addition, risk management practices are being embedded, and standard operating procedures are constantly being reviewed and refined.

- At the time that the turnaround plan was developed, there were significant factors that could not have been anticipated, such as the COVID-19 pandemic, the increased loadshedding and the slow pace of policy, legislative and regulatory change. Now, after implementation of the key activities over which the SABC has control, the SABC still faces significant challenges, both internal and external, in achieving the goal of being a financially sustainable public broadcaster.
- Despite the fulfilment of many of the objectives of the turnaround plan, the SABC unfortunately continues to trade under very stringent conditions due to the bleak domestic and global economic outlook, prompting aggressive marketing and trading models by competitors, aimed at attracting investor support and enticing clients. The Corporation has also pursued audience acquisition and retention strategies that continue to secure audience equity in a competitive and fragmented market. It is encouraging that SABC video entertainment programmes form part of the majority of the programmes in the top 20 most watched, and SABC radio stations command a 63% listenership share.
- Macro-economic factors – such as the lacklustre economy, loadshedding and analogue switch off – have had an adverse effect on audiences, resulting in revenue underperformance. Viewer patterns continue to change, and there has been a proliferation of global OTT brands within the SA market. To address this, SABC+, the long-anticipated OTT platform, was launched in November 2022 and plays a pivotal role in the OTT category, enabling SABC to offer viewers video on demand services.
- The SABC+ streaming app provides the best that the SABC has to offer: 18 radio stations and three free-to-air television channels – SABC1, SABC2 and S3 – as well as the SABC Sports Channel and the SABC's 24-hour news channel. In addition, the app features a variety of local and international content, which extends the Corporation's mission to inform, educate and entertain citizens, everywhere, at any time.
- The public service broadcaster's first ever 24-hour news channel in African languages is to be launched during this financial year. The launch of this channel is in line with the SABC's public mandate and obligation to provide universal access, enabling a majority of South Africans to

receive daily news and understand parliamentary proceedings in their mother tongue.

- Building on the strong marketing efforts in the last period, a brand campaign for the SABC is delivered in a 90-second television commercial (TVC) format, with a solid message that showcases the SABC as a multi-platform content provider that creates iconic entertainment, amplifies the best of local stories, displays Mzansi in colour and provides valuable information and educational content for everyone, everywhere. The Corporation will continue to amplify its external profile through targeted media campaigns to increase awareness of the Corporation's activities and its objectives.
- As part of the strategy, the SABC has to let go of much of the conventional broadcast infrastructure and systems, and embrace the concepts of flexibility, scalability and simplicity. We need to intensify efforts towards building an agile organisation and forming strategic partnerships. To achieve this, critical business processes are being enhanced and upgraded. In addition, active investment in upskilling existing staff, employing additional skilled staff and optimising knowledge management processes will ensure the resilience of the business in an economy that is in constant flux.
- Our priority in the period ahead is to ensure the sustainability of the SABC by diversifying revenues through the development of new businesses, products and markets. Given the challenges within the South African economic environment, and the development needs of the country, the Corporation is actively working to identify other initiatives that can increase the role it plays in the response to these challenges.
- The SABC is the public broadcaster of South Africa. It is responsible for providing public broadcasting services in South Africa and to the world beyond its borders. The SABC has a continental role as an African broadcaster, and it is committed to providing African specific news/stories from an African perspective. As a public institution, it does not exist in isolation but is an important and remarkable entity because of the valuable contributions of key stakeholders. The SABC strongly believe in collaborative work geared towards ensuring the long-term existence of a resilient and financially sustainable entity.
- The global and local economic situation has continued to hamper efforts to secure content generation partnerships. Efforts have continued, nonetheless. Securing these partnerships remains particularly important given the financial constraints facing the SABC, and the need to grow audiences through the introduction of new content.

DELIVERY ON PREDETERMINED OBJECTIVES

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)	(26,114)	1,207,490	Reasons for the revenue performance included the decline in television audiences, less than anticipated revenue from key properties, and the failure to implement planned revenue improvement projects; while costs were adversely impacted by the delays in the ASO, which are resulting in higher signal distribution costs than budgeted for. In addition to efforts to increase television audiences, focus will be on implementing the planned revenue improvement projects and realising the anticipated revenues.
Working capital management maximized in response to the operating environment	Average creditors' payment days	60 days	117 days	Deterioration in the cash flow position of the SABC throughout the year. Significant improvement in revenue and cash generation. Working closely with strategic partners while ensuring that, if not negotiated otherwise, all payments take place within 30 days.
	Average debtors' collection days	51 days	40 days	Target achieved
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 protected	Prime time share of Television Screen Ratings (%)	SABC1: 25%	20%	Achieved performance is attributed to the drop in weekend and daytime performance, and the running of repeats when content was not delivered. This will be addressed by increasing the delivery against planned content, coupled with aggressive marketing.
		SABC2: 8%	5%	Performance was due to a lack of strong content and drop of performance in flagship properties. Consistent high stages of load shedding severely impacted on audience share during prime time particularly in the last 6 months of FY2023. The implementation of Analogue Switch Off (ASO) further contributed to the loss of audiences and revenue losses as competitors have penetrated indigent household through their ability to retail set top boxes. Performance will be improved by improving editorial and marketing of flagship properties, as well as replacing non-performing titles with fresh new content.
		S3: 3%	2%	Lack of strong local content and consistency explain the achieved performance. Promotion of the licensed content and creation of a new destination for target market will be implemented to improve performance.
Compelling television Content delivered	Number of SABC TV programs in the terrestrial top 20.	15	12	Aggressive competition and drop in current content performance resulted in the achieved performance. Improvement will be achieved through the introduction of new fresh content, supported by aggressive marketing.
Celebration of national days on an inter-cultural basis, fully inclusive of all South Africans, promoted on radio and television	Number of national days covered on television	7	7	Target achieved
	Number of national days covered on radio	7	7	Target achieved
Compelling sports content delivered	Number of new sports rights acquired.	4	38	Target achieved
Number of adult listeners of SABC radio stations maintained	Average number of adult listeners of SABC radio stations per 7-day period	PBS: 30,0m	PBS: 24,2m	Target setting was adversely affected by the limited data available at the time, which necessitated the inclusion of this indicator as a temporary measurement. The result was a higher target than is possible to achieve. This error has been corrected in the FY2024-26 Corporate Plan.
		PCS: 6,0m	PCS: 5,9m	The target was narrowly missed due a general industry-wide decline in radio listenership. The declining audience problem is further exacerbated by lengthy periods of severe loadshedding, which have a significant impact on daypart audiences. Efforts are ongoing to ensure that at the very least, the SABC maintains its proportion of national radio listeners.

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	Number of additional sites with functional new radio playout system installations	10	-	The project has suffered from multiple supply chain process-related delays. Significant process has been achieved in terms of addressing the challenges during the year, and the project is expected to be achieved in the next financial year.
	Priority capex projects for TV News implemented	Operational News Production System	PO issued and project in progress of being baselined.	The project implementation critical path at this stage is linked to international delivery timeline and semiconductor shortages
		Commission Newsroom Computer System	The Contract has been signed by all parties.	The project implementation critical path at this stage is linked to international delivery timeline and semiconductor shortages
		Operational News Branding and Graphic Playout System	Project Commissioned and Close Out Report issued with Snags.	PTP/Clocking and Integration; Provision and Adoption of Graphics templates was late. Superuser Training of Sport Resources had to be rescheduled for later. Resolution of Snag list is also underway.
Digitisation – Conversation/transition from analogue to digital	Number of hours of TV and TV news content digitised	30,000 hours	Delivery of the equipment for the factory has been done. No digitization has taken place yet.	Protracted contract negotiations and delivery timelines for the equipment affected the implementation of this project. Digitisation of content is now expected to commence during the second half of the next financial year.
	Percentage of analogue TV transmitters switched off (in collaboration with SENTECH)	100%	66%	After the switch-off of the 155 analogue television transmitters in the 5 provinces (Northern Cape, Limpopo, Free State, North West, Mpumalanga), an additional 51 Low Power Low Cost transmitters were switched off by SENTECH. Awaiting confirmation of the proposed new final ASO date.
Digital transformation • Emerging technologies • OTT platforms New business models	Operational SABC OTT Digital Platform – SABC++	Launch SABC OTT Platform	SABC OTT platform launched (SABC+)	Target achieved
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 implemented	Percentage of employees with signed performance contracts	95%	60%	Delays in the conclusion of performance contracts during the first quarter explain the reported performance. Efforts continued throughout the subsequent quarters to ensure that this percentage was achieved.
WSP implemented	Percentage of training interventions completed as per the WSP	60%	79%	Target achieved
GOVERNANCE - GOAL: Compliant 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	80%	88%	Target achieved
	Percentage of policies reviewed that are current in terms of the 2-year review cycle	60%	42%	Achievement of the target was affected by the 6-month delay in appointment of the Board. Consequently, no policies could be approved during the second half of the financial year. Had the Board been in place on time, the target would have been achieved as policies would have been reviewed accordingly(62%).
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	8	3	Delays in the finalisation of agreements explain the achieved performance. Efforts continue to finalise the negotiations that are underway.

SUMMARY OF FINANCIAL INFORMATION

Throughout the year under review the SABC continued to deliver on its mandate to educate, inform and entertain, and consistently impacted and improved the lives of South Africans.

Despite the shortcomings in the funding model and external and internal factors that negatively impacted financial performance, service delivery, that met and exceeded expectations continued. A strong and healthy ethical culture, internal control and Supply Chain environment, and the absence of fraud indicators or risk are evidenced in various governance reviews. As a pillar to both democracy and the media industry, the SABC continued to broadcast content which informs, educate, and educate citizens..

The current highly digital and competitive operating environment continues to put pressure on the Corporation's financial sustainability. The change in content consumption patterns has continued accelerating revenue shifts to digital platforms as new technologies, business models and an increasing variety of on demand content continue to emerge. In the last 6 months of the year under review, the impact of daily high stages of load shedding has further impacted consumption patterns. The Corporation continues to prioritise revenue protection by implementing revenue defence strategies whilst implementing robust cost optimisation and stringent cash management practices. The launch of the SABC+ OTT platform was a huge step in the right direction.

GOING CONCERN

The SABC reported a net loss after interest and tax of R1.13 billion. Negative cashflows from operating activities reported amount to R631 million. Cash reserves decreased by R709 million (60%). Stringent cash management strategies were a key driver to the management of liquidity, and this will continue in the forecast period. Both revenue and expenditure initiatives were implemented and monitored with an aim of managing the performance and liquidity risks. Whilst revenue underperformance is expected in the forecast period, various revenue strategies are being considered for implementation. The continued review and amendment of legislation within the broadcasting environment is anticipated to positively impact the performance results of the Corporation in years to come. The ability of the Corporation to maintain its going concern status is high risk though, with the risk expected to increase in the short term, several interventions have taken place in an effort to keep the risk manageable.

Despite reporting unfavourable operating results, which are exacerbated by the delivery of unfunded mandate, the Corporation was able to inform, entertain and educate the nation. Video and Entertainment yielded negative financial results while Radio platforms yielded positive financial results albeit less than 2022, as reflected in the profitability analysis below:

	Radio		Video Entertainment		Total	
	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000
Revenue and Other income	1 545 594	1 509 163	2 440 382	2 102 798	3 985 976	3 611 961
Expenses	(901 251)	(980 661)	(2 224 306)	(2 216 938)	(3 125 557)	(3 197 599)
Operating profit	644 343	528 502	216 076	(114 140)	860 419	414 362

The SABC, as a public broadcaster, has a public mandate to execute. The Corporation has an obligation to fully comply with ICASA licence conditions. The current funding model does not provide the necessary means to enable the SABC to address the current financial distress. Government funding, which includes government grant and TV licence receipts account for only 27% of content mandate costs. The graph that follows reflects a comparison of funding, which includes government grant receipts and TV licence receipts, against content mandate costs. Content mandate costs includes content costs incurred for Video Entertainment (programme, sports, and news) and Radio content.



GRAPH: Funding vs Mandate costs (R'000)

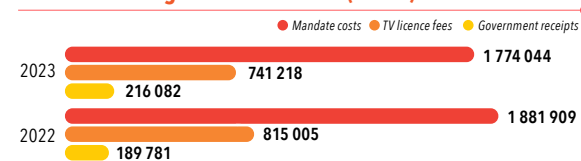


Figure 1: Comparison of funding and content mandate costs.

Summary Income Statement (R'000)

	2021	2022	2023	3 year graph	PY change R'm	PY change %
Advertising and Sponsorship Revenue	3 698 341	3 742 907	3 349 372		(393 534)	-11%
Licence Fees	788 426	815 055	741 218		(73 837)	-9%
Other	481 496	520 240	575 898		55 658	11%
Total Revenue	4 968 263	5 078 202	4 666 488		(411 714)	-8%
Amort. and Imp. Prog. Film and Sports Rights	(1 027 377)	(1 358 737)	(1 347 377)		11 360	-1%
Signal Distribution and Linking Costs	(718 234)	(725 568)	(682 530)		43 037	-6%
Employee Compensation and Benefit Expenses	(2 672 217)	(2 009 380)	(2 381 849)		(372 469)	19%
Other	(1 153 635)	(1 232 543)	(1 462 222)		(229 679)	19%
Total Operating Expenses	(5 571 464)	(5 326 228)	(5 873 978)		(547 751)	10%
Operating Profit/(Loss)	(603 201)	(248 026)	(1 207 491)		(949 465)	387%

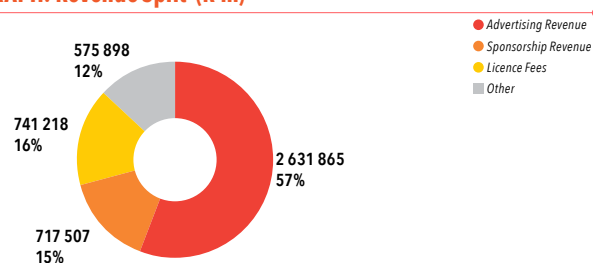
PERFORMANCE REVIEW

- Advertising revenue declined by R436 million (14%) due to declining audience ratings as a result of external factors such as loadshedding and the dire effects of ASO. Audience remained stable during the year under review, however, reduced when compared to the previous year. This stifled growth in classical traditional revenue. However, sponsorship revenue continued the positive trajectory by R53 million (8%) due to focus on re-introduction of SABC offering through client connect engagements, and the seasonal FIFA world cup.
- Other revenue streams which include OTT, Trade exchanges, and Merchandising improved performance increasing by R55 million (11%). Efforts to be intensified in ensuring optimal commercial benefits are realised for all key revenue generation initiatives, which include the OTT platform.
- Total expenditure increased by R547 million (10%) year on year due to increases in employee related costs, marketing costs, and operational costs (travel and subsistence, facilities, software and licence support and maintenance). This increase was below the budgeted increase due to the implementation of a robust cost optimisation.
- For the first time in years the Corporation managed to invest in marketing. A panel of agencies were appointed, and various brand campaigns were launched.

REVENUE PERFORMANCE

The graph below shows revenue generated in FY2023 per category.

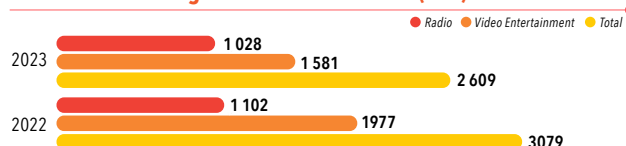
GRAPH: Revenue Split (R'm)



ADVERTISING REVENUE PERFORMANCE

The graph below shows advertising revenue generated in FY2023 per Video Entertainment and Radio platforms.

GRAPH: Advertising Revenue Performance (R'm)



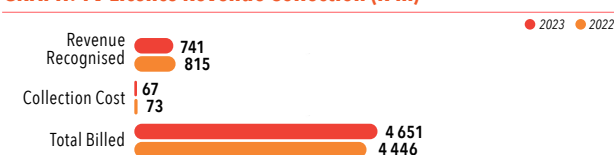
Advertising revenue generated from Video and Entertainment decreased by R396 million (20%). Consistent high stages of load shedding severely impacted on audience share during prime time particularly in the last 6 months of FY2023. The implementation of Analogue Switch Off (ASO) further contributed to the loss of audiences and revenue losses as competitors have penetrated indigent household through their ability to retail set top boxes.

REVENUE COLLECTION TV LICENCE

The collection of licence fees from a database of 10.8 million records requires extensive and continuous communication with licence holders. Television licence fees are collected from all households, institutions, government entities and businesses within South Africa's borders that use and/or have television sets in their possession. The collection of licence fees takes place directly or jointly with other service providers. As a result, 154.3 million (internal and external) communication items were distributed to collect licence fees. SMS campaigns continue to be the most effective method of communication and collection, with 108.1 million SMSs distributed during FY2023.

TV licence fees regressed when compared to previous financial year.

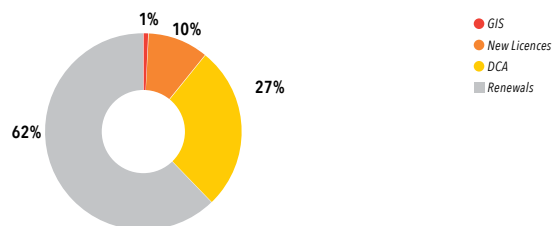
GRAPH: TV Licence Revenue Collection (R'm)



At the end of the fiscal, 2.1 million (19.4%) accounts were paid of which 79% were household licences, 20% concessionary (subsidized) licences and 1% business licences. There are 1.5 million concessionary licences on the database, 414 415 (27%) with paid licence fees. Concessionary licences are subsidized in terms of the TV Licence Regulations. The qualifying criterion in the Regulations is any person that receives a social grant by virtue of being an aged or disabled or a war veteran or any person aged 70 years or older. Any qualifying person must apply directly to the Corporation for a concessionary licence. The Corporation has identified a gap in the criteria as the legislation does not specifically include indigent households. To close this gap, the Corporation plans to involve external entities to identify indigent households with the intention to accommodate these households for the subsidy.

Collections from licence renewals remain the highest contributor to TV Licence fees revenue and make up 62% of the collections whilst the Debt Collection revenue stream dedicated to all accounts that are older than 60 days faced challenges, with only a 27% contribution.

GRAPH: TV licence collection per stream

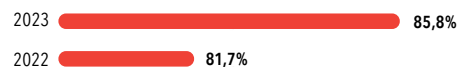


The organisation continued to focus its efforts on improving the compliance levels throughout the fiscal. This followed a review process of various collection methods including the enhancement of our data through external sources. There were additional functionalities concluded on the TV Licence website to improve self-help services available and the implementation of additional security measures incorporating the latest security protocols.

The features on the TV Licence website include:

- Payment of licence fees
- Application for a new TV Licence
- The ability to generate statements
- Personal information management
- Account query submission
- OTP features (received via SMS or email).

GRAPH: TV Licence Fee Evasion Rate



Compliance levels declined further compared to the previous fiscal. Non-compliance was observed from all licence types (households, businesses, and Government entities). As at 31 March 2023 Government entities owed R56 million. Non-compliance is due to circumstances that have adverse effects on the economic climate making the ability to pay licence fees a low priority. Apart from the use of Debt Collection Agencies,

there is no compelling alternative available to enforce compliance. The absence of enforceable compliance measures does not change behaviour and will continue to impact the Corporation's financial sustainability, yet the Corporation is expected and continues to uphold its mandate of universal access and investment in compelling locally focused content. This dichotomy makes legislative amendments to the funding model even more vital.

Gauteng province for years in succession remains the highest paying province followed by the Western Cape whilst Limpopo, North West and the Northern Cape are the least compliant provinces. Although there was minor improvement in the number of payments compared to the previous fiscal, the compliance levels remain low notwithstanding our persistent communications and marketing campaigns.

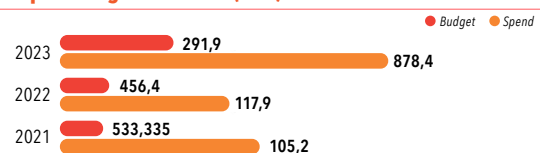
The Corporation made options available for licence holders in arrears to make monthly payment arrangements, pay by debit orders or avail themselves to make once-off settlements wherein the accumulated penalties are written off. However, there was low uptake as licence holders opted not to comply.

CAPITAL EXPENDITURE OUTLAY

Aligned to its strategic imperative of being a highly technological driven entity, the public broadcaster continues to defray capital expenditure in projects that will realise benefits, thus yielding a positive return on investment.

Annual capex spend over the 3-year period.

GRAPH: Capex Budget vs Actual (R'm)



CAPEX SPEND ON PRIORITY PROJECTS

The annual capex spend of R292 million accounts for 33% of the allocated budget. A significant number of projects were still underway at the end of 31 March 2023. Only (1) priority project was finalised in the year under review which was the IP PBX system. The system has been installed in all 9 provinces, and benefits realised from this system include costs savings amounting to approximately R19,5 million. The return on investment extracted from the implementation of the IP PBX system is 168%.

AUDIT OUTCOMES

The external audit findings reported decreased from 97 findings in FY2022 to 64 findings in FY2023. This represents a reduction of 33 findings (34%) and demonstrates an improvement in the overall internal control environment. The legacy qualification on Irregular expenditure was resolved in FY2023. However, unfortunately the material uncertainty related to going concern resulted in the Disclaimer of an opinion being expressed by the AGSA.

IRREGULAR, FRUITLESS, AND WASTEFUL EXPENDITURE

National Treasury issued Instruction No. 4 of 2022/23: PFMA Compliance and Reporting Framework, with effective date 03 January 2023. Instruction No. 4 of 2022/23 repeals National Treasury Instruction No. 2 of 2019/20 and National Treasury Instruction No. 3 of 2019/20 dealing with Irregular, Fruitless and Wasteful Expenditure framework, respectively.

Instruction No. 4 of 2022/23 provides updated principles and compliance reporting requirements to be followed when dealing with Irregular, Fruitless and Wasteful Expenditure, reporting on Supply Chain Management matters, and reporting on payment of suppliers' invoices.

Table: Reconciliation of Irregular expenditure

Description	2022/23	2021/22	2020/21
	R'000	R'000	R'000
Opening balance	3 289 612	3 256 811	6 281 555
Prior period error	-	(1 745)	9 749
As restated	3 289 612	3 255 066	6 291 304
Add: Irregular expenditure confirmed	72 350	99 011	126 603
Less: Irregular expenditure condoned	(17 814)	(46 199)	(211 789)
Less: Irregular expenditure not condoned and removed	(19 738)	(18 266)	(2 949 307)
Less: Irregular expenditure irrecoverable	-	-	-
Less: Irregular expenditure not recovered and written off	-	-	-
Closing balance	3 324 411	3 289 612	3 256 811

Table: Reconciling notes to the annual financial statement disclosure

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/2022	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	16 616	-
Irregular expenditure for the current year	18 283	33 546
Total	34 799	33 546

Table: Irregular expenditure under assessment, determination, and investigation

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	662 603	441 329
Irregular expenditure under determination	3 324 411	3 289 612
Irregular expenditure under investigation	-	-
Total	3 987 014	3 730 941

Non-compliance transactions totalling R662 million (FY2022 R441 million) were placed under assessment, these figures were not included in the Irregular expenditure disclosure note as the irregularity is not confirmed yet.

Determination tests are currently underway for irregular expenditure incurred in both financial years; consequence management has been completed for some of the transactions. Except for the Mafoko Security matter, which is with SIU, there no ongoing Irregular expenditure investigations relating to fraud or potential fraud.

Table: Details of the current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Less: Irregular expenditure condoned	17 814	46 199
Total	17 814	46 199

On 29 July 2020, the National Treasury condoned the irregular expenditure incurred in the amount of R185 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 statements subject to the judgement once handed down. The court case is still on-going, and the cost incurred is R160 million. The contract expired on 31 July 2022.

Table: Details of current and previous irregular expenditure removed

Description	2022/23	2021/22
	R'000	R'000
Less: Irregular expenditure	19 738	18 266
Total	19 738	18 266

Table: Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
Action taken against officials as a result of IE incurred	37 552	3 161 096
Total	37 552	3 161 096

Table: Reconciliation of Fruitless and Wasteful Expenditure

Description	2022/23	2021/22	2020/21
	R'000	R'000	R'000
Opening balance	150 047	199 739	297 130
Prior Period Errors	-	(5 494)	(13 208)
As Restated	150 047	194 245	283 922
Add: Fruitless and wasteful expenditure confirmed	16 066	10 922	21 253
Less: Fruitless and wasteful expenditure condoned	-	(54 898)	(103 223)
Less: Fruitless and wasteful expenditure not condoned and removed	-	-	-
Less: Fruitless and wasteful expenditure recoverable	(6 595)	(222)	(2 213)
Less: Fruitless and wasteful expenditure not recovered and written off	-	-	-
Closing balance	159 518	150 047	199 739

Table: Reconciling notes to the annual financial statement disclosure

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/2022	328	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	16 066	10 373
Total	16 394	10 373

During the year ended March 2023, an amount of R328 000 was identified as fruitless wasteful expenditure under assessment.

Table: Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	328	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	328	-

Table: Details of current and previous year fruitless and wasteful expenditure removed - (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure NOT condoned and removed	-	(5 494)
Total	-	(5 494)

Table: Details of current and previous year fruitless and wasteful expenditure recoverable

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	6 595	222
Total	6 595	222

A court ordered recovery of a success fee from a previous employee. An amount of R6.4 million was recovered.

Table: Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken	2022/23	2021/22
	R'000	R'000
A verbal warning was issued to an employee who failed to obtain/request an email authorising the division to replace planned programs. The division suffered a financial loss and failed to amortise two programs as substitute programs were transmitted.	-	143
A police case was opened where monies were paid into the incorrect bank account after incorrect banking details were captured on the system.	-	13
Total	-	156

Numerous submissions made to the Loss Control Committee rejected are in the process of being enhanced following the clarification and guidance received with respect to consequence management.

PERFORMANCE INFORMATION BY PLATFORM

SABC NEWS AND CURRENT AFFAIRS

Compliance with the Mandate

SABC News has lived up to its motto of independence and impartiality by representing the country's diversity and expressing people's hopes and stories in their own languages. The SABC's News service remains a trusted source of information and a credible broadcaster of record.

In the year under review, the thrust of the content provision was high-quality news programming in all official languages. In line with the principle of universal access, a wide range of audience through the SABC multiple channels and platforms such as free-to-air analogue, digital terrestrial and digital satellite television channels; 19 radio stations and digital platforms, was reached. The news content reflected plurality of views and showcased the tapestry of the South African society. In addition, the quality and relevance of the content is reflected by the audience growth and industry recognition through multiple awards to journalists, producers, and other news staff.

SABC News maintains its position as the country's news leader in terms of audience and reach, supported by a strong news gathering team and complimented by news agencies around the world. SABC News continued to be the training ground for scores of interns who were deployed in various departments and units.

Performance

FTA and DTT

SABC News broadcasts contributed 80% of the top ten news broadcasts in the country. African language bulletins continued to be the most popular, with an average of 1.2 million viewers per day across all our platforms. IsiZulu News and isiXhosa News were the top-performing bulletins commanding 4.6% and 4.5% ARs with 2.9 million and 2.8 million viewers at the end of the year. In the Current Affairs category, Cutting Edge remained the most popular regular actuality broadcast commanding a 12.1% share and more than 750 000 viewers. The most popular news actuality offerings during the period under review were; The State of the Nation Address, Presidential Addresses, Budget Speech 2023, major political party conferences, and ANC stalwart late Jessie Duarte's funeral.

The News Division's strategy for the reporting period focused on the capacity to produce high-quality programming, particularly on local

content. This resulted in an overhaul of programmes such as The Globe to focus more on content from regions that reflect stories of ordinary people. SABC News discontinued non-performing shows such as The Watchdog, Special Assignment and Vital Signs.

The English Bulletin, Prime News on S3, was also discontinued as the SABC News channel consolidated all English-language bulletins and current affairs shows under a single channel management. S3 Prime News bulletins is now offered through the premier evening show, Full View, thus avoiding unnecessary duplication and underutilisation of our resources.

While SABC News maintain the market share, intermittent power supply had a significant negative impact as viewers have limited alternative power supply.

24-hour News Channel

In the 24-hour news channel landscape, SABC News channel remained the market leader in both the national and DSTV markets with the channel commanding a 42% and 35% market share in the National and DSTV markets respectively at the end of the financial year. In ensuring that the SABC News channel is constantly "live" and gives audiences appointment viewing of the day's sporting and entertainment events, SABC News revamped its Saturday night line-up and introduced ground-breaking shows, Sports Live and Trendz Live.

Digital

At the end of the period under review, the SABC News Twitter page continued to expand rapidly, recording more than 2,6 million followers. This cements the status of SABC News as the biggest and most trusted in the country.

The year saw continued growth in traffic across all platforms, with YouTube video views peaking at 24 million and subscribers reaching the 1.8 million mark in March 2023. The period ended with a total of 82 livestreams on YouTube. The subscriber base of African-language channels increased with Afrikaans, IsiZulu, and IsiXhosa taking the lead.

The number of pageviews on the SABC News website was 1.6 million and the users were 1.1 million whilst the SABC News Facebook page recorded more than 1.6 million likes, at the end of the financial year.

Unfortunately, the transition from Google Universal Analytics to Google Analytics version four (GA4) influenced ranking algorithms resulting in the inaccurate presentation of results.

Highlights and Key Achievements

The process to repurpose and reposition the SABC channel, SABC Parliament into a 24-hour African language news channel begun during the financial year under review. For the very first time, the channel was able to broadcast live coverage of significant events in isiZulu and Sesotho. Through this ingenuity, the channel can now broadcast one-hour bulletins from midday in all indigenous languages. The division has been able to broadcast special events including the battle of Isandlwana; SONA; the Budget Speech and the State of the Provinces' Address (Gauteng, KwaZulu-Natal).

With the launch of SABC+, SABC OTT platform, News has been able to stream some of its biggest stories live and looks forward to multiple opportunities to increase its on-demand offering as well as grow revenue-generating efforts for the organisation. SABC+ has given SABC News and Current Affairs division an opportunity to compete in the online news market and provided a spectacular platform to carry its content without relying on other video and entertainment platforms. The division has a pop-up channel focusing primarily on single news events. During the year under review, SABC News was on top of important news coverage. The Phala Phala Farm Saga, ANC Policy and National Elective Conferences, the Electoral Amendment Act, the DA Federal Conference, and the EFF National Shutdown in March 2023 are among the subjects on the agenda.

Future Plans

- In the upcoming financial year, the SABC News will continue with the delivery of credible, independent, and impartial news. The News Division will focus on the following projects:
- Multilingualism: The division will further expand its 24-hour news channel in all African languages on SABC+.
- Archives: Establishing LEHHA (Legacy, History, Heritage, and Archive Enterprise)
- Digital: News content to be consolidated into this platform to mitigate the decline of linear platforms.



The cast from the Mafia Family featured in "Uzalo" broadcast on SABC1.

VIDEO ENTERTAINMENT

The period under review has been a challenge for most broadcasters, with the analogue switch off reducing available audiences, and the return of loadshedding impacting on available audiences. To counter this Video Entertainment division launched SABC's first OTT platform, SABC+ on 17 November 2022, which is available on Android, iOS, and HTML5 capable devices making it completely portable.

The leading television channel in the country in primetime remains SABC1 with the most watched programme being Uzalo. It must be noted that 84% of the most watched programmes on the Top 25 most watched programmes on DStv are SABC programmes. Video Entertainment division managed to have an average of 30% of fresh content on its channels, excluding recommissions. The channels managed to achieve an average of 95% schedule stability.

	SABC1	SABC2	S3
Local content Actual	67%	72%	40%
Local content Target	65%	65%	45%

The growth of competition, in particular the OTT services in South Africa, has exacerbated the loss of audiences due to the increased choice of entertainment. There is a latent impact of these OTT platforms as their on-demand nature changes viewing patterns impacting on linear television.

Despite these challenges, SABC continued to be recognised in the industry and scooped accolades with SABC1 still being celebrated as the number one television brand by the Sunday Times and City Press readers. Video Entertainment Platforms managed to launch new quality and relevant programmes such as Zahara I Rise, Ushuni Kamaskandi, Too Hot to be Single, Igumbi Lamakhosikazi, Good Men, The Taste Master, 57, and broadcast a Festive Pop-up channel over the December holidays.

Key Campaigns covered throughout the year included Gender- Based Violence, 16 days of activism against women and child abuse, climate change and the environment, Africa month, Heritage and Identity, Youth month, and Mandela month in July. An Anti-bullying campaign was driven by SABC Education, and the SABC provided South Africans with access to the President's SONA as well as the Budget Speech broadcasts. In addition, the African National Congress' conference in December was streamed live on SABC+.

Table: Top 25 Programmes: Across Terrestrial Channels

Period: 1 April 2022- 31 March 2023

	Description (grouped)	Channel	Level 1	Level 2	(r) AMR	AMR	TSUSHR
1	Uzalo	SABC1	Drama	Drama	12.8%	4 952 695	46.78%
2	Scandal	e.tv	Soap Opera	Local	9.7%	3 749 320	34.84%
3	Generation the Legacy	SABC1	Soap Opera	Local	9.7%	3 747 168	35.93%
4	Skeem Saam	SABC1	Drama	Drama	9.5%	3 692 854	37.69%
5	House of Zwide	e.tv	Drama	Drama	7.6%	2 956 942	29.07%
6	Zulu News	SABC1	News	News	5.2%	2 015 033	20.08%
7	Imbewu	e.tv	Drama	Drama	5.0%	1 924 900	20.43%
8	Skeem Saam - R	SABC1	Drama	Drama	4.8%	1 874 457	28.64%
9	Uzalo - R	SABC1	Drama	Drama	4.6%	1 769 001	29.76%
10	Xhosa News	SABC1	News	News	4.4%	1 686 461	18.10%
11	Sgudi Snaysi	SABC1	Sitcom	Sitcom	4.3%	1 667 410	14.64%
12	Muvhango	SABC2	Drama	Drama	3.8%	1 486 867	15.81%
13	Red (Movie)	e.tv	Movies	Action/ Adventure	3.6%	1 383 527	17.22%
14	Emasisweni	SABC1	Reality	Reality	3.5%	1 373 147	16.47%
15	Red 2	e.tv	Movies	Action/ Adventure	3.5%	1 359 159	16.91%
16	Come Again	SABC1	Reality	Reality	3.5%	1 346 153	15.67%
17	Uzalo Omnibus	SABC1	Drama	Drama	3.4%	1 311 547	19.89%
18	Muvhango	SABC1	Drama	Drama	3.3%	1 274 823	23.68%
19	Ikas'Lami	SABC1	Reality	Reality	3.3%	1 261 788	13.33%
20	Newsnight	e.tv	News	News	3.2%	1 244 116	11.95%
21	Stokvel	SABC1	Sitcom	Sitcom	3.1%	1 190 643	17.09%
22	Ngomusa	SABC1	Documentary	Documentary	3.0%	1 168 445	13.76%
23	Stokvel - R	SABC1	Sitcom	Sitcom	2.9%	1 132 419	17.93%
24	Black Spot	SABC1	Drama	Drama	2.9%	1 120 570	13.92%
25	Imbewu - R	e.tv	Drama	Drama	2.9%	1 111 227	15.42%

The delivery of the public mandate remained a key deliverable to cater for the South African citizens' needs.

Annual Performance against audience targets

Channel		Rolling Average (FY)	
		Annual Target	Actual
SABC1	Prime Time	29%	20.4%
	Performance Period	17%	13.9%
SABC2	Prime Time	12%	4.6%
	Performance Period	9%	4.4%
S3	Prime Time	3%	1.8%
	Performance Period	3%	2.0%

Source: Arianna

Highlights

- Video Entertainment Platforms launched SABC OTT App.
- SABC1 is the number 1 channel in the country for 2022 with the most time spent watching in primetime and performance period Monday to Sunday.
- Uzalo consistently remains the most watched programme in South Africa

SABC1 KEY HIGHLIGHTS

The SABC1 audience represents the young fibre of South Africa who are highly materialistic and are in tune with the latest trends, what's hip and happening and what's now! They are engaged in the world around them, and they want access to everything. They live in a digital world where the 3rd screen is an extension of their lives. They are content creators, these are number one verified TikTok account owners, YouTube Channel owners with trending videos discussing societal issues. Instagram hashtag creators/ trends with depth and character. These are twitter social activists who gather to lend a helping hand #kfcwedding #DrMalinga.

- The SABC1 Si On campaign achieved over 1 billion impressions over 30 days. and stands out as one of the biggest brand highlights for the channel for the fiscal.
- SABC1 voted the number 1 TV brand in SA on the Daily Sun readers' choice Awards 2022 in the TV category SABC1 voted the Best TV channel of the Year (2022) in the City Press Reader's Survey.
- Kick It Season 2 SAFTA winner: Best educational Program
- Braai Show with Casper SAFTA winner: Best Variety Show The KingDom SAFTA winner: Best youth Drama.
- Successfully launched 10 New Reality formats 8 of which were local that have all featured in the top 20 performing programs Across Terrestrial (Roxic, Clover Classic celebration, Igumbi Lamakhosikazi, Khuzani Bo!, Ushuni KaMaskandi, Ikasi Lami, Wedding Chefs, Fooled by Love, #IssaVibe and The Braai show with Casper)

Uzalo remains the most watched TV show in South Africa. It has kept its number one position despite growing competition from many channels for many years and has won Most Watched TV Soap at the Royalty Soap Awards 2023.

This season on the Braai show the multi-award-winning rapper, Casper spent time around the fire preparing delicious meals for Mzansi's most loved personalities. Cassper had his guests pick a spot to set up a braai, enjoy good food and have a saucier conversation each week, and keeping the audiences captivated on the screen.



The cast of the local soap 7de Laan broadcast on SABC2.

The show allowed viewers to experience the other side of their favourite musician as he chats with his guests over food in a more relaxed manner.

Ushuni Ka Maskandi

This show details the life of a Maskandi musical icon, Mthandeni Manqele, and his musical journey.

Newly Launched Programmes on the channel

- Khumbul'ekhaya
- Too hot to be single
- Deal or no Deal
- Zahara as I rise
- Ushuni ka Maskandi
- Khanyi Mbau
- Instapreneurs
- Ikas' Lami
- Roxic
- Fooled by Love
- Clover classic celebrations
- Plate it up
- Makoti season 2
- U Bettina Wethu season 2 and 3 in March
- Ses'Top La S5 and 6
- Igumbi Lamakhosikazi
- Queens of Mzansi
- Too Hot to be single S1 and S2
- Royalty Soapie Awards
- Good Men S2
- Mysterious Cube

Table: Total Catch up and VOD hours on the SABC+ platform at the end of March 2023

Genre	Offering	Total Titles	Total Episodes	Total Hours
Drama	Catch-Up	8	362	157,35
	VOD	34	885	425,20
Children	Catch-Up	-	-	-
	VOD	8	269	120,25
Entertainment	Catch-Up	6	76	32,10
	VOD	34	519	224,25
Factual	Catch-Up	6	59	34,10
	VOD	26	480	224,25
Religion	Catch-Up	-	-	-
	VOD	5	10	4,03
Education	Catch-Up	2	24	10,00
	VOD	5	67	30,15
Movies	Catch-Up	-	-	-
	VOD	7	10	4,03
Children Ketchup	Catch-Up	-	-	-
	VOD	17	136	56,40
TOTAL		212	2 897	1 331,66

Table: Website Growth Summary

	Pageviews	New Users
	1 791 423	840 877
Total Increase (YoY)	631 818	452 882
Growth %	Δ 35,30%	Δ 116,72%

Table: Overall Social Media Growth Across Channels (YoY)

	Mar 22	Mar 23	Total Growth	Growth %
Audiences	3 168 190	3 487 479	319 289	10.07%



The judges, contestants of The Masked Singer SA, featured on S3 with the presenter Mpho Popps.

Table: SABC1 Social Media

Platform	Likes/Followers Mar 2022	Likes/Followers Mar 2023
Facebook	812 108	934 02
Instagram	102 399	110 430
Twitter	1 307 324	1 348 810
TikTok	-	32 600
	2 221 831	
Total Increase (YoY)	204 038	
Growth %	9,18%	

Table: SABC2 Social Media

Platform	Likes/Followers Mar 2022	Likes/Followers Mar 2023
Facebook	202 509	236 903
Instagram	3 264	4 336
Twitter	180 029	184 000
TikTok	-	51 100
	385 802	
Total Increase (YoY)	90 537	
Growth %	23,46%	

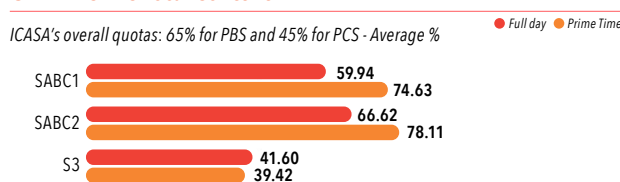
Table: S3 Social Media

Platform	Likes/Followers Mar 2022	Likes/Followers Mar 2023
Facebook	255 924	278 103
Instagram	24 316	26 168
Twitter	280 317	281 000
TikTok	-	-
	560 557	
Total Increase (YoY)	24 714	
Growth %	4,40%	

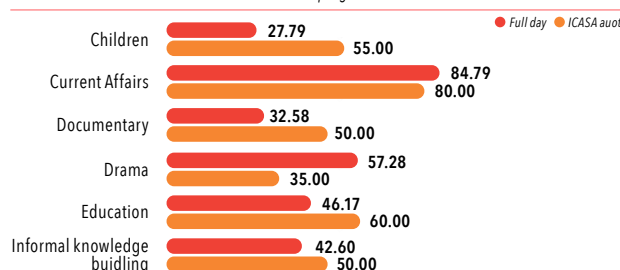
Performance ICASA Quotas Targets

Local Content delivery as at the end of the 3rd Quarter

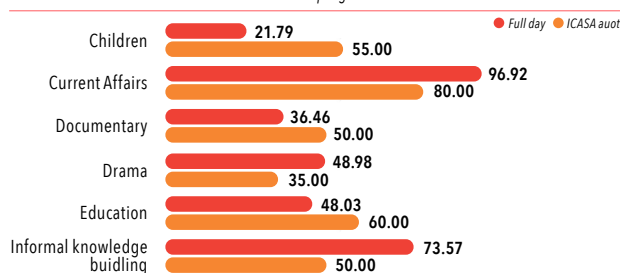
GRAPH: SABC Local Content



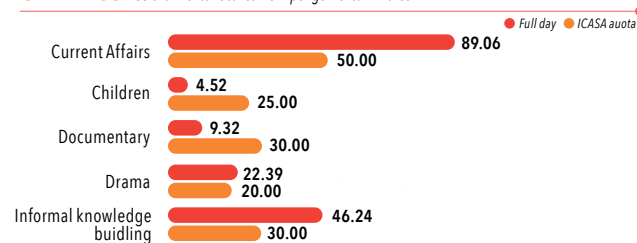
GRAPH: SABC1 PBS channel % Local content per genre - % minutes



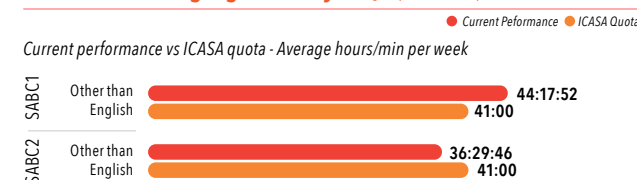
GRAPH: SABC2 PBS channel % Local content per genre - % minutes



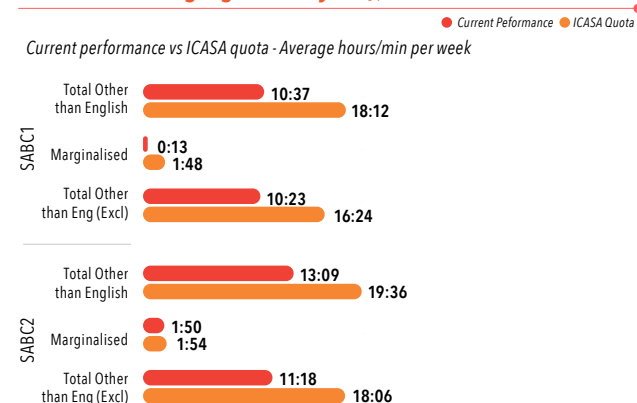
GRAPH: S3 PCS channel % Local content per genre - % minutes



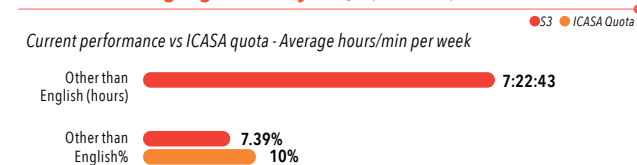
GRAPH: SABC Language Delivery (during TV performance period)



GRAPH: SABC Language Delivery (during prime time)



GRAPH: S3 Language Delivery (during TV performance period)



Source: Broadcast Schedules



Ikwewezi FM on-air talent celebrating the stations 40th Birthday.

SABC RADIO

South African adults continue to enjoy the variety of entertainment options and compelling content which Radio offers as a medium. The dawn of the digital era brought consumers unlimited content choices and an ever-growing number of new Digital and Social Media platforms.

Despite unprecedented fragmentation in media behaviour and loyalty, Radio continues to experience significant media share in the country. SABC Radio retains its position as the share leader with PBS Radio contributing the lion's share of listening for the Public Broadcaster. Ukhozi FM continues to be the unchallenged share leader and remains the biggest Radio Station in South Africa with an audience base of 7,686 million adults aged 15+ tuning in on a weekly basis. METRO FM also retains its leading position in the South African commercial radio space with a weekly adult audience of 4,6 million.

SABC's weekly total listenership amounts to 26,882 million adults aged 15+. PBS Radio delivers a Past 7 Days listenership of 24,310 million and PCS 5,975 million adults.

Icasa Local Content Obligations

The 2016 ICASA Regulations on South African Music (Government Gazette No. 39844) came into effect on September 23, 2018.

The Public Sound Broadcasting Service Licensees had an increased local South African music quota obligation. The 15 Public Sound Licensees of the SABC as of the effective date of the new regulations are obligated to meet a minimum of 70% South African Music quota within the broadcast performance period, the repealed regulations (the 2006 ICASA Regulations) had the minimum obligation of 60%.

The Public Broadcasting Commercial Licensees with an identical mandate to that of Commercial Sound Broadcasting Service Licensees had an increased local South African music quota obligation introduced by the regulations. The three Commercial Sound Licensees of the SABC as of the effective date of the new regulations are obligated to meet a minimum of 35% South African Music within the broadcast performance period, up from 25% local South African music.

Compliance with Licence Conditions

PCS		
Radio Stations	Language and News	Format
5FM	<ul style="list-style-type: none"> Broadcast predominantly in English Provide 30 minutes of news programming each day 	Contemporary Hit Radio
METRO FM	<ul style="list-style-type: none"> Broadcast predominantly in English Provide 30 minutes of news programming each day 	Urban Contemporary
Good Hope FM	<ul style="list-style-type: none"> Broadcast predominantly in English and Afrikaans Provide 30 minutes of news programming each day 	Contemporary Hit Radio Rhythmic

Public Service Mandate

SOUTH AFRICAN MUSIC (PCS AND PBS)

Table: Local Music Quota

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

Table: South African Music Report (2022/2023 Fiscal)

Radio Stations	(Average %)	ICASA Quota
PBS		
SAfm	71	70
Tru FM	83	70
Lotus FM	36	35
RSG	81	70
Munghana Lonene FM	77	70
Lesedi FM	82	70
Radio 2000	71	70
XK FM	91	70
Umhlobo Wenene FM	86	70
Ligwalagwala	85	70
Motsweding FM	78	70
Phalaphala FM	75	70
Thobela FM	76	70
Ukhozi FM	79	70
Ikwewezi FM	78	70
PCS		
5fm	36	35
Good Hope FM	38	35
METROFM	41	35

These figures exclude the 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 a reduction of the local music quota and was granted a reduced quota of 35%, same as commercial radio stations.



Ukhozi FM on-air personalities.

Table: Official Languages

Radio Station	Language
PBS	
RSG	Principal language Afrikaans
Munghana Lonene FM	Principal language XiTsonga
Lesedi	Principal language Sesotho
Ikwewezi	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	Principallanguage isiXhosa
SAfm	Principal language English
Lotus FM	Principal language is English with specialist programmes in Hindi, Tamil, Urdu, Gujurati and Telegu
XK FM	principal languages !Xun and Khwe
Tru FM	Principal languages English (60%) and isiXhosa (40%)
Radio 2000	Principal language English
PCS Stations	
METRO FM	Principal language English
5FM	Principal language English
Good Hope FM	Principal languages English and Afrikaans

ICASA Genre License Conditions

During the financial year under review, PBS radio stations delivered well above the minimum requirements as stated in the ICASA license conditions on the news front. PBS Radio continued to exceed ICASA license conditions with most 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.

Table: On-Performance Against ICASA Genre Quotas

Radio 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	78	64	67	157	61	60	452	352	300	150
Munghana Lonene FM	86	75	75	119	60	60	1290	330	135	205
Thobela FM	109	75	75	120	60	60	415	300	320	150
Phalaphala FM	107	74	74	116	60	60	2000	510	60	150
Ukhozi FM	98	65	65	138	60	60	1620	300	90	180
Lesedi FM	89	60	61	136	60	60	1242	300	101	165
Umhlobo Wenene FM	65	61	61	169	60	60	420	420	158	210
Ligwalagwala FM	88	60	60	144	60	60	2240	384	245	150
Motsweding FM	64	60	60	120	60	60	380	300	90	180
ICASA Quota	60	60	60			60	180	240	60	150
SAfm	90	82	80			120	1390	375	60	175
ICASA Quota	60	60	60	60	60	60	180	300	60	150
RSG	98	60	65	118	60	60	1576	413	60	325
ICASA Quota	60	60	60	60	60	60	180	-	-	150
Lotus FM	75	67	67	89	62	60	545	-	--	150
ICASA Quota	30	30	30	30	30	30	180	300	15	-
XK FM	70	50	50	109	55	55	211	640	600	-
ICASA Quota	60	60	60	30	30	30	60	120	30	-
Tru FM	69	65	65	63	30	60	1334	439	30	-

Delivery on Public Value

During the year under the review, South Africa followed global trends by easing all COVID-19 restrictions including on local and foreign travel. Most companies returned staff to their offices and city traffic returned to pre-COVID levels. This had a significant impact on the media consumption patterns South Africans developed during the pandemic where people spent more time-consuming various media types. The increase in daily commuters coupled with longer journey times because of more prolonged periods of loadshedding resulted in people spending more time listening to the radio during daily commutes. Office and workplace Radio listening during the day also increased.

SABC Radio continued to play a pivotal role by providing listeners with relevant content to help them navigate through social and economic complexities experienced in a post-pandemic world. Mental health and educating listeners on how to cope with the pressures of a new world were central programming themes on SABC Radio during this period.

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 utilized 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 marks a significant period on the South African calendar. It is the month in which South Africa held its first independent and democratic elections in 1994 and was later themed freedom month as a constant reminder to of how far we have come as a nation and a country. To amplify Freedom month radio content focused on engaging audiences on freedom and rights issues; the ultimate question being whether freedom is free or just a concept that keeps eluding citizenry given all that is happening 28 years later. The dawn of democracy has posed its own challenges despite strides that are not enough to aid these challenges, and our content reflected several highs and lows on freedom. Radio further looked at the role of poetry in the 21st century, with poets reciting freedom poems expressing themselves about burning issues in the country.

Stations aimed to raise awareness and creative content stretched across various formats with a wide range of topics and angles on the themes, interviews, promos, drop-ins, and liners, etc. Observing Freedom month culminated into an informative, well planned, and packaged documentary featuring ANC stalwart Patrick Chamusso that aired on, 27 April 2022. The second part of the documentary was aired on 2 May 2022.

Content coverage to amplify health issues included World Autism Awareness Day, World Health Day, World Hemophilia Day, African Vaccination Week, and World Malaria Day. Additional themes covered during April included World Book and Copyright Day, World Intellectual Property Day. In aligning with Easter celebration for the Christian Faith, relevant music and content was actioned to give our audience a sense of respect for this important period in the religious fraternity.

In May, Radio delivered content to celebrate Africa Month and Workers Month. Key content deliverables focused on both these themes, with Africa Month stretching content angles far and wide to investigate how the commemoration which was necessitated by the founding of the Organisation of African Unity came about. African Heritage was another key theme and stations explored how traditional African music could be given the priority it deserves. This was aligned to an increased appreciation and demand for arts and culture, goods, and services, and to stimulate competitive markets for trade among African countries. Content highlighted the many initiatives taken by Africans both from the continent and in the diaspora in pursuit of ensuring that Africa regain its rightful place in the world.

Radio content for Worker's month covered a variety of angles and engaged audiences to share real-life stories and experiences in their respective workplaces, employment challenges, available opportunities and the work done by non-governmental entities in their various communities as well as generic alignment of content to this theme.

Radio once again took a firm stand against gender-based violence (GBV) through content that highlighted recent GBV cases in the country, more specifically in Mpumalanga Province following the murders of Hillary Gardee and Bontle Mashiyane. GBV has long reached unprecedented levels, yet the country is nowhere near seeing results from various GBV campaigns. The portfolio will continue to highlight this social ill which threatens the core of our society.

To celebrate Youth month in June, stations concentrated more on driving content to address unemployment, entrepreneurial development, disability 360 and the effect of the Fourth Industrial Revolution and opportunities thereof. In commemoration of Youth Day and Youth month, young people doing extraordinary things, young innovators, and decision makers and trendsetters on youth matters were profiled by the various stations. Stations also continued to highlight issues of inclusivity when it comes to disabled people and the LGBTQI+ community as both communities are fighting different battles but the same war of inclusivity and identity.

The World commemorates International Mandela Day every year on the 18th of July to shine light on the legacy of a man who helped to

shape the 21st century. This is a moment for all to renew the values that inspired Madiba who is the former president of South Africa. The station's tagline for the month was "together we can achieve more no matter the challenges we face. Programming content focused on encouraging audiences to unite and make a difference in their communities.

Many stations covered the live broadcast of President Cyril Ramaphosa's speech to the nation on 25 July 2022 about the energy crisis in the country.

July is men's month and stations paid homage to men by giving them a voice, addressing issues affecting men and highlighting good deeds in society as well as their achievements. Research shows that South Africa ranks second on the global list when it comes to suicides. Various topics which focussed on depression were dealt with and survivors of suicide attempts were given an opportunity to talk about their challenges.

In August, Radio celebrated women as the pillars of the society during Women's month. Content coverage for this key theme incorporated interviews, poetry, profiling talk shows, promos, liners, adlibs, mentions, etc. Material spoke to various angles such as the challenges facing women in the democratic dispensation, women making education fashionable, women in male dominated fields, gender and inequality, injustices, women living with disabilities, the GBV scourge and other aspects. The stations highlighted the history of the date, 9 August 1956 and the greater good that came out of the march that took place in that day which saw women of colour fighting for their freedom.

President Cyril Ramaphosa's Women's Day speech on 9 of August 2022 was covered where he stated that on this day the country celebrates all women, black and white, young, and old, urban, and rural. 2022 marked the 66th anniversary of the famous 1956 march to the Union Buildings where women protested the apartheid rule that forced them to always carry their dom passes. Since the advent of democracy, government has implemented policies to address the impact of poverty among women.

Other notable health and general observances for August focused on Bone Marrow Stem Cell Donations and Leukaemia (15 August to 15 October); Organ Donor Month, Child Health Month; World/Breastfeeding Week; Rheumatic Fever and Rheumatic Heart Disease; Polio Awareness Week; International Youth Day, African Traditional Medicine Day/Week also formed part of content coverage as they happened on the days these is observed.

Stations further paid tribute to kwaito legend and TKZee member Tokollo 'Magesh' Tshabalala who died on 15 August 2022. His contribution to the arts was immense looking at how he and his counterparts launched and affirmed the kwaito genre when it exploded in the mid 90's. In his

honour, interviews were conducted, promos recorded, mention and adlibs done, etc. from when the news of his passing broke up until the day of the funeral.

September is a month South Africans experience a plethora of themes being celebrated in the country with stations really stepping in with the aim to educate, inform and entertain listeners. Some of the themes covered include Heritage and Tourism months. The stations successfully executed its thematic content coverage on-air and through its digital platforms. The key focus was on Heritage month and content coverage for this key theme incorporated interviews, poetry, profiling, talk shows, promos, liners, adlibs, mentions and listener engagement. The various aspects of heritage such as cultural, societal, etc. were incorporate across all time channels throughout the month.

Heritage Day speech by the honourable President was aired live on 24 September 2022 and Current Affairs programming unpacked the significance of the day by highlighting South African cultural diversity, as well as respecting, and embracing it. Programming for this period displayed SABC radio as the pride of the nation. On-air themes were also expanded on across all digital platforms. Content initiatives for Heritage month and Albinism awareness month, ensured that daytime channels drove their own projects on and off air. Heritage month content was also used as a come-builder in channelling station audiences to TikTok accounts through the celebration of South Africa's cultures and heritages. Listeners won station-branded merchandise through various on air and online activations.

In October Radio focused on Breast Cancer Awareness and Mental Health Awareness months. Included in content covered, were Transport and Marine month discussions, Albinism Awareness, Disability and GBV related discussions. The SABC African Language Stations also started an extra special focus on the South African music industry for the third quarter of the fiscal with Ukhozi FM making October the SA Music month.

Lesedi FM entered a partnership with the Mangaung Arts and Cultural Festival, a two week long cultural festival organised by the Free State Department of Sports, Arts, Culture and Recreation. Ikwekwezi FM's Transport month celebrations were concluded with a broadcast of the station's two drive time shows in transit from a taxi. These first-of-a-kind broadcasts became an opportunity to take the brand to its key stakeholders, pleasantly surprised listeners onboard the taxi and amplified on the station's digital platforms as part of content creation.

November is also known as "Movember" and is significant for audiences because of the focus on Men's Health Awareness month. 19 November 2022 marked International Men's Day celebrating the positive value men bring to our world, their families, and communities.

Programming during this month further highlighted diverse topics addressing challenges and opportunities people living with disabilities are facing. Content angles centred around equality and empowerment agenda in terms of those living with disabilities as well as ways to improve quality of life for people living with disabilities.

Radio implemented various on-air and online initiatives to support the countdown to one of the biggest global sporting events, the FIFA World Cup Qatar 2022. Radio created huge excitement amongst listeners to support the event and actively promoted the various platforms and channels available for South Africans to view the various daily matches. The portfolio was also instrumental in covering the much-anticipated launch of the SABC's OTT platform, SABC+. Stations supported News and television platforms through on-air interviews of key stakeholders while creating awareness of the platform with listeners with the aim of driving downloads of the App and subscriptions.

December is a remarkably busy month with Radio engaged in numerous campaigns to highlight specific issues, celebrate the summer and festive season while observing significant days and social campaigns. World AIDS Day is commemorated annually on the 1st of December to highlight challenges faced by people living with HIV/AIDS.

Another significant campaign the portfolio continued to actively support and promote is 16 Days of Activism against Gender-based Violence. Stations focused on creative content, interviews, and digital platform initiatives to keep the spotlight on the abuse of women and children. The Festive season signals the start of holidays and travel for many South Africans and Radio continued to produce content aimed at road safety and crime awareness issues which normally spike during this time of year.

The ANC's January 8 statement was delivered by President Cyril Ramaphosa in Bloemfontein, preceded by several political activities that took place in and around the city. On this day stations provided the SABC's News and Current Affairs division with a platform to cover the events seamlessly while on air presenters also adlibbed about the event and all other week-long activities that took place prior to the main event.

The stations created New Year's promos in addition to New Year well-wishes/messages recorded by several on air presenters. The release of matric results nationally and provincially is celebrated annually during the month of January to highlight the progress made by the country in the education sector and challenges that still needs to be addressed in poor performing regions. With millions of children heading back to school following the festive season holidays, several school pupils from poverty-stricken communities often find themselves lacking school uniforms, stationery and other educational necessities. The SABC radio

stations highlighted the plight of the students and some of the stations collected stationery and laptops for impoverished schools.

Schools re-opening had taken centre stage, with learners, parents, and guardians, as well as those in the education sector gearing up for the new academic year. The spotlight was placed on school preparations, placement of learners, and budget for the new academic year, separation anxiety and other psychological effects of going back to school post the festive season holidays.

February as Love month focus on self-love and love for families. The stations encouraged listeners to spread love, love between siblings, in laws, and mixed families. Self-love is a state of appreciation for oneself that grows from actions that support physical, psychological, and spiritual growth.

Sub-themes on the stations included developing self-love, good habits, sharing Love with others and loving one's family. Other key important events in February include Valentines Day, World Radio Day, International Mother Language Day, Black History Month, Pregnancy Awareness Month and the anniversary for the release of Dr Nelson Mandela.

The stations also covered the SONA delivered by President Cyril Ramaphosa, Budget Speech, and the different State Of the Province Addresses in collaboration with SABC News.

Radio is a powerful medium for celebrating humanity in all its diversity and constitutes a platform for democratic discourse. At the global level, radio remains the most widely consumed medium. Proclaimed in 2011 by the Member States of UNESCO and adopted by the United Nations General Assembly in 2012 as World Radio Day. SABC Radio stations celebrated this day through reverting content that showed the role that radio played to bring about peace in the world. Munghana Lonene and Phalaphala FM celebrated their birthdays during the month of February in Malamulale.

March is the national Human Rights Month and World TB Month with commemoration on Human Right Day and World TB Day. All stations themed their programming and imaging to educate and inform listeners of the importance of these days and other commemorations. The message around the importance of the bill of rights and responsibilities dominated most of the programmes and experts from different fields featured on our programmes.

As part of the stations drive to support and cover content of national days of observants, all ALS covered live and highlights of the presidents Human Rights Day speech as well as the World TB Day speeches by premiers and MEC's of Health across all the 9 provinces.

The Future of Radio on Digital platforms

SABC Radio has embraced the digital revolution and uses its digital and social media platforms as new opportunities to extend its reach and to expand its content lifespan. SABC radio understands that 'Content is King', and thus packages content for consumption through different digital platforms and successfully uses these platforms as a powerful audio/visual extension of the radio brands. SABC Radio's digital content is tailor-made to add depth and to complement the radio experience while supporting various marketing activities.

Over the past few years, SABC Radio has built a compelling podcast offering that continues to grow in both variety as well as number of episodes downloaded and consumed by listeners. The award-winning radio drama podcasts remain extremely popular with audiences. With the launch of the SABC's OTT platform SABC+ in November 2022, Radio once again fully embraced this world-class initiative. SABC+ offers audiences a one-stop shop for a huge variety of audio-visual content on offer from the SABC's Television channels, all 19 Radio Stations, News, Sport, and Education platforms.

Content ranges from live streams, catch up seasons and episodes, archived material as well as bespoke niche new content curated by the various platforms for the SABC+ audiences. The IOS and Android driven Mobile Phone and Smart Television Application further allows platforms to cross-promote content and the SABC is the only broadcaster in South Africa which offers a full spectrum of content from its Television, Radio, News, Sport, and Education platforms.

Similarly, some of the SABC's radio brands have a considerable presence on major video content distributors such as YouTube. SABC Radio live streaming remains a tactical instrument to reach a mobile audience who access Radio through their mobile and digital devices, as well as expatriates who want to keep a connection with their South Africa roots through content and entertainment in mother-tongue communication.

SABC radio intends to continue investing in digital platforms to enhance our online content offering, accessibility and customer experience while keeping our diverse customers (different Socio-Economic Measures) in mind. SABC radio, therefore, aims to offer niche digital content to its consumers ranging from low-end devices to high-end devices. This would be achieved by building strategic and mutually beneficial partnerships with both developing and leading digital content distributors to continue to expand the reach and distribute the SABC's unique content as widely as possible.



Laduma live outside broadcast during local soccer matches at FNB Stadium.

SABC SPORT

The launch of the SABC Sport channel in June 2021, paved the way for the division to secure an attractive portfolio of sport rights and events to complement the existing portfolio of sporting content currently being made accessible to the broader South African market.

. In addition to the broadcasts on the SABC Sport channel, SABC linear channels and on SABC Radio, the sport team launched the SABCSport.com site in November 2022, in conjunction with the launch of the organisation's streaming APP, SABC+, ahead of the 2022 FIFA World Cup.

Since then, the Sport division has evolved from being an aggregator of Sport content, to the SABC Sport brand being a serious contender in the broadcast landscape with a sports content service that is free and accessible to all.

The challenge, though, is to ensure that the division continuously delivers a compelling content proposition that puts SABC Sport at the forefront of our viewer's choice of sporting content. The key highlight for SABC Sport was the broadcast of the 2022 FIFA World Cup in Qatar. SABC Sports' television broadcast of the World Cup comprised of 28 matches across all the SABC Platforms. It was the first time that the SABC was able

to deliver World Cup content on OTT platforms, as well with Radio 2000 broadcasting all the 64 matches of the World Cup.

Compliance with License Conditions

The SABC's mandate as a Public Broadcaster to broadcast events of national interest forms a strategic pillar and forms the core of our acquisition strategy. Radio remains an important vehicle to ensure that our language delivery. A core part of the strategy is to ensure that all content involving our locals' athletes participating in international tournaments is broadcasted on SABC platforms, with the build-up and road to programmes focusing specifically on their achievements.

During the last two years, and the period under review, the Sport team have made progress to remain relevant and ensure that our delivery of sport includes all sport of national interest, public interest, women in sport as well as sport that aims to attract the youth of our country, thereby ensuring that we deliver to ICASA regulations as well as the Broadcasting Act.

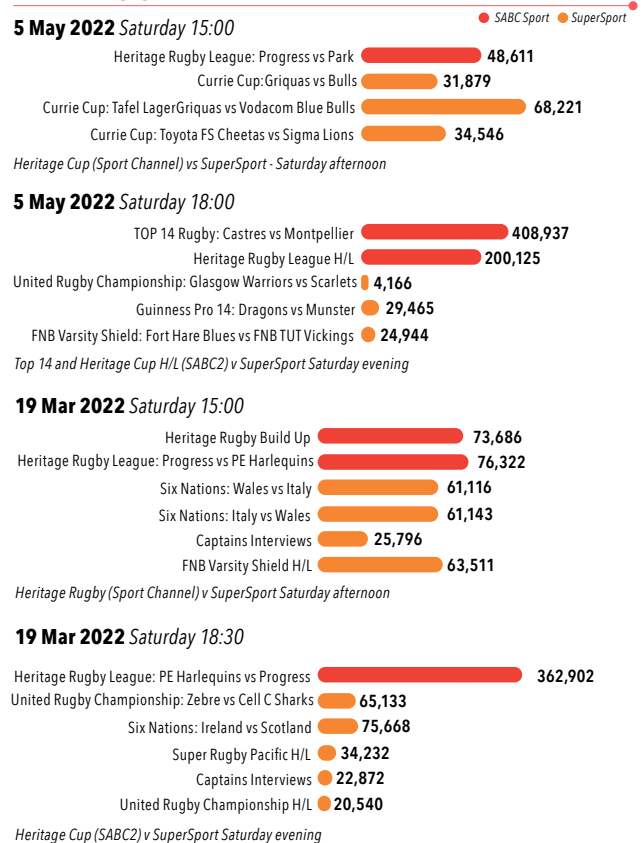
Sport Content

The SABC Sport channel has been well received in the market, as it provides a platform for all sporting codes in the country, whilst also broadcasting international sporting content.

Sports rights acquired in the Financial year 2022/2023 fiscal were the 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, 2023 FIFA Women's World Cup, the Junior Women's Hockey World Cup (broadcast for local and international feeds and produced by the SABC). In addition, there is a content agreement with ESPN, the NBA-supported Basketball Africa League, local and continental boxing events and the English Championship and Dutch Eredivisie football.

As part of the Heritage Cup banner, the SABC's coverage of local Rugby, delivers live club rugby from across the country each weekend on the Sport Channel

GRAPH: Rugby Peaks



Alongside our 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, delivered a significantly higher number of viewers each week compared with the rugby offering on some media platforms.

Boxing was further complemented by a deal with Canadian fight sport media company Protocol Sports, which included the delivery of 18 international top ranked title fights. This ensured boxing fans were given access to great boxing at all levels over the past year and to further entrench SABC Sport's commitment to this code. In November 2022 the SABC concluded an MOU with Boxing South Africa to continue with local boxing from around the country for the next three years.

The Hollywoodbets Women's football tournament in South Africa, continuous to deliver good audience ratings, amongst male and female football fanatics. As an exclusive SABC Sport property, it has helped to increase interest in Women's football and made the SABC a leader in terms of 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, and 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 the SABC

Table: Audience Delivery

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

Even though it's still in its infancy, the SABC Sports Channel consistently delivers higher audience ratings than some other Channels who operate in a much larger audience universe. than we do on Openview and DTT) and has leapfrogged both S3 and SABC2 on the previous (TelkomONE) platform.

Table: Channel Reach - SABC Sports Channel - All Adults (15yrs+)

Channel	Reach (000's)	Reach (%)
National Television Market - Universe: 38 694 000		
SABC1	22.7mil	58.7%
SABC2	19.3mil	49.8%
S3	15.5mil	40.1%
SABC News	6.5mil	16.8%
SABC Sport	4.3mil	11.1%
SABC Education	87k	2.3%
e TV	22.1mil	57.1%
DSTV Platform - Universe: 18 569 000		
SABC1	12.6mil	67.7%
SABC2	9.7mil	52.3%
S3	7.1mil	38.1%
SABC News	5.2mil	28.0%
e TV	11.3mil	60.9%
DTT Platform - Universe: 3 387 000		
SABC1	2.4mil	69.1%
SABC2	2.2 mil	63.4%
S3	1.9mil	56.8%
SABC News	1.2 mil	34.7%
SABC Sport	1.4mil	41.5%
SABC Education	805k	23.5%
e TV	2.1mil	62.7%
OVHD - Universe: 7 432 000		
SABC1	4.1mil	56.1%
SABC2	4.3 mil	59.3%
S3	4.0mil	54.8%
SABC Sport	2.7mil	37.4%
e TV	5.0mil	68.4%

SABC Sport channel being the newest of the channels, has already penetrated the market with its impressive reach and shows potential for further growth even relative to the channel's incredible position currently.

Apart from the new acquisitions, our current deals with the Bundesliga, French Top 14 Rugby, Formula E, South African Football Association (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.

GRAPH: SABC Sport Channel Genre Delivery - All Adults (15yrs+)

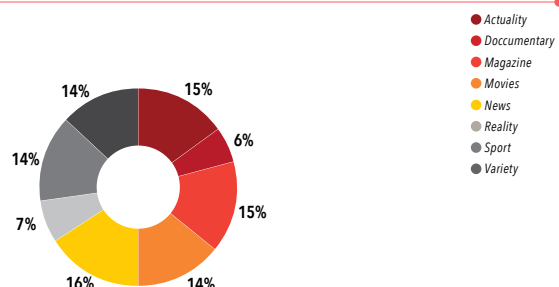


Table: 24hr Sports Channel Rank - FY22-23 - ALL ADULTS (15yrs+)

Rank	Channel	AR000s
1	SS PSL	27 939
2	SS Premier League	25 471
4	SABC Sport Channel	20 872
4	SS VAR 4	14 810
5	SS Blitz	13 223
6	WWE Channel	13 182
7	SS La Liga	11 721
8	SS Cricket	6 826
9	SS Grandstand	6 572
10	SS Rugby	6 264
11	SS Football	4 554
12	SS Variety 3	3 784
13	SS Tennis	2 219
14	SS Motorsport	2 107
15	SS Action	2 105
16	SS Golf	1 710
17	ESPN	1 362
18	SS Variety 1	1 181
19	SS Variety 2	811
20	ESPN2	720

The above table and graph illustrate the strength of SABC Sport Channel presence and offering compared to other 24hr sports channels.

Table: Other SABC Sport Channel Broadcasts - National - All Adults (15 yrs+) FY 22/23

	Programme Name	Date	DOW	AR(%)	Share (%)	AR000s
1	Total Energies CAF Africa Cup of Nations:- South Africa vs Liberia	24/03/2023	Friday	0.8%	2.9%	312 707
2	FIFA World Cup Qatar 2022: Portugal vs Ghana	24/11/2022	Thursday	0.7%	3.2%	289 539
3	Total Energies CAF Africa Cup of Nations:- Liberia vs South Africa	28/03/2023	Tuesday	0.7%	2.4%	281 273
4	CAF Confederations Cup: Orlando Pirates vs Al Ittihad	03//04/2022	Sunday	0.7%	2.4%	271 586
5	Carling Black Label Cup: Orlando Pirates vs Kaizer Chiefs	12/11/2022	Saturday	0.7%	3.1%	267 995
6	FIFA World Cup Qatar 2022: Cameroon vs Brazil	02/12/2022	Friday	0.6%	2.9%	223 274
7	CAF Champions League: Simba SC vs Orlando Pirates	17/04/2022	Sunday	0.6%	2.1%	223 179
8	FIFA World Cup Qatar 2022: Brazil vs Korea Republic	05/12/2022	Monday	0.6%	2.8%	217 988
9	FIFA World Cup Qatar 2022: Wrap up	24/11/2022	Thursday	0.6%	2.2%	212 825
10	FIFA World Cup Qatar 2022: Argentina vs Croatia	13/12/2022	Tuesday	0.5%	2.8%	211 517
11	FIFA World Cup Qatar 2022: England vs Senegal	04/12/2022	Sunday	0.5%	3.3%	207 542
12	CAF Confederations Cup: Orlando Pirates vs Al Ahly Tripoli	15/05/2022	Sunday	0.5%	2.0%	198 130
13	FIFA World Cup Qatar 2022: Japan vs Spain	01/12/2022	Thursday	0.5%	2.4%	196 860
14	FIFA World Cup Qatar 2022: Build Up	24/11/2022	Thursday	0.5%	2.1%	196 695
15	FIFA World Cup Qatar 2022: Brazil vs Serbia	24/11/2022	Thursday	0.5%	2.9%	196 461
16	FIFA World Cup Qatar 2022: Argentina vs Australia	03/12/2022	Saturday	0.5%	2.9%	190 100
17	CAF Confederations Cup: Ahly Tripoli vs Orlando Pirates	08/05/2022	Sunday	0.5%	1.7%	188 020
18	Soccer Wrap	08/05/2022	Sunday	0.5%	1.8%	185 373
19	CAF Champions League: Atletico Petroleos De Luanda vs Mamelodi Sundowns	16/04/2022	Saturday	0.5%	1.7%	184 353
20	FIFA World Cup Qatar 2022: Build Up	18/12/2022	Sunday	0.5%	3.1%	183 249
21	FIFA World Cup Qatar 2022: Senegal vs Netherlands	21/11/2022	Monday	0.5%	2.0%	182 321
22	FIFA World Cup Qatar 2022: Ghana vs Uruguay	02/12/2022	Friday	0.5%	2.3%	182 086
23	FIFA World Cup Qatar 2022: England vs France	10/12/2022	Saturday	0.5%	3.6%	179 889
24	FIFA World Cup Qatar 2022: Denmark vs Tunisia	22/11/2022	Tuesday	0.5%	2.5%	178 961
25	CAF Champions League: Mamelodi Sundowns vs Atletico Petroleos De Luanda	23/04/2022	Saturday	0.5%	1.7%	178 038
26	Foot Africa	12/11/2022	Saturday	0.5%	1.9%	177 833
27	FIFA World Cup Qatar 2022: Argentina vs France	18/12/2022	Sunday	0.5%	2.4%	175 275
28	FIFA World Cup Qatar 2022: Spain vs Germany	27/11/2022	Sunday	0.4%	2.4%	171 652
29	FIFA World Cup Qatar 2022: Qatar vs Ecuador	20/11/2022	Sunday	0.4%	2.0%	171 532
30	FIFA World Cup Qatar 2022: Wales vs England	29/11/2022	Tuesday	0.4%	2.0%	170 725
31	Total Women's Africa Cup of Nations 2022:- South Africa vs Tunisia	14/07/2022	Thursday	0.4%	4.1%	168 478
32	CAF Confederations Cup: Orlando Pirates vs Simba SC	24/04/2022	Sunday	0.4%	1.5%	167 697
33	FIFA World Cup Qatar 2022: Build Up	02/12/2022	Friday	0.4%	2.3%	158 884
34	Bundesliga Borussia Dortmund vs VFL Bochum - R	04/05/2022	Wednesday	0.4%	2.7%	156 975
35	FIFA World Cup Qatar 2022: England vs USA	25/11/2022	Friday	0.4%	2.0%	156 790
36	FIFA World Cup Qatar 2022: Argentina vs Mexico	26/11/2022	Saturday	0.4%	2.3%	154 980
37	Soccer Build Up	03/04/2022	Sunday	0.4%	1.5%	154 654
38	FIFA World Cup Qatar 2022: France vs Morocco	14/12/2022	Wednesday	0.4%	2.7%	154 370
39	FIFA World Cup Qatar 2022: Morocco vs Spain	06/12/2022	Tuesday	0.4%	1.9%	153 163
40	EFC the Fighter	18/12/2022	Sunday	0.4%	2.8%	152 316



SABC Sport broadcasting and creating a marketing hype around the FIFA Women's World Cup.

Key Achievements

The South African women's Cricket team are the first to have qualified for the final of the World Cup. The SABC was quick to acquire the final match of the ICC Women's T20 for broadcast, ensuring that all South Africans witness a historical moment in South Africa's sporting history.

Future Plans

The negotiations for key broadcasting sport rights have been concluded for the next three years with:

- Swimming SA for the live broadcast of various local swimming events taking place around the country.
- Supersport International four key marathons, namely the Two Oceans, Comrades, Cape Town, and Soweto Marathons.
- A deal with the organisers of local Polo.

- Dance Sport and local basketball will be added to the Sport offering.
- Rights renewal will continue with Cricket South Africa (CSA) for the Inbound Cricket tours, SAFA for the National Team Rights and Supersport International for the PSL rights.
- The content broadcast plan for the IOC 2024 Olympics games will commence in May 2023 to allow sufficient time to market and commercialise these rights.
- Memorandum of Understandings (MOUs) are being formalised with the Department of Sports, Arts and Culture (DSAC), Gauteng Department of Sport and the Limpopo province for various sport events of the national and Gauteng Sport Award events.

Broadcast plans are currently underway for the 2023 FIFA Women's World Cup, the 2023 Netball World Cup and the

Table: Other SABC Sport Broadcasts on SABC1 - National - All Adults (15 yrs+) FY 22/23

Programme Name	Genre	Sub-Genre	AR(%)	Share (%)	AR000s	Peak
C AF Awards 2022	Sport	Variety	0.2%	3.2%	95 473	234 341
COSAFA Cup s022 H/L	Sport	Soccer	1.5%	7.6%	561 780	1 321 558
Desert Battle	Sport	Variety	1.0%	6.0%	371 914	556 804
Eita Diski	Sport	Sport	1.4%	7.4%	526 968	621 621
FIFA World Cup Qatar 2022: H/L	Sport	Soccer	0.4%	6.3%	153 197	829 584
Foot Afric	Sport	Soccer	1.1%	6.1%	408 593	934 423
Foot Afric-R	Sport	Soccer	0.0%	0.8%	16 887	22 465
Game On!	Sport	Sport	1.4%	7.9%	544 797	2 718 502
NBA Action	Sport	Basketball	0.8%	4.9%	301 204	1 004 220
PSL Review	Sport	Soccer	1.3%	7.2%	499 651	1 583 426
PSL Relegation Show	Sport	Soccer	1.4%	8.4%	552 101	678 034
PSL Season Review	Sport	Soccer	1.2%	6.2%	450 235	752 646
Road to AFCON Final	Sport	Soccer	1.7%	7.8%	659 846	996 594
Soccer Zone	Sport	Soccer	0.8%	7.0%	306 308	730 335
Soccer Zone- R	Sport	Soccer	0.9%	6.2%	357 108	876 195
Sport @ 10	Sport	Variety	0.8%	6.8%	297 955	903 201
Sport @ 10 - R	Sport	Variety	0.8%	5.5%	320 944	834 645
Sports Buzz	Sport	Sport	0.7%	4.3%	252 236	442 437
Sports Wrap	Sport	Variety	1.9%	7.6%	738 981	824 027
Sports Buzz - R	Sport	Variety	0.8%	4.7%	294 989	536 962
Telkom vs Gaming Weekly	Sport	Soccer	0.3%	4.7%	129 030	265 253
The Road to MTN 8 Final	Sport	Soccer	2.1%	11.3%	811 346	1 055 145
The Road to Qatar 2022	Sport	Soccer	1.9%	8.6%	749 256	1 402 804

2023 Rugby World Cup broadcast rights for radio. 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. However, the main thrust of what the organisation needed to achieve over the past fiscal has been the growth of our content proposition and expanding the ways that South Africans can access our offerings and it seems in this respect SABC Sport has done particularly well.

With that in mind, and with a sense that the SABC's sport content offering is now broad and exciting enough to engage our viewers, the Corporation is now focusing on its next major challenge in the fiscal ahead - namely to start driving revenues by taking compelling content story to the market and start ensuring the future for Sport on SABC platforms will be hugely profitable.

TRANSFORMATION

PREFERENTIAL PROCUREMENT ACTIVITY AND INDUSTRY DEVELOPMENT

SABC Supply Chain Management has an obligation to ensure that transformation and empowerment is realised within SABC by ensuring that when procuring goods and services, there is an inclusion of targeted designated groups as per the Preferential Procurement Policy Framework Act of 2000. During the reporting period, the following bids were issued with preferential procurement requirements:

Bid Number	Description of Goods/ Services	BEE level status of the Bidder awarded	Amount
RFP/COM/2022/4	Media Buying Agency	1	R 6 895 000
RFP/RIS/2021/52	Auckland Park Security Services	1	R215 422 577
RFP/LOG/2022/10	Eastern Cape Cleaning Services	1	R7 011 754.
RFP/RIS/2022/19	Physical Security Services for Free State	1	R16 904 022
RFP/RIS/2022/20	Physical Security Services for Northern Cape	1	R7 093 481
RFP/LOG/2022/45	The appointment of service provider for TV licences Bulk Printing and Mailing Solution for a period of Five (5) Years.	1	R89 921 358.

Supplier and Enterprise Development and Transformation

The SABC is committed to Black Economic Empowerment (BEE) to rectify the historical imbalances and inequalities of the country. As a result, the SABC has put measures in place to align all business activities 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 recently repealed 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, exempted and qualifying small enterprises are earmarked and given opportunities.

Sub-contracting (as a condition of tender) made it possible for SABC to identify tenders, where it is feasible to sub-contract a minimum of 30% of the contract value for contracts above R30 million to historically disadvantaged groups. This allowed 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 underdeveloped areas or townships, cooperatives owned by Black people as well as Black people who are military veterans. The number of tenders where feasible to sub-contract, were identified. It should be noted that a number of these sub-contracting initiatives could not materialize, as some were cancelled as a result of non-responsiveness and lack of interest by potential service providers to sub-contract. In addition, the advent of the new Preferential Procurement Regulations 2022 came with the sub-contracting criteria having been removed. SABC had to develop its specific goals, which have since been adopted in March 2023.

The following companies benefited from sub-contracting:

Main Contractor	Sub-contractor	Minimum % subcontracted
Tsalena Media	Dzinge Production	30%
Mailtronic Direct Marketing CC	Media By Mee (Pty) Ltd	30%

These preferential procurement initiatives were implemented across the Corporation and contributed positively to the performance against the set targets of the scorecard.

Table: Preferential Procurement Performance against the ICT Sector B-BBEE Codes

Indicator	Compliant Target ICT Codes	Achievement
BBBEE Spend	80%	117.56%
Black Owned (51%)	40%	81.55%
Black Women Owned (30%)	12%	36.13%
QSE	15%	17.97%
EME	15%	17.87%

TECHNOLOGY

The role of the Technology Division within the SABC is to ensure appropriate, reliable, and available technology infrastructure for the production and delivery of broadcast programming for our Television Platforms, radio platforms, and the new digital Media for the enablement of commercial revenue generation activities. The technology strategy and its subsequent Operating Model has been biased toward digital platforms delivery with the digital journey being very well established with initiatives to digitally Transform the SABC.

Some of our Technological Game Changers for the period under review culminated in the launching of the SABC owned, fully integrated, operationalized OTT streaming platform, the SABC+, which was launched in November 2022 just before the FIFA World Cup. Other digital platforms, like the IP PBX and Integrated Collaborative Platform were also launched as part of this digital journey. There are still other critical digital initiatives like the News Playout Systems, Radio Playout System, and Preservation of Legacy Material/Content (PLM) which were initiated in the fiscal year but have rolled over to the next financial year.

MILESTONES

The following milestones were achieved under the period under review:

Television and OB Technology Operations (TOTO)

The Content and Platforms pillar for the year had service availability for television stations at a (YTD) 99,969% overall. The OB Technology has registered an average quarterly deployment of 1030 Outside Broadcasts, consisting of 665 OB Units and 365 DSNGs. These averaged monthly deployment of 343 broadcasts. The entire fleet comprises of Large OB Vans, Medium Sized Van, Radio OBs and various stations streaming technology request, as well as Digital Satellite News Gathering units.

Notable production for the period under review included the annual News Calendar events Cape Town of the State of the Nation Address (SONA) and its subsequent debates that follows it, Ubuntu Awards, the Budget Speech and BDO Budget debate, which were all carried live on SABC News and other channels. The retention of some of the Business Unit external clients continued with a repeat production for Supersport Soccer; EFX production of a 9Hrs motor race at Kyalami Racetrack; along with acquisition of new business with the Department of Sports, Arts and Culture in Northwest for the production of their Sport Awards. OB

Technology also provided facilities for clients on international stages in the Fédération Internationale de Hockey (FIH), Indoor World Cup in Pretoria, as well as Confederation of African Football (CAF) production in Monrovia, with the latter being the first such production since the onset COVID19, a worthy achievement that has been mentioned by the South African Mission based in Monrovia, Liberia.

The Facilities Sale and Marketing (FSM) of TOTO continued to engage with multiple enquiries for provision of SABC facilities for international takers across the African continent, like Kinshasa, DRC; Bulawayo and Harare, Zimbabwe and Lusaka, Zambia. Sustained transactions with Supersport for DStv Premier Soccer League fixtures and Joburg Water for their Corporate Broadcast in SABC M1 Auditorium are some of the activities and BU performance indicators for Strategic Partnership pillar. Internally, there has been a great increase in the utilization and demand for Radio OB facilities and Streaming Services the FSM department has facilitated; along with the mobile TV facilities to cover traditionally radio events. The biggest production from these endeavours was the Thobela FM Gospel Festival which was carried live on SABC2 and SABC+.

Radio and Regional Technology Operations (RRT0)

The RRT0's main objective for the year under review was the implementation of the Radio Playout and Production System (Dira!) for all SABC's 19 radio stations. This project was rolled out successfully mainly at the Auckland Park based radio stations which are METRO FM, 5FM, SAfm, RSG, Radio 2000 and Channel Africa. Furthermore, the roll-out plan was implemented at Good Hope FM and Parliament, Kimberley and Platfontein.

The second aspect of the project plan was to acquire the National Studio Computer Equipment to integrate the Playout System to the studio for the enhancement of the studio features such as the automatic playout of advertisements.

Roll-Out of Technology Capex Projects

The SABC operates in an ever-changing media environment and with the emerging digital market; it is imperative that all aspects of technology, from production to transmission evolves to maximize opportunities in media convergence and to retain a competitive advantage over other free-to-air broadcasters. To achieve this various Capital Investment Strategies to upgrade the technology infrastructure were implemented.

The long-term CAPEX plan and capital investment is strategically

linked to the Enterprise Broadcast Architecture Framework (EBAF) whose objective is to have a shared or unified blueprint of the current and future technology infrastructures, architectures and the processes influencing them. With the defined current technological and operational architectures new trends and best practices can be factored in to visualise strategies for the future Target Technologies and Architectures. Setting the future architectures identifies the gaps and migrations required to accommodate their systematic phased implementations and hence define the strategies required for future investments.

SABC has traditionally financed capital projects through cash generated from normal operations. This included funding capital investment through equity reserves. Over the years, this has eroded and as a result, most of the capital projects are behind schedule. To date the total approved budget for the 90-capital work-in-progress projects amounts to R3.02 billion, with total spend of R929m and R160m committed. The projected final costs for projects are R2.938b.

Contribution and Distribution (C&D)

All Analogue Television (ATV) services performed below the required SLA due to loadshedding and escalating vandalism incidents. The Corporation constantly engaged Sentech in this regard. DTT services, apart from Platinum, failed to meet required SLA due to loadshedding and escalating vandalism incidents.

Most radio services failed to meet required SLA due to loadshedding and escalating vandalism incidents. The Low Power Low-Cost sites (LPLC) sites (radio and TV) have been switched off after the SABC failed to make a compelling request to Sentech to keep the sites running.

On the Broadcast Digital Migration (BDM)'s Analogue Switch-Off (ASO), there were no analogue TV sites that were switched off in this period apart for the LPLC sites already indicated above.

There are still initiatives for the SABC to own its Satellite Dire-To-Home (DTH) Platform but yet to achieve the desired results. There were other initiatives like Radio Linking project that were achieved in this period.

Digital Media

The Digital Media Department within the Technology Division is tasked with ensuring the delivery of the SABC's digital assets like the OTT Platform, Websites (Web) and Mobile Applications (Apps), as well as the Enterprise Digital Library (EDL).

OTT - SABC+

The SABC acquired, implemented, and launched the SABC+ OTT Platform in November 2022. This platform was formerly called TelkomOne, and it was owned by Telkom. The SABC acquired it, applied the corporate identity, and implemented it through Discover Digital.

The SABC+ platform performed well operationally, with no significant downtimes recorded. In December, the Festive pop-up channel was launched, and in January the ANC conference pop-up channel was implemented, and it ran successfully without issues. The SMSs for the OTP were still being sent through Telkom, and on the 31st of January 2023 the SMS gateway was changed to SmartCall. The other pop-up channel was launched in February 2023 for the SONA, and it was also successful.

Web and App

Good Hope FM website was developed and implemented internally within six weeks by applying the agile methodology. The METRO FM music awards website was also developed internally, and the first phase of this website was commissioned within four weeks. This proved that internal development is more efficient compared to the tender processes. The team worked with SCM to appoint a panel of service providers, to assist with the prompt development of some websites and mobile applications. The next focus in the first quarter is the News website, METRO FM, Ukhozi FM, RADIO 2000 and RSG.

INNOVATION

Radio and Regional Technology Operations (RRT0)

Several web-based programs such 'Skype', 'Cleanfeed', 'Fieldtap' and 'Linphone' were tested and implemented successfully for broadcast contribution by Presenters from their private residence as part of home broadcast innovative solutions. The main objective was to ensure business continuity and seamless broadcast under these circumstances. This innovation was adopted formally as a strategy in the year under review (Home Broadcast Strategy), with the approval of OB Software ensuring that these web-based programs are licensed, and more features are incorporated. In addition, a Proof-of-Concept (PoC) was undertaken with Umhlobo Wenene FM in the form of Outside Broadcasts tests where the radio station Presenter had the ability to broadcast from their private residence and outside the studio, with their own equipment and with no technical support on site (self-deploying portable broadcast equipment).

The other innovative project that started and was approved in the year under review financial year is the visual radio project which is at the commencement stage. The visual radio solution will ensure that SABC Radio stations are on all the digital platforms “with visuals” and are providing an opportunity for alternative revenue generating opportunities. The project will be implemented in the next current financial year.

Contribution and Distribution (C&D)

Radio Coverage Optimisation

This project was completed, and thirty-three frequencies were identified as not adding any benefit to the network. The thirty-three frequencies are being used to optimise the coverage areas of our Radio Stations. The rest of the frequencies will be given back to ICASA where they will remain as spare PBS. The completion of this project will save the SABC R2.69m in signal distribution fees.

Television and OB Technology Operations (TOTO)

The Cloud Playout System, to ensure broadcast business continuity, is also at the tail end of the evaluation processes with the intention of implementation at the end of the 1st quarter. Installation of the Media Servers in the TV OB vans was due to commence in the month of April, once the disposal of the old equipment is completed as part of the contract to credit the procurement of the new servers.

FUTURE PLANS

Radio and Regional Technology Operations (RRTO)

The roll out of the radio playout and production system will remain the core focus for SABC Technology division. The system is extensive and will be installed in all the SABC provincial radio stations. The current project timeframe for completion of the project will be towards the end of next financial year.

The full delivery of Dira! interface equipment has started, which allows for the installation of Dira at the Auckland Park site for Ikwewezi FM. In addition to the Dira! implementation plan, simultaneously, the installation of the Emergency System will be happening. This Emergency System, software and servers will create a Radio Playout Business continuity system at the SABC offices in KZN as part of the offsite backups of all the SABC Radio Stations.

RRTO also entered into an approved MOU for a partnership with a company called Media Host. Media Host wanted access to the SABC Music Database to improve their own system on music recognition and reporting. As a result, the SABC will receive music reports for the past years which will assist in the reconciliation of the music reports for the payment of royalties (needle time), these reports will be used by for comparison and verification purposes.

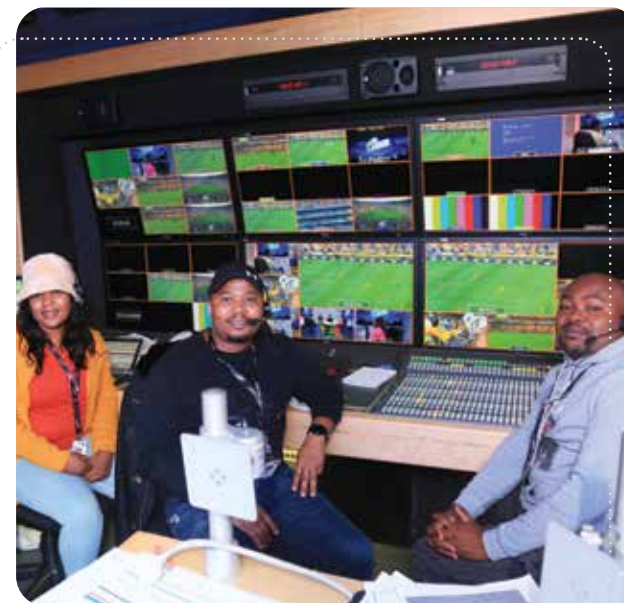
Television and OB Technology Operations (TOTO)

Operationalization of the News Computer Room System and News Production System in the SABC News and Video Entertainment environment is still expected to take shape, after a protracted process of suppliers’ appointment and contract negotiations. The process to introduce IP based broadcast workflows has hit a snag with cancellation of MCR Router Replacement project, but the project is back on track and expected to be operational at the end of quarter one for the year under review.

Replacement of all Studio Cameras, both at News and Production Studios, is the first in TOTO modular approach to replacement and digitization of SABC TV on-air critical components in the broadcast chain. The same approach has been adopted for TV Studio Lights, which will also encompass lighting equipment used in the OB environment. Studio 1 and 2 HD upgrade will be considered for submission at the end of quarter one and roll-out for the following financial year due to the organisation’s financial standing.

Digital Media

A phased implementation journey has been adopted to allow the SABC to further implement a considered approach to its Digital property strategy. Through the past fiscal year both the Web and App space and on-boarding an OTT solution have been key strategic imperatives with emphasis on the SABC digital operating model. Within the next fiscal year, the SABC is planning on the both the implementation of an OTT solution and a total revamp of its Websites and Mobile Applications. The Web and App project will focus on the redevelop all SABC websites and mobile applications, this initiative promises to deliver improved website user experience while offering additional digital commercialization opportunities for exploitation. This project will also extend the mobile application landscape and will see each brand having its dedicated mobile application custom developed to cater for each brand’s unique audiences.



Behind the scenes during live TV Outside broadcasting.

Contribution and Distribution (C&D)

- ASO to be completed for the remaining 4 provinces. A new model of authorisation of transmitter switch offs was developed and presented to the representatives of the BDM team.
- ICASA approved SABC’s application for DAB+ trial licence (on behalf of the Broadcasting Industry). The licence started on 1 June 2022, among other things the trial licence focused on cloud-based broadcasting.
- Regional monitoring project to be effective in the third quarter of the fiscal
- Development and implementation of a multiplatform infrastructure and distribution platform monitoring.
- Digital Sound Broadcasting strategy in line with industry developments.
- Improve radio’s contribution platforms to mitigate the loss of obsolete analogue lines with newer IP codecs.
- Improve the SABC’s business continuity for both radio and video entertainment platforms by using cloud-based DR platforms.

CORPORATE MARKETING: BUILDING THE SABC BRAND

For the period under review, Corporate Marketing embarked on initiatives which focused on driving SABC brand affinity under the theme "SABC Everywhere for Everyone, Always". This theme fortifies SABC's position as the multi-platform content provider with compelling content designed for the diverse audiences which can be accessed anytime. In addition, the theme is inspired by the SABC's mandate of striving for universal access. A clear understanding of the SABC's brand architecture enabled the Corporation to segment its messaging, for each of its target audiences hears what they want to hear and gets precisely what they're looking for with platform audiences on the ground.

The period under review marked a key turning point for SABC brands which all delivered aggressive marketing campaigns across Sport, Video Entertainment, Radio, and Corporate linear and digital platforms. The campaigns were all anchored on Corporate Affairs and Marketing strategy aimed at improving the corporate image of the SABC around seven (7) key objectives to:

- Reposition SABC Brands to be responsive to market changes.
- Improve visibility and accessibility of SABC brands.
- Generate leads prospects for SABC brands.
- Develop market and consumer insights for SABC brands.
- Position SABC brand as a credible media brand locally and on the continent.
- Restore external stakeholder trust in the SABC.
- Build trust and engagement through improved internal communications.

In terms of Digital Marketing, the team promoted multiple activities and content for the SABC's sub brands including SABC Sport, SABC Radio and Video Entertainment. The activities included radio brag and back to school campaigns, and more daily posts geared towards supporting the SABC Brands. Each post included a tag to the relevant sub brands and website where required.

In addition, all the marketing campaigns were aptly supported by the

panel of agencies along with SABC's internal agency Cre8tive cloud.

One of the key deliverables for Corporate Marketing was spearheading the project of introducing and adoption of innovative solutions to enable the business through targeted knowledge solutions via collaborative user platforms and tools. During this period, the development of Chatbot (BOTSE) was finalised, and it was fully implemented on three platforms - Corporate website, Facebook, and WhatsApp. CI has been instrumental in the project management of this project and has been project lead from inception. This key project was delivered by the Consumer and Marketing Insights department.

SABC Corporate marketing launched a brand campaign, Everywhere for Everyone Always. An SABC Corporate brand campaign was last launched in 2007, 15 years ago. Thus, this brand campaign repositioned the SABC as an authentic, relevant and multiplatform broadcaster for all South African and African citizens. Another milestone for SABC Corporate Marketing was the launch of SABC+, the SABC's long awaited streaming platform.

SABC Corporate brand campaign continued running from the third quarter of the financial year under review to increase visibility and entrench the new proposition of the SABC in line with the new brand campaign to the market and internally. On-Air promotions have been running on SABC1, SABC2, S3, SABC Sport, SABC News and on various radio stations since 08 December 2022. On 10 February 2023, a digital OOH rollout commenced nationally for SABC+ with 113 billboards across the country.

RADIO

Ukhozi FM

SABC executed the first conglomerate diversification strategy that involved Ukhozi FM adding a new product that is significantly unrelated and with no commercial similarities. Ukhozi FM entered a new market to meet the needs of the existing and brand-new audiences. This strategy provided Ukhozi FM with a tremendous boost to its brand image and profitability. The first item under the brand is traditional Zulu shoes, imbadada, reinterpreted for a contemporary consumer with

modern styling and materials. The shoes are made from locally sourced materials such as synthetic leather, synthetic rubber, and non-footwear industrial materials such as upholstery off-cuts and metal trims, which are repurposed into modern products. The shoes are available through JAM store, Ukhozi FM distribution partner.

Ukhozi FM also hosted the inaugural High Tea with Lady Dee on 28 August 2022, at a premium hotel in Umhlanga. The event was a sold-out event and was live on Ukhozi FM streaming platform attracting more than 6000 views.

In addition, the station also embarked on a campaign, Nyus' Volume Campaign in partnership between the different Local Municipalities and South Africa's biggest radio station Ukhozi FM was a success. The four-day Awareness Campaign took place in December 2022 at different venues; the campaign was fully funded and included the promotion of Ushuni Wokhozi FM.

Good Hope FM

Good Hope FM launched a new brand identity on radio day, 13 February 2023 in Cape Town. The 58-year-old radio station's intent was to "identify the experiences, concerns, hopes and dreams that resonate with audiences, and to connect them with a station that is not only refreshing, distinct, relevant, appealing and vibey, but also offers a substance that is solid and meaningful".

Thobela FM

The SABC's radio broadcaster Thobela FM has hosted its Gospel Music Festival on 17 December 2022 following a two-year hiatus due to COVID-19 outbreak. Scores of gospel music enthusiasts gathered at a local sports field in Polokwane where some of the genre's most popular artists entertained them. Thobela FM Gospel Festival attracted over 12 000 attendees and extended the audience reach with the event carried live on SABC+ Festive Pop-Up Channel and Thobela FM.

The station also initiated a digital gospel star competition in support of the Thobela FM annual gospel festival month. The competition opened ONLY for up-and-coming gospel artists and those who love gospel music. This competition assisted in driving traffic on to the Thobela FM digital

platforms and create awareness around the gospel festival as well as push ticket sales.

METRO FM

The SABC's biggest commercial radio station, METRO FM, announced the return of the much-anticipated music awards ceremony, the METRO FM Music Awards (MMAs) 2023. The glamorous awards ceremony is scheduled to take place on 06 May 2023. The MMAs comprises 20 categories and stringent requirement for albums, singles, and recordings eligible released between 28 February 2022 to 28 February 2023, the station received more than 900 submissions from the music industry. The METRO FM Heatwave returned with the ultimate summer experience that included four events in different regions.

Various radio stations executed the back-to-school campaign between January to March 2023, with METRO FM's back to school campaign for four (4) activations in Gauteng, Mpumalanga, Cape Town, and Durban.

5FM

The 5FM, 5 Drive team embarked on their greatest adventure, the '5 Drive Africa Tour'. The tour included a visit to Zambia and Zimbabwe. The tour focused on the unique stories told by the people of Zambia and Zimbabwe.

Munghana Lonene FM

The only Xitsonga radio station, Munghana Lonene FM hosted the 17th Xitsonga Music awards ceremony on Saturday, 5 November 2022 at Nkawkawa Stadium in Tzaneen. The awards were preceded by a Gala dinner aimed at increasing the station's brand awareness and visibility. The 2022 edition of Xitsonga Music Awards was themed "Vunanga ivutomi" (Music is Life).

Ligwalagwala FM

Ligwalagwala FM celebrated its 40th birthday with mall activations. These were day activations happening from 09h00 – 16h00. This was a way of taking the brand and the On Air Personalities to the people through outside broadcasts, activations and out of home campaign. The station also gave away R40 000 to one lucky listener to close off the birthday celebration.

Lesedi FM



The METRO FM Music awards ceremony.

Lesedi FM rolled out a brand campaign that was aimed at familiarizing the public and advertisers with the station offering and differentiating the brand from competing brands. The proposition focused on a regionalized brand campaign using the frequency of the townships/suburbs where the station has coverage.

Making every townships and suburbs a home of Lesedi FM Lehae la Lesedi FM with a tagline Moo o leng teng directed to individuals and group of people at work, playing or learning. Making Lesedi FM an accessible station that can reach you Where You Are This allowed for to localised content so that the audience brand affinity may grow.

The campaign incorporated a series of advertisement messages that share a single idea and theme which make up an integrated marketing communication. The campaign kept current listeners tuned in and was interactive enough to attract new listeners for six months.

Umhlobo Wenene FM

Umhlobo Wenene FM implemented a brand campaign that focused on establishing and reinforcing the station's core brand identity while increasing brand awareness and visibility. Various marketing activities like digital advertising, PR, social media promotions, events, and were executed.

The primary goal of these initiatives was to enhance brand recognition, recall, and affinity among the target audience. The station brand campaign included the brand promises of a true reflection of a great friend or friendship. The proposition was to depict a visual perspective of what a friend (uMhlobo) really is, whether in good or bad times, this friend shows up.

A friend that is consistent all the time. Just like characteristics of a true friend, the elements of the brand promises pointed towards positivity and to one's betterment. The brand campaign was executed for a period of six months.

VIDEO ENTERTAINMENT

SABC1

SABC1 launched a marketing campaign that focused on promoting the brand and product offering. The Summer campaign assisted in acquiring lost audiences and regaining the trust of audiences that consume the platforms. The SABC1 summer campaign was based on aligning with the youth and being switched on to the culture. The brand introduced the 'SABC1 siON' campaign and highlighted TV shows of the likes of Uzalo,



VE Marketing showcasing their entertainment offerings during the "Get ready for Summer activation"

SABC+ app through the Hisense VIDAA Smart TVs and mobile devices in time for the FIFA World Cup Qatar 2022 on 20 November 2022.

The launch included an internal marketing in a form of staff activations at the head of office and regional offices. As the staff are a big part of the SABC brand, therefore it was important that each employee understood the organisation's direction and vision and really believed and lived the SABC+ brand. The App was promoted to customers using a cohesive and seamless experience through interaction with the SABC+ brand on various paid, owned and earned marketing channels, or in person.

SABC Education

SABC Education embarked on a campaign to congratulate the Class of 2022. The campaign was to motivate the students to chase their dreams during trying circumstances. The objectives of this campaign were to congratulate the matric class of 2022 and to encourage the new matriculant incumbents and align and promote all education initiatives with the SABC Education brand. SABC Education continued with the campaign titled SABC Education – Life University.,

SABC TV Licences

SABC TV licences carried a campaign titled 'SABC TV Licences creating memories. This campaign line was introduced to highlight the emotional connection the audiences have to the brand from all the broadcast spheres that exist within the SABC.

SABC Sport

The FIFA World Cup 2022 Qatar was a marketing priority for the organisation. The FIFA World Cup rights were an important acquisition for the Sport Division as this event is the most watched Sport event globally. These rights included both the Men's and Women's World Cup tournaments. Through this event, a successful Through-The-Line marketing campaign was developed to creating a creative campaign aimed at positioning the SABC's summer content offering, inclusive of the greatest football event in the world, catering for all the SABC audiences.

SABC Sport delivered an integrated brand campaign for the FIFA World Cup characterised by experiential on the ground activities and an integrated approach to ATL that was focused on driving awareness and appointment viewing. For this World football spectacle, SABC embarked on a series of events to create awareness of the SABC broadcast plans. An internal activation for SABC staff members marking 100 days to go to the tournament was implemented and a music video for the theme song Sisonke with musical group Mafikizolo was launched.

Other activities included key local campaigns around the Soweto Derby and Carling Black label, PSL, Hollywoodbets Women's Premier Soccer

Generations The Legacy, Ubettina Wethu, #IssaVibe and music and movie specials.

The SABC1 campaign titled SABC1 On Lock, held the promise that the channel delivers content that is on the pulse and relevant. The content offering that formed part of the communication to audiences was as follows: Dance Yo Dumo, 13 Weeks To Find Mr Right, Heavy Hitters, Igumbi Lamakhosikazi, Wedding Chefs, Squad Goals and HotSpotSeli.

In the last quarter of the fiscal, SABC1 continued with the campaign line siON, speaking to being switched on to the current content offering on SABC1. The campaign placed emphasis on the new shows and new seasons introducing Zahara – As I Rise, Ubettina Wethu, Ushuni ka Maskandi, Plate It Up, the METRO FM Awards 2023 and the signature soapies on the channel.

SABC2

SABC2 launched a campaign that communicated the brand's core values, key messaging, and used various marketing activities that effectively reached their target audience. The brand introduced a new campaign line – 'It's Family Time' in the last quarter of the fiscal. This was a call to audiences to always have a piece of home always close by. The shows introduced as part of the campaign were Vimba, Giyani – Land of Blood, Pale Ya Kosa, Top Chef Family Style, Celebrity Game Face, and the signature daily soapies.

The SABC2 campaign titled 'SABC2 All' aligns to the channel from a family and being inclusive from a platform perspective. The shows that were highlighted as part of the communication were as follows: Muvhango, 7de Laan.

The SABC2 summer campaign was based on the family and how the family comes together, introducing 'SABC2 Come Blom with us, ke Summer' and highlighting the following shows Morning Live, Gospel Classics, Majakathata, 7de Laan, Muvhango and music and movie specials.

S3

S3 created and implemented two impactful branding campaigns that truly resonated with viewers and advertisers. The two primary goals of the marketing campaigns were to increase brand awareness and improve revenue while leaving the audience with lasting positive impressions. This campaign was implemented using an integrated marketing communications approach.

SABC+

SABC launched an OTT streaming platform on 17 November 2022, known as SABC+. The SABC+ streaming App provides 19 radio stations and three free-to-air television channels, SABC1, SABC2, S3, as well as the SABC Sport Channel and its 24-hour News channel. The streaming service App was launched in partnership with the global consumer electronics and home appliances group, Hisense, as the distribution partner for the

League and Red Bull Dance Your Style, all anchoring SABC Sport as the home of sports in South Africa.

The focus for the year for SABC Sport marketing was also on the year of Women in Sport in South Africa, with the leading campaign, #GAMECHANGER which celebrates all the female events from international to local. In March 2023, SABC Sport kicked off the month with obtaining the television rights to broadcast the ICC Women's T20 World Cup Final between SA and Australia 24 hours before the event. SABC Sport hosted two SAFA Squad announcements, The FIFA Women's World Cup trophy tour was carried live in studio on Morning Live.

The Cape Flats 7's tournament hosted at Athlone Stadium in Cape Town between 2 and 4 September 2022, was a Youth Rugby 7's event co-ordinated by the SABC's Cape Town regional team and assisted by SABC Sport. SABC Sport hosted the SAFA Men's team Announcement for their friendly match at Studio 1 on 3 September 2022 and a hosted a press conference for external media.

SABC Sport hosted a live production for the Banyana vs Brazil game on 2 September 2022, at Orlando Stadium.

SABC was also the official broadcaster of the Redbull Shayi Moto on 3 September 2022 at Wheelz n Smoke in Johannesburg. It was broadcast live on the SABC Sport Channel and social media. Over 30 000 fans joined online to view it live on SABC Sport's Facebook page.

SABC Sport was the host media partner for the All Sport Expo held in Cape Town between the 9th - 11th September 2022 at the CT ICC. This was a trade partnership event, which provided high-quality brand exposure opportunity as well as a revenue share on ticket sales. In addition, SABC Sport had a live public viewing of a Bundesliga Game (Bayern Munich vs VB Stuttgart), and SABC Sport's expo stand was created to give the expo goers an SABC Sport experience with live commentary sessions, Video Entertainment and radio interviews, Playstation 5 Competition - SABC Sport received great exposure across print, TV, radio, social media.

A live Memorandum of Understanding (MOU) signing with Boxing SA was conducted in studio, on 22 September 2022. SABC Sport and Boxing SA will be doing 12 Fights in year one then building up to 36 fights per year to promote its boxing partnership.

SABC Sport officially launched the football campaign for the 2022/2023 season with the OOH campaign - Bundesliga, English Premier League, PSL, Hollywoodbets Women's Super League, FIFA Women's Cup, Soccer Zone - Billboards, Wall Murals, and Taxi branding across South Africa.

In its efforts to support developmental sport, a football Clinic featuring 100 children was hosted in partnership with UJ Sport facilitated by celebrity

Coaches such as Dane Klate, Moneeb Josephs, and Coach Dunga. www.sabcsport.com and Bundesliga stations were activated during the quarter under review to promote the football offerings on SABC Sport. The Sports marketing also focused on promoting various tournaments and events in this last quarter with various weekly promotions which include Weekly Banners, Promo's on TV, Radio, and digital platforms.

COMPLAINTS

During the fiscal year under review, the SABC received various complaints categorised into two main categories, namely: direct and indirect complaints. The Direct complaints are regarded as those that are directly received by the SABC without the involvement of regulators whilst indirect complaints are received from entities like ICASA, BCCSA and ARB.

BCCSA MATTERS

Of the forty-one (41) cases against SABC services finalised by the Commission for the period under review, thirty-eight (38) were dismissed and three (3) were upheld. The upheld complaints can be summarised as follows:

- This relates to inappropriate content from the show called The Survivor's Remorse broadcast on S3 at the time when a high number of children are expected to be watching.
- The matter relates to an inappropriate comment by a presenter on SAfm which the Commission found to be encouraging people to take the law into their own hands.
- The last one was about a news report on the News Channel that was found not to have afforded the respondent an adequate right of reply.

DIRECT COMPLAINTS

The SABC received 2 300 direct complaints which were referred to the relevant departments for their attention.

PRESS COUNCIL

The University of Pretoria lodged a complaint with the Press Council pertaining to an article by SABC Sport. The matter was closed by the Council without any finding.

The SABC was willing to correct the article in question and the Corporation through the Press Council afforded the University a right of reply however this was not adhered to.

STAKEHOLDER ENGAGEMENT

SABC's viability and financial sustainability is highly dependent on creating relationships with stakeholders. As such, the objective of sound Stakeholder Relations, is to engage stakeholders in a more inclusive and continuous manner for the benefit of the SABC and its stakeholders. The objectives of the engagements with stakeholders throughout the fiscal was to share the SABC's turnaround plan progress, key milestones achieved and how the SABC seeks to achieve its important public service mandate.

In addition, the engagements further focused on building on the existing relationships with key stakeholders and continued to enhance them further, cultivate new relationships and instilled a culture of information sharing and transparency with the aim of building trust and inclusivity.

Therefore, the engagements throughout the fiscal year under review have varied amongst several stakeholder categories and have continued to shape and pave the way for improved cordial relationships with the SABC.

During the period under review, stakeholder relations department had a total of 61 engagements. This was against an annual target of 44 for the year.

The engagements were across several stakeholder categories, namely: Government (Independent Constitutional Bodies), Government (Provincial Entities), Government (Various National Departments), Government (NPO), NGO's, Industry Stakeholders, Media Organisation/Agencies, Social Partners and Business Partners. Key stakeholders such as the public, SABC staff members were prioritised.

PUBLIC

A much more concerted effort to keep the public informed was demonstrated as the Media Relations Unit solicited opportunities to keep the public informed about developments within the SABC or in response to topical issues that are of public interest. In total, 77 media statements were released, and 149 media enquiries responded during the reporting period, by Corporate Affairs and Marketing.

The public was mainly engaged through issuing of media statements communicating key organisational activities and announcements such the SABC's radio line-up changes, acquisition of the FIFA World Cup broadcasting rights for both Men and Women Tournaments, the launch



Engaging with stakeholders.

of the SABC's first OTT streaming platform, SABC+ and the launch of the first SABC brand campaign since 2016.

These opportunities included interview requests, article write ups and placing several opinion pieces to position the SABC's work in a good light. Continuous efforts to keep the public informed throughout the fiscal were implemented with several media engagements, which not only foster good working relationships with external media partners but aims at receiving positive coverage and representation of the SABC in the media space.

Key organisational projects required media relations, to garner publicity in the media and awareness in the public. The media launches of the corporation's streaming service SABC+ and METRO FM Music Awards 2023, and interviews on the SABC Brand Campaign, are key projects that Media Relations managed to gather strategic media, to ensure positive and wide coverage of these strategic projects.

In addition, good news stories centred on the public broadcaster's programming and platforms were continuously communicated to the public through the media, in the form of media statements, interviews and articles and opinion pieces on the SABC's Media Blog on the corporate website.

These stories included the SABC Women's Month Campaign, which focused on brining attention to some of the women leaders in the organisation, as well as celebrating external and internal media colleagues who were nominated in the Basadi in Music Awards. The

announcement of corporation's radio station line-ups, the launch of the African Language News Channel, as well as the SABC acquiring rights to the FIFA World Cup Qatar 2022 and FIFA Women's World Cup, were other key announcements made by the organisation.

GOVERNMENT RELATIONS

One of the key focus areas for the SABC during the period under review was to ensure that the Corporation continues to strengthen its relations with Government. The SABC continued to amplify its efforts to strengthening relations with Government entities at both national and provincial level, as one of the focus areas during the period under review. Throughout the fiscal, the SABC seized every opportunity to further cultivate its relationships with various Government entities. These included Government departments, as well as various SOEs at both National and Provincial level.

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 was also co-opted into the Stakeholder Forum chaired by the DCDT. The forum is comprised of representatives from all the SOEs the department is responsible for and provides a platform for robust engagement and information sharing, thus ensuring that relations yield the intended results.

SABC EMPLOYEES

During the year under review, the Internal Communications department amplified its efforts to conceptualise and craft content for the Employee Engagement programme, which is aimed at boosting staff morale and promoting organisational stewardship. The key activities centred at serving as a critical driver of organisational performance to inspire employees to embrace the organisation's vision and mission involved the GCEO's round table discussions, GCEO's bi-weekly letters, Vlogs, staff rediffusion sessions were embarked on.

Several awareness campaigns were also rolled out to keep staff informed on important societal issues such as human rights, Freedom Day, Breast Cancer month, Disability Rights Awareness month and 16 days of Activism.

REGIONAL STAKEHOLDER RELATIONS

Ongoing stakeholder relations efforts continued with regional partners in support of the provincial Regional Operations Managers' strategic objectives.

The division, in partnership with SABC sport and the SABC Western Cape office, launched the Cape Flat 7s Rugby tournament for schools in the Cape Flats. The SABC cemented its relationships with the City of Cape Town through the events and expanded its stakeholder base in the Western Cape region.

To keep the regional stakeholders informed, key information was shared through various media statements such as the announcements of the new radio line-ups and schedules for all the SABC radio stations based in the regions.

Provincial staff events around the launch of SABC's new OTT platform rolled out in provinces.

PARTNERSHIPS

Key strategic partnership agreements were concluded during the fiscal with the following stakeholders:

- Pan South African Language Board (PanSALB)
- Film and Publications Board (FPB)
- The Commission for the Promotion and Protection of the Rights of Cultural, Religion and Linguistic Communities (CRL Commission)
- Media Monitoring Africa (MMA)

ACHIEVEMENTS AND AWARDS

SABC employees and programming continued to be recognised in the industry for their excellent and quality content. This was attested by a string of awards received in the financial year under review:

CORPORATE

The South African Broadcasting Corporation (SABC) was ranked first in the category of 'Government Enterprises: State Owned Enterprises (SOEs) at the 11th edition of the annual Top Companies South Africa (TCSA) Reputation Index Results.

RADIO

- PBS Station of the Year - SAfm
- PBS Afternoon Drive Presenter - Radio 2000: Glen Lewis
- PBS Afternoon Drive Show - Radio 2000: The Glenzito Super Drive
- PBS Breakfast Show Presenter - Lotus Fm: O'neil Nair
- PBS Breakfast Show - Radio 2000: The Take Off
- PBS Community Project - Lotus Fm: Breakfast Express Making Lives Better
- PBS Content Producer - Ligwalagwala Fm: Tfokomala Nami Charles Mnisi
- PBS Daytime Show - SAfm: The Talking Point
- PBS Music Show - RSG: Intune
- Commercial Station Show - METRO FM: Top 40
- PBS News and Actuality Show - Umhlobo Wenene Fm: Isikhokelo Kwezemfundo
- PBS News Bulletin Reader - Tru FM: Bongiswa Baliti-Mantakana
- PBS Night-Time Show - SAfm: The Art of Everything
- Commercial Station Show - METRO FM: The 4am Club
- PBS Promotions Stunt/Event Campaign - Motsweding FM Lesedi FM and Motsweding FM Birthday Simulcast
- PBS Sports Show - Radio 2000: Sports Night Live With Andile
- PBS Station Imaging - Motsweding FM
- PBS Weekend Radio Show - Ligwalagwala Fm: Temakwaya: Choral Classic and Opera Music



Royalty Soapie Award winners

- Bright Star Inductees - Asakhe Ngxonono
- Hall of Fame Inductees - Siphiso Magod

SABC SPORT

A silver award for the best sport promo for the #Weloveithere Football campaign at the Promax Africa awards.

SABC NEWS

- The Media Gold Award - Most admired media brand in Lesotho
- First place for a Pan South African Language Board (PANSALB) Multilingualism Media Award. - Leihlo la Sechaba (TV Current Affairs show)
- Standard Bank SANEF Sikuville Award for Best Community Stories Nomvuyo Ntanjana, Senior Producer of Stories Untold
- SANParks' Kudu Award for Best Television News Coverage - Ulrich Hendriks in recognition of his work on the Augrabies Falls flooding and his fascinating look at plant poaching in the Northern Cape
- Radio Awards' best PBS News Bulletin Reader- Bongiswa Baliti-Mantakana
- SADC National TV Journalist award Zinhle Mugabe for the Twilight people story on Special Assignment.
- Rhodes University's 50 Journalism and Media Studies Distinguished Alumni Awards - Angie Kapelianis, Deidre Uren, Sherwin Bryce Pease and Minoshni Pillay.

- Named in the most Influential 100 Under 40 list for 2022 - Bongiwane Zwane
- MIPAD Recognition and Awards Ceremony - Hall of Fame Award: Ms. Megan Lubke received the as Executive Producer in primetime, for The Full View.

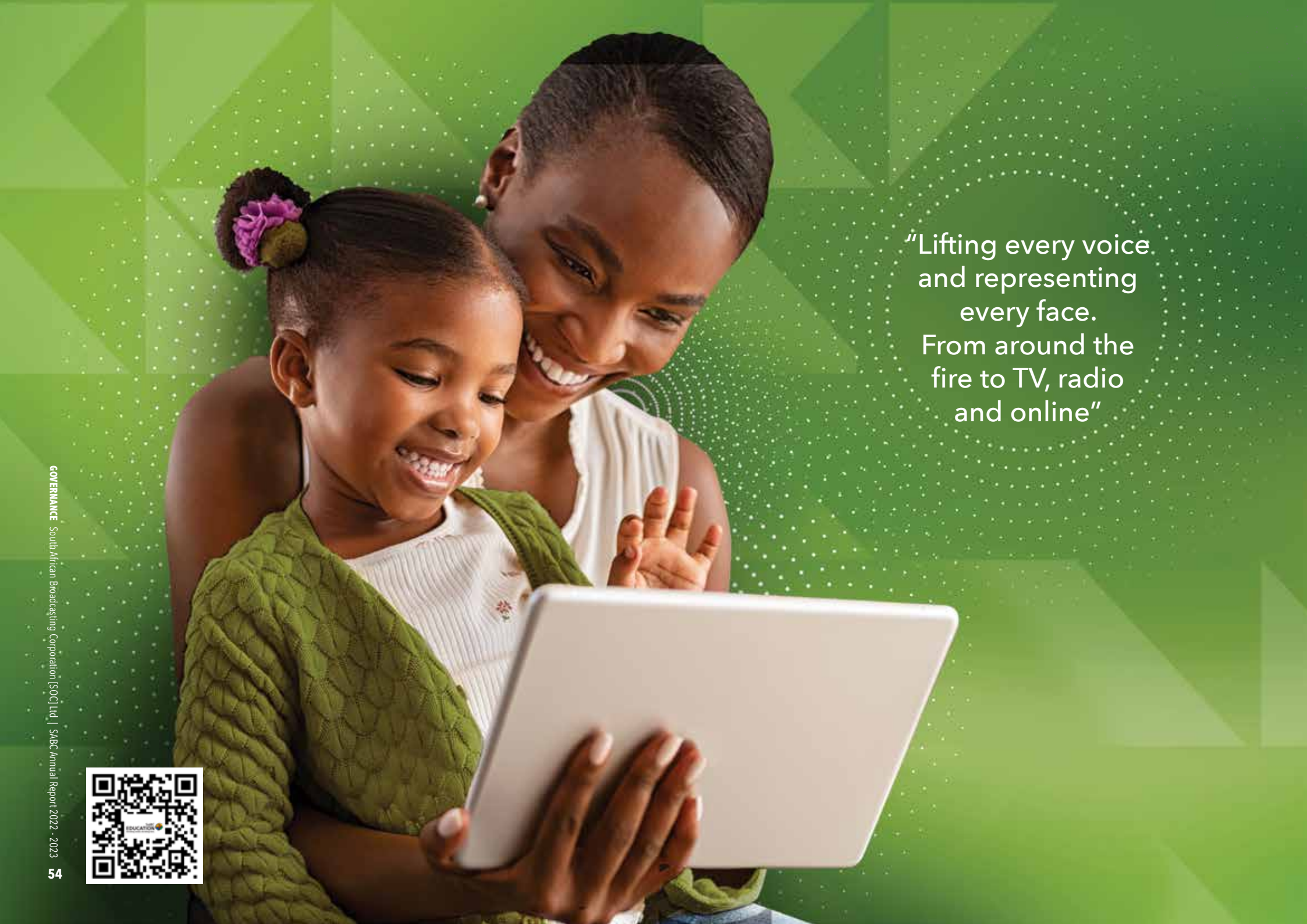
VIDEO ENTERTAINMENT

Royalty Soapie Awards

- Best Art Director - Ubethina Wethu
- Most watched - Uzalo
- Most Popular Soap - 7de Laan
- Outstanding Female Vilian - 7de Laan

South African Film and Television Awards (SAFTAS)

- Best Actress - Generations
- Best Educational Programme - Kick It
- Best Achievement in Make-Up and Hairstyling - African Dreams
- Best Variety Show - The Braai Show with Casper
- Best Youth Programme - The Kingdom
- Best Children's Programme - Siyaya Come Wild with Us
- Best Competition Reality Show - The Taste Master SA
- Best Entertainment Programme - Musiek Roulette
- Best Achievement in Sound: Murder in Peace



"Lifting every voice
and representing
every face.
From around the
fire to TV, radio
and online"



GOVERNANCE

GOVERNANCE AND ACCOUNTABILITY

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 three (3) occasions:

- 3 May 2022
- 30 August 2022
- 11 October 2022
- 7 March 2023
- 14 March 2023

On 30 March 2023, the Portfolio Committee on Communications visited the SABC.

Standing Committee on Public Accounts (SCOPA)

During the year under review, the SABC appeared before SCOPA on 23 November 2022.

NCOP's Select Committee on Public Enterprises and Communications

During the year under review, the SABC appeared before the NCOP's Select Committee on Public Enterprises and Communications on 12 October 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 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 (1) meeting with the Ministry of Communications and Digital Technologies during the period under review on the following dates:

- 1 April 2022

**Commitment
embraced at all
levels of the
SABC.**

**EVERYWHERE
FOR EVERYONE,
ALWAYS.**



Chairperson of the Board interacting with SABC Staff during rediffusion.

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 in order 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;
- 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 (DoA)

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 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 Delegation of Authority 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). The SABC Board underwent an independently facilitated formal self-evaluation of its performance and an appraisal of its directors and committees from the 25th of February 2022 to the 4th of March 2022, and the outcome thereof presented to the Board on 12 May 2022. Performance Contracts were finalised with Executive and Senior Management. The Governance and Nomination Committee is responsible for the evaluation of Executive Management. Performance Contracting is being implemented throughout the SABC.

REPORT OF THE SABC BOARD FOR THE FINANCIAL YEAR ENDING ON 31 MARCH 2023

The Board of Directors is pleased to present the 86th Annual Report of the South African Broadcasting Corporation SOC Limited for the financial year ended 31 March 2023.

The Annual Financial Statements comprise the consolidated annual financial statements of the Corporation and its subsidiaries, (together referred to as the group), and of the Company for the year ended 31 March 2023.

These Annual Financial Statements are presented in accordance with the Companies Act No. 71 of 2008 (as amended), the Broadcasting Act No. 4 of 1999 (as amended), the Public Finance Management Act. No. 1 of 1999 (as amended), and in accordance with International Financial Reporting Standards.

It is important to register that during the reporting period the following changes were made to the Board:

- Dr R Horne, a Non-Executive Director was appointed on 15 June 2022 until 15 October 2022 when the term of the Board expired.

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 five (5) Board meetings during the reporting period is reflected below:

Board	Total
Mr B Makhathini (Chairperson)	5
Ms M Mohlala-Mulaudzi (Deputy Chairperson)	5
Prof S Cooper	5
Mr DK Mohuba	5
Mr J Phalane	5
Mr M Markovitz	5
Ms M Papayya	5
Dr R Horne ¹	2
Ms J Patel	5
Adv B Lekalakala	5
Mr D Maimela	5
Dr M Socikwa	4
Mr M Mxakwe	5
Ms Y van Biljon	5
Mr I Plaatjes	5

¹ Appointed on 15 June 2022

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

With regard to 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 of three independent

Non-Executive Directors, who are 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 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 co-ordinated 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 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 72 for the report of the Audit and Risk Committee detailing how it carried out its functions.

Three 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)	3
Adv M Lekalakala	3
Dr M Socikwa	2
Mr S Maharaj ¹	2
Mr M Mxakwe	3
Ms Y van Biljon	3
Mr I Plaatjes	3

¹ Appointed on 8 March 2022 as an Independent Advisor to the Audit and Risk Committee

Digital Technology Committee

The Digital Technology Committee comprises five independent Non-Executive Directors and is chaired by an independent Non-Executive Director. The Committee assists and advises 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 of 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 is able to deliver on its broadcasting objectives.

Two Committee meetings were held during the financial year. These were attended by the GCEO, CFO, COO and other relevant corporate officials. The attendance of Members at Committee meetings was as follows:

Digital Technology	Total
Mr M Markovitz (Chairperson)	2
Mr J Phalane	2
Dr R Horne ¹	1
Mr D Maimela	2
Dr M Socikwa	1
Mr M Mxakwe	2
Ms Y van Biljon	2
Mr I Plaatjes (4)	2

¹ Appointed 15 June 2022

Finance Investment and Procurement Committee

The Finance, Investment and Procurement 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 shall be responsible to:

- 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.

Six 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 the Committee meetings was as follows:



SABC GCEO, Mr Madoda Mxakwe receives the certificate for the Localisation Commitment Pledge at the Proudly SA Presidential Dinner.

Finance, Investment and Procurement	Total
Mr J Phalane (Chairperson)	6
Mr M Markovitz	6
Mr B Makhathini	6
Dr R Horne ¹	3
Mr M Mxakwe	6
Ms Y van Biljon	6
Mr I Plaatjes	6

¹ Appointed on 15 June 2022

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;



SABC Staff engaging leadership during rediffusion.

- 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 Communications and Digital Technologies shall be informed accordingly.
- 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 and Digital Technologies.
 - 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-Ex-

ecutive 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 consider 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 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;
- Review and evaluate regularly 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 effectively and efficiently promote the best interests of the Corporation by appropriately balancing the interests of its stakeholders:

- the Board's relevant knowledge and proficiency to be effective in its role;

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

- the Board's empowerment to make decisions and act independently of management and other Corporation stakeholders;
- the Board's diligence and attentiveness in applying governance best practices and responding to the requirements of the business;
- the Board's involvement in setting the Corporation's strategy and monitoring its execution;
- the Board's oversight and monitoring of management, and planning for management succession;
- the Board's 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.

Two Committee meetings were held during the financial year. The attendance of members at the Governance and Nominations Committee meetings was as follows:

Governance and Nomination	Total
Mr B Makhathini (Chairperson)	2
Ms M Mohlala-Mulaudzi	1
Adv M Lekalakala	2
Prof S Cooper	2
Ms M Papayya	2
Mr D K Mohuba	2

Human Resources and Remuneration Committee

The Committee comprised four independent Non-Executive Directors and was 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 is 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;
 - the Group's compliance with 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.

Two 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 the Committee meetings were as follows:

Human Resources and Remuneration	Total
Adv M Lekalakala (Chairperson)	2
Mr DK Mohuba	2
Ms J Patel	2
Mr D Maimela	1
Mr M Mxakwe	2
Ms Y van Biljon	2
Mr I Plaatjes	2

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 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 curric-

ulum-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 contributing 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;

Two 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:

PBS	Total
Prof S Cooper (Chairperson PBS)	2
Ms M Mohlala-Mulaudzi	2
Ms M Papayya	
Mr M Markovitz	4
Mr M Mxakwe	2
Ms Y van Biljon	2
Mr I Plaatjes	2

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;



Behind the scenes with Lesedi FM.

- 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;



Ms Leanne Manas on being bestowed the Chevalier de l'Ordre national du Mérite (Knight of the French National Order of Merit), in recognition of her immense contribution to journalism.

- 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 to R200 million, and which has been submitted to it for consideration by the EXCO;

- 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 way 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).

Two 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:

PCS	Total
Ms M Mohlala-Mulaudzi (Chairperson PCS)	2
Prof S Cooper	2
Mr M Markovitz	2
Ms M Papayya	2
Mr M Mxakwe	2
Ms Y van Biljon	2
Mr I Plaatjes	2

News and Editorial Committee

The News and Editorial Committee comprises four 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:

- 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.
- Assist the Board to guide the 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.

- 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

Two 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)	2
Mr D Maimela	2
Dr R Horne ¹	1
Dr M Socikwa	1
Mr M Mxakwe	2
Ms Y van Biljon	2
Mr I Plaatjes	2

¹ Appointed on 15 June 2022

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, about 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 are an integral part of the business strategy, day-to-day operations, and organisational culture;
- The United Nations Global Compact Principles are incorporated in the decision-making processes of the Board;
- The Corporation advances the United Nations Global Compact Principles 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 Organisation 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.

Two 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 on the following page:

Social and Ethics	Total
Ms M Mohlala-Mulaudzi (Chairperson)	2
Prof S Cooper	2
Mr J Phalane	2
Mr D K Mohuba	2
Mr M Mxakwe	2
Ms Y van Biljon	2
Mr I Plaatjes	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 122 to 123.

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 legislations.

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 in order 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.

RISK MANAGEMENT

The SABC is committed to the optimal management of risks to achieve its vision, strategy and objectives and the protection of core values.

The SABC Board is committed to ensuring that the Corporation's values are aligned to promote greater risk accountability and awareness by ensuring that risk is managed effectively through an on-going process of identifying, evaluating, and treating. To assist with this requirement, the SABC Enterprise Risk Management Policy (ERMP), and Enterprise Risk Management Framework (ERMF) are aligned to:

- Public Finance Management Act No. 1 of 1999 (as amended by Act 29 of 1999) Section 51(1)(a)(i)
- National Treasury Regulation Section 27.2.1
- The principles of the King IV Report on Corporate Governance for South Africa™ (King IV™),
- The Public Sector Risk Management Framework as published by National Treasury in 2010
- International Standard Organisation (ISO 31000 Risk Management Standards).

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 is accountable to the Board for the identification of corporate strategic and operational risks, managing, implementing, and monitoring the process of risk management. The GCEO is also responsible for embedding risk management into day-to-day activities of SABC to enhance the achievement of objectives. The GCEO is responsible to provide the Board with a balanced assessment of the corporate strategic and operational risks facing the SABC and the status of the actions put in place to mitigate these risks.

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

Risk Management is about identifying and assessing key risks, designing, and implementing strategies and processes by which those risks can be managed, and finally, continual review of processes to ensure that risks identified have been mitigated to a level acceptable to the relevant stakeholders.

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.

INTERNAL CONTROL

The Board has the ultimate responsibility for establishing and implementation of Integrated Internal Control Framework (IICF). In terms of the Public Finance Management Act (PFMA), Section 51 (1) (a) (i), read with Treasury Regulation 27, the accounting authority must ensure that the SABC has and maintain an effective, efficient, and transparent system of financial and risk management and Internal Control.

The controls throughout the SABC focused on those critical risk areas identified by operational 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. Management with the assistance of the Internal Audit Department closely monitor the controls and actions that are taken to correct deficiencies as they are identified.

GROUP INTERNAL AUDIT

The organisation has found itself operating without a duly constituted Board for a period of more than five (5) months. Consequently, this had a direct impact in terms of governance and other key activities including policies and certain transactions as well as strategies which required board's approval.

Despite this unfortunate development, GIA was however not significantly impacted by the absence of the Board. The division was able to achieve the majority of its performance targets, despite having to contend with the vacancies that existed within the division.

The establishment and mandate of GIA are outlined in the PFMA section 50(1) (a) (ii), and GIA complies with section 76 and 77 of the Act. During the financial year under review, GIA operated in line with the reviewed Internal Audit Charter, duly approved by Audit and Risk Committee (ARC). During this period, GIA recorded an exceptional performance.

INTERNAL AUDIT ANNUAL PLAN

The table below demonstrates GIA's performance against the Annual Operations Plan (AOP) approved by the ARC:

Annual Performance Against the Plan	No
Planned audits	57
Outstanding audits from prior year	1
Ad-hoc management requests	9
Total audit projects	67
Actual Performance	
Planned projects completed	46
Ad-hoc projects completed	9
Work in progress	2
Projects deferred	9
Projects carried over from previous plan	1
Total Audit projects	67
Percentage of execution on planned projects	81%
Overall percentage of execution	84%

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-four percent (84%) progress was achieved against the approved Internal Audit Annual Plan for FY22/23.

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

Forensic Audit services and fraud prevention

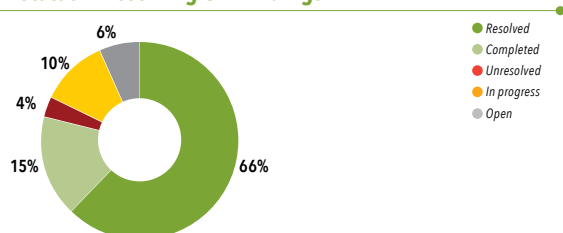
Throughout the fiscal period, the SABC adopted a zero-tolerance attitude towards fraud and as such, made great strides in establishing a policy and processes to report suspected dishonest or fraudulent activities and unethical behaviour with the aim of identifying and investigating suspected cases of 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, twenty-nine (29) cases were reported and recorded in the forensic case register during the year under review while twenty (20) Forensic investigations were planned to be finalised by 31 March 2023. Thirty (30) forensic investigations (150%) were completed resulting in an overall performance of overachievement. Twelve (12) forensic viewpoint newsletters were planned and ten (10) were issued resulting in an overall performance of 83% for the year under review.

Implementation of GIA recommendations

GIA provided adequate visibility and assurance to management regarding the status of recommendations, and this process ensured appropriate implementation of recommendations to address the control deficiencies identified by the auditors. As at end of March 2023, 81% (Resolved + Completed) of action plans to address Internal Audit findings were implemented for both Head Office and Regional Offices which is a significant improvement compared to a 77% achievement rate in the prior year. GIA conducted follow ups as continuous monitoring, and this proved to be a good control to persuade management on implementation of GIA recommendations.

GRAPH: Status in resolving GIA Findings



mendations. Timely implementation of recommendations is crucial to the improvement of the internal control environment.

Assessment of the Internal Control Environment (Overall)

Despite the absence of a Board for five (5) months, there was no regression in the internal control environment. During the period that the Board was in place, the Board, through management, continued to discharge its responsibility for the establishment of system of internal controls and 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.

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 has accepted unreasonable levels of risks.

Consulting services and Internal Audit (IA) as a strategic partner

GIA continued to prioritise itself as a strategic business partner and management's advisor. The 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. In addition, 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

According to the approved organisational structure, GIA has twenty-one (21) positions with three (3) positions; namely, Specialist: Performance Audit, Senior Internal Auditor and Digital Forensics Auditor remaining unfilled at the end of the financial year. The current staff consists of highly qualified and experienced audit professionals with qualifications such as MBA, Certified Internal Auditor (CIA) [5] Certified Information Systems Auditor (CISA) [3], Certified Fraud Examiner (CFE) [4] Certified Information Security Manager (CISM) [1] and one Registered Government Auditor (RGA).

Compliance with Laws and Regulations

As a public entity, adherence to sound governance principles is of utmost importance. To this effect, regular measurement against the Public Finance Management Act, King IV™ and any other act is conducted to ensure that deficiencies are identified, and corrective measures are im-

plemented. The PFMA focuses on financial management with related outputs and responsibilities.

The Directors, as the Accounting Authority, comply with their fiduciary duties as set out in the PFMA. In terms of the PFMA, the responsibilities of the Board include taking appropriate action to ensure that:

- Economic, efficient, effective, and transparent systems of financial and risk management and internal controls are in place.
- A system is maintained for rigorously evaluating all major capital projects prior to a final decision on each project.
- The implementation of appropriate and effective measures to prevent unauthorised, irregular, or fruitless and wasteful expenditure, expenditure not complying with legislation, or losses from criminal conduct; and
- All revenues due to the SABC are collected.
- The economic and efficient management of available working capital; and
- The definition of objectives and the allocation of resources in an economic, efficient, effective, and transparent manner.

In terms of the Treasury Regulations, the SABC's Accounting Authority must, for purposes of 'material' and 'significant' in terms of sections 54(2) and 55(2) of the PFMA, develop and agree a framework of acceptable levels of materiality and significance with the relevant Executive Authority.

In terms of Section 52 of the PFMA the Accounting Authority for a public entity must submit to the Accounting Officer for a Department designated by the Executive Authority for that public entity, and to the relevant treasury, at least one month, or another period agreed with the National Treasury, before the start of its financial year, a corporate plan in the prescribed format covering the affairs of the public entity for the following three financial years. In terms of TR 29.1.1 (f) such a corporate plan must include a materiality/significant framework.

The principles of the King IV Code of Corporate Governance for South Africa™ (King IV™), require that disclosure be made on matters of significance, interest and relevance to shareholders and a wide range of stakeholders. The Accounting Authority should establish guidelines of materiality for disclosure by the Corporation.



Leadership in attendance at the SABC's annual Staff Excellence awards.

FRAUD AND CORRUPTION

The Board is responsible for ensuring that an integrated crime prevention plan is implemented to minimise the risk and opportunity for crime and irregularities and fraud.

The National Treasury Regulations, Fraud Prevention plans, prevention and combating of Corrupt Activities Act, 12 of 2004 (PREECA) and the Public Finance and Management Act, 1 of 1999 (PFMA) are the input drivers for the development of SABC Anti-Fraud and Corruption Policy which position the SABC's stance towards fraud and corruption and the policy seeks to support the SABC's business and operational strategies, and the achievement of its public service mandate.

Anti-Fraud and Corruption Policy is to prevent and detect any instances of fraud, corruption, theft, and maladministration from taking place whether deliberate or in good faith. This policy further confirms the SABC's commitment to a culture of zero tolerance to fraud, corruption, and maladministration in all activities.

The SABC does not tolerate theft, fraud and corruption, maladministration, or any other dishonest activities of a similar nature. Such activities are investigated, and actions instituted against those found responsible.

Furthermore, actions may include the laying of criminal charges, civil and administrative actions and recoveries of losses suffered where applicable.

Appropriate prevention, detection, response, and investigative strategies are designed to guide implementation. These will include any existing controls (system controls and manual internal controls) and those currently prescribed in existing policies, procedures, and other relevant pre-prescripts to the activities of the SABC.

CODE OF CONDUCT

The SABC Board approved a revised Code of Business Conduct and Ethics. The aim thereof is to ensure that every employee of the Corporation shares in the same values and levels of accountability.

This policy is in the process of being rolled out throughout the Corporation. A code of conduct is a written set of rules that outline the acceptable behaviour and norms employees should follow within the SABC. A code of conduct is there to tell employees what is expected of them and should be linked to the SABC's values, mission, and principles. The code of conduct serves as a guideline for employees and sets the foundation for all SABC policies. A code of conduct is not a contract, nor does it replace policies. A code of conduct is used in conjunction with SABC existing policies.

MINIMISING CONFLICT

Companies Act, 2008, the Broadcasting Act, 1999, the Public Finance Management Act, 1999, all relevant SABC policies, including the Delegation of Authority Framework (DAF) and the SABC Supply Chain Management Policy outlines a suitable approach and response to the identification and management of conflicts of interest.

A revised Conflicts of Interest Policy was approved by the Board on 31 May 2022. The Conflict-of-Interest Policy is intended to deal with any situation giving rise to any conflict of interest that may bring harm to the SABC, be it financial, reputational, or negative findings by Courts or Chapter 9 Institutions in the Constitution of the Republic of South Africa, 1996. This Conflict-of-Interest Policy sets out the guidelines to the SABC Board, Management, all employees, and Fixed Term Contractors ("Responsible Persons") of the South African Broadcasting Corporation SOC Limited and its Subsidiaries (the SABC).

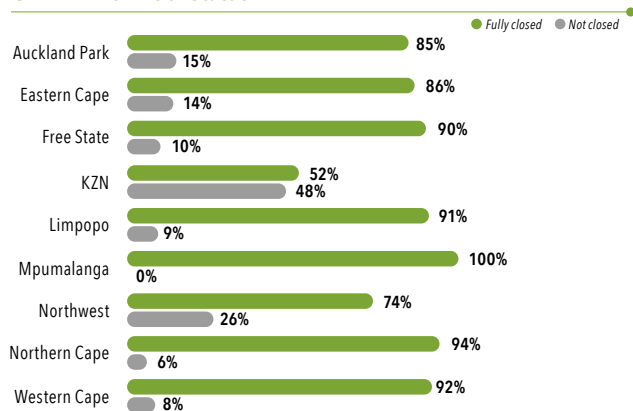
As part of the improvements in this regard, all employees are required to complete their declarations of interest online, which is forwarded to their line manager for approval.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety is a crucial aspect of the SABC's work environment and that can be seen in Management's commitment to provide and maintain an environment that is safe and free from hazards. Occupational Health and Safety is treated as a holistic approach which ensures that the employees, visitors, contractors and the public at large is protected against any adverse effects that might arise out of the SABCs operation. Special care is also taken to ensure that there is no environmental harm that is caused by the Corporation.

To ensure that the occupational hazards are identified, and the risks are effectively managed, the SABC conducts an annual OHS Legal Compliance in all of its premises, including the leased premises. The results of how the audit findings were addressed reflect the performance of the organisation and chart 1 below indicates performance of each office across the country starting from Auckland Park. It is followed by chart 2 which indicates the combined performance of the organisation in addressing the auditing finding. The green bars on the charts indicated the percentage of fully closed audit finding of the reporting period.

GRAPH: Provincial Status



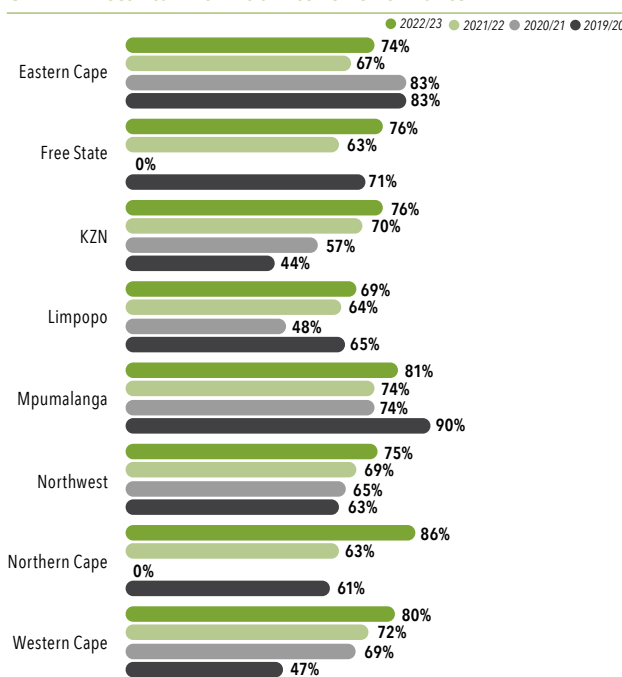
GRAPH: Organisational Performance



The annual OHS Legal compliance audit was conducted to establish how the organisation proactively addresses OHS challenges and define the

state of safety in which the corporation operates. The charts that follow also outline pro-active historical performance of the various offices of the SABC and the organisational performance.

GRAPH: Historical Provincial Active Performance



GRAPH: Historical Organisational Active Performance



It can be easily seen that there is a clear improvement in the performance of OHS functions by the SABC in all its office. The upward trend of improvement indicates that the organisation is taking seriously the well-being of the employees and ensures that every employee, contractors, supplier, visitor, and the public are not negatively impacted by its operations. This also means that legal compliance is maintained and penalties, business interruptions are eliminated or minimized.

Even though everything reasonable is done to avoid unwanted events, the organisation still experiences incidents which result in injuries or illness of the employees. The table below compares the number of incidents between the last two fiscal years.

Table: Total IOD - March 2023

Area	2021/22 YTD	2022/23 YTD	INDICATORS	
Auckland Park	7	8	1	↑
Eastern Cape	-	-	-	=
Free State	-	-	-	=
KZN	-	-	-	=
Limpopo	-	-	-	=
Mpumalanga	-	-	-	=
Northern Cape	-	-	-	=
Northwest	-	-	-	=
Pretoria	-	-	-	=
Western Cape	-	-	-	=
Total IOD	7	8	1	↑

From the above comparative trend table, during the period in review the IODs increased by one injury on duty compared to last year at the same time. It is imperative to note that all the incidents occurred in Auckland Park – the provinces didn't report any injury for the whole year.

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 2023, 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.

M. Salojee

Mr Mahmood Salojee
Acting Company Secretary

SOCIAL RESPONSIBILITY

DRIVING CHANGE THROUGH CORPORATE SOCIAL INVESTMENT

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, but bring long-term benefits to communities in which they operate.

CSI programmes that are aligned to the business have the potential to be more impactful, mainly because of access to internal resources and expertise. Initiatives carried out by SABC CSI for the period under review, were based on this premise and were able to yield the intended results, by fostering social cohesion and nation building, while delivering on the service public mandate of informing, educating, and entertaining the citizens of South Africa and beyond.

During the year under review, the SABC drove several CSI initiatives aimed at addressing South Africa's triple challenge of poverty, unemployment, and inequality.

SABC CSI intervened and assisted the province of KwaZulu Natal (KZN), following the devastating floods that hit the province. SABC CSI worked with the KZN Regional Operations Manager, its Fortune Combo radio stations Lotus FM and Ukhozi FM, to distribute the public service announcement messages from the KZN government to the communities that were affected by floods in Durban and surrounding areas.

As per the five organisational pillars, SABC CSI ensured that significant work is done through various Public Service Announcements (PSA), as well as several initiatives that were aimed and reinforcing the support of these pillars.

SABC CSI also finalised collaboration agreements with several Non-Governmental Organisations (NGOs). The agreements will be for a period of three years and are with the following organisations:



SABC CSI, alongside our various brands, on-air talent and Gift of the Givers, assist in various CSI initiatives

- Tears Foundation;
- National Council Of And For People With Disabilities;
- Lifeline Foundation;
- Association Of And For People With Disabilities;
- Girls And Boys Town; and
- Smile Foundation.

Orphan and Vulnerable Children (OVC)

SABC CSI received a letter from Lereko High School in Bloemfontein, which referenced three young girls who stay in an RDP house by themselves (Child Headed Household) under devastating conditions. SABC CSI contacted Gift of the Givers and Lifeline to assist, as the situation needs much more intervention and a lasting solution. SABC CSI also collaborated with Sizwe Kupelo Foundation and Umhlobo Wenene FM on Mandela Day, where a home was renovated and donated to three young

boys who stay by themselves near Umtata, in the Eastern Cape. The eldest of the three boys was only 13 years old and the youngest, seven years old.

Smile Foundation Collaboration

As part of the Health Pillar, SABC CSI collaborated with Smile Foundation on the handover of a burns unit/ward that took place in Robert Mangaliso Sobukwe Hospital in Kimberly Northern Cape.

Known for following through in all their endeavours to help young South Africans from disadvantaged families live more fulfilling lives, SABC CSI and Smile Foundation ensured that the second phase of the three-phase project was launched, offering additional facilities, rooms and wards to meet even more medical needs for the treatment of burns in children.

METRO FM Heatwave CSI Initiatives

SABC CSI supported its radio station METRO FM, in managing and co-ordinating the CSI leg of its Heatwave events across the country. SABC CSI took part in three of their six initiatives that needed more support in



The METRO FM heatwave has kicked off with a CSI at the Ithemba Recovery Foundation.

the following provinces: Gauteng, Free State and Western Cape., where In Phiri Soweto, they coordinated and executed a campaign at Ithemba Substance Recovery Centre, with the intention of getting the youth out of their drug addiction.

SABC CSI also conducted a disability project, where sewing material and sewing machines were donated to Kopanong Centre that is managed by the Association for People or Persons with Disabilities (APD).

SABC CSI coordinated two METRO FM Heatwave activations in the. Both campaigns were a success and an amount of R15 000 was donated to selected homes.

Back to School Campaigns

SABC CSI conducted a Back-to-School campaign in January 2023, and donated 60 laptops in three provinces namely, Free State Province, Limpopo Province, and Western Cape Province. In the previous fiscal, SABC CSI donated 60 laptops in Northern Cape Province, Eastern Cape Province, and Mpumalanga Province.

In all handover activities, SABC CSI collaborates and receives support from the organisation's provincial Regional Operations Managers' and respective radio stations in the regions. This support is imperative as the provincial offices know the areas better and can assist in finding the schools following CSI guidelines.

AUDIT COMMITTEE REPORT

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 2023.

Committee Charter

The Board's term came to an end in October 2022 and for the year under review the Board and its subcommittees served for seven (7) instead of the prescribed 12-month period. During this period, 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.

Our primary responsibilities included:

- Overseeing the financial reporting process, which encompass the examination of quarterly financial reports.
- Vigilantly observing internal controls and risk management procedures to mitigate financial and operational risks.
- Overseeing the external audit process, including the scope and results of the audit.

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 three times during the financial year to fulfil its responsibilities. Each meeting was attended by Executives and relevant assurance providers where robust discussions were held.

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.

Particular emphasis was placed on agenda items introduced to tackle the results of audits, which encompassed internal controls, supply chain management, and consequence management.

Dedicated meetings were conducted with both internal audit and the Auditor-General. This has contributed to fostering a constructive and transparent relationship with these critical assurance providers.

The Committee assessed the sufficiency and efficiency of SABC's internal control system policies and procedures. This evaluation was based on an examination of the work conducted by internal audit, external audit, and routine reports from management, covering aspects such as risk management, regulatory compliance, ICT governance, and legal affairs.

External Audit

The Committee has satisfied itself that the Auditor-General South Africa was independent of the SABC. The Committee granted its approval for the engagement letter, audit strategy, and budgeted audit fees for the fiscal year 2022/2023.

Internal Audit

The Committee exercised vigilance and oversight over the internal audit function.

The Committee granted approval for the risk-based internal audit plan, ensuring its comprehensive coverage of core financial and operational processes within SABC. Additionally, the Committee received reports detailing the outcomes of internal audit activities. These reports facilitated discussions on areas pinpointing opportunities for control enhancements and the assessment of the progress made in executing management actions. Internal audit reports highlighting critical issues were directed to the relevant sub-committee for ongoing monitoring. Furthermore, the internal audit successfully conducted IT Audits and responded to incidents reported via the whistleblowing hotline. The Committee expresses satisfaction with the level of assurance provided by the internal audit up to October 2022.

The Committee diligently oversaw the structure of the internal audit function and considered resource requirements as deemed necessary.

Risk Assessment and Internal Controls

The Committee placed a strong emphasis on evaluating the efficiency of risk management procedures and internal controls. There was close collaboration with the management team to pinpoint and mitigate potential risks.

Audit Action Plan

The Committee has continued to prioritize its role in overseeing the resolution of audit findings.

A comprehensive audit action plan is compiled for submission to the Minister and is reviewed quarterly. The Committee expressed contentment with the enhancements made in implementing action plans that management had pledged to undertake. Notably, substantial headway has been made in rectifying audit findings identified by external auditors.

Internal Control Assessment

The Committee sought confirmation from management that they are



One of the images of our Corporate Brand campaign.

**EVERYWHERE
FOR EVERYONE,
ALWAYS.**

actively addressing control issues identified by independent assurance providers. This inquiry was reiterated during each meeting to verify the proper execution of agreed-upon action plans.

There is a need to continuously strengthen procurement and contract related controls.

Drawing upon the impartial and unbiased assurance reports furnished by both internal and external auditors, as well as those from management, the Committee opines that there is a need for moderate to substantial improvement in internal controls. While management has been proactive in addressing control deficiencies, there is a call for a more expedited response.

Policies

ARC monitored the project plan to bring the SABC policies up to date. A substantial number of policies were revised or prepared that were reviewed by ARC and recommended for approval to the Board.

Consequence Management

Progress report on the implementation of consequence management served at ARC on a quarterly basis. The loss control committee has been

revived and has gained momentum in addressing matters. The effectiveness of consequence management, as it pertains to prior years, is less than ideal.

Going Concern

Despite the cost containment measures and policies introduced for generating revenue the sustainability of SABC is under pressure as revenue has declined significantly and there is little progress on creating content.

The Committee oversaw the matters related to the sustainability of SABC in the future, specifically focusing on financial difficulties. The Committee shares the same perspective as the one put forth by management and assessed by external audit, affirming that the utilization of the going concern assumption when preparing the annual financial statements is justified.

Gratitude

I wish to extend my appreciation to my fellow Board members, committee colleagues, the executive management, and their dedicated teams for diligently executing their roles and duties, and for their unwavering commitment to fulfilling the Committee's mandate.

SABC for Everyone, Always

Despite the numerous challenges that the Corporation encounters, I hold the belief that the Board and management's resilience, combined with the strengthening of controls, effective risk management, and the pursuit of strategic opportunities, will secure its long-term sustainability and ensure a SABC for Everyone, Always.

Ms Jasmina Patel
Chairperson of the Audit and Risk Committee

"We weave our stories and songs to echo around the world."



HUMAN RESOURCES

During the period under review, the Human Resources' focus was on people development. As a result, a competency library was developed for the organisation and a series of programmes were developed and implemented, in alignment with the competencies identified as essential to the SABC. This was done with the goal of building a competent workforce.

To ensure flexibility in the SABC's benefit offering, various benefits including the Medical Aid and Group Life benefits, were reviewed. A Value Medical Aid option was introduced to employees. A flexible Group Life option was also developed and deployed to address differing needs among employees.

The Excellence Awards continued to recognise employees' achievements and contribution to the success of the organisation. The goal of this program is to build morale among employees, and it has been enthusiastically received by them. A gala event is once again planned to announce the winners.

A culture of performance has now been established in the SABC with the completion of the first automated performance cycle. Employees are acknowledging the importance of performance measurement with their committed participation in this programme. Performance contracting was done, mid-year reviews were conducted, and final ratings were concluded timeously.

The lower number of disciplinary hearings and grievances lodged can be seen as a sign of the improved morale amongst employees. Employee Relations focused on improving relations with all stakeholders through regular interactions and consultations on all HR matters.

The SABC's Talent Management framework is aimed at developing a workforce that is as productive as possible and likely to stay with the organisation long term. Talent Reviews are conducted bi-annually to ensure the identification of candidates with potential to move to the next level for succession purposes.

To develop new talent an internship programme was executed. Interns were recruited across the organisation in various roles. The interns were mentored and coached during the internship to ensure skills development. On conclusion of the internship several interns were absorbed into permanent and independent contractor roles.

Human Resources remains committed to delivering on the strategic direction of the SABC.

Performance against Corporate Plan:

HR PRIORITIES FOR THE YEAR UNDER REVIEW

Performance Management

The SABC leadership has bought into the importance of driving performance to ensure the organisation achieves its goals. Performance Management is driven from the top with Leadership ensuring that all employees adhere to the performance management requirements. The SABC achieved a 95% completion rate of Performance Agreements across the organisation.

Workplace Skills Plan

With the focus on people development, the SABC Workplace Skills Plan (WSP) and Annual Training Plan implementation target was achieved with a success rate of 64%. The Human Resources team will build on this achievement going forward to ensure employees obtain the necessary skills to ensure a successful SABC.

Framework and Strategy to Attract and Retain a Desired Workforce

Human Resources actively strengthened the SABC's employer reputation and culture by creating an environment that supports respect, trust, integrity, and quality. The SABC maintained an employee retention rate of 87% and an employee turnover rate of 9%.

Wellness Programmes

To make the journey from surviving to thriving and shifting employees from being healthy to being healthier post the pandemic, wellness identified specific programmes.

Several external factors are necessary for transformation of an employee well-being management approach from improvising ad-hoc and individual wellness solutions and filling health and safety gaps to applying a broader comprehensive approach such as a wellness framework which embraces multiple dimensions. The role of leaders in the development and implementation of well-being strategies is equally important. An effective and embraced employee well-being strategy is not a caprice but rather key to an organisation's overall performance.

During the period under review, SABC Wellness launched a wellness framework called "My Wellbeing Journey" #healthy to healthier which is derived from a multidimensional model of wellbeing which consists of four interdependent dimensions (Spiritual, Physical, Intellectual, Emotional) in three life dimensions

SABC Wellness
launched "My
Wellbeing
Journey"

EVERYWHERE
FOR EVERYONE,
ALWAYS.

which includes relationship with self, significant others and occupation (SPIE-R):

The programme was well received by employees. The implementation of the framework was supported by an introduction of a Wellness App that offers a range of self-help tools for all the wellness dimensions highlighted above and coaching of employees on each wellbeing dimension as well as easy access to a range of wellness experts e.g., Mental health, Nutrition, Financial and Fitness Experts. This has assisted employees to work on their health and wellbeing goals.

Wellness Coaching is a critical component of the wellness framework implementation which assist employees to set goals to equip employees with tools to enhance their wellbeing.

The Wellness Power Hours are gaining momentum and there has been a growing maturity within the organisation in terms of understanding the well-being programs and there is a noticeable shift from focusing on prevention and reducing healthcare costs to a strong sense of Wellbeing for personal improvement e.g., Enabling and supporting healthy work environment, healthy work styles, helping employees with personal, family, and financial wellbeing. Also Wellbeing as a corporate performance strategy and wellbeing for the social good and relationship strengthening

e.g. Focusing on helping people improve energy, productivity, focus, and sustainability at work, including career, skills, and growth, developing and sustaining healthy relationships with self, friends, family, colleagues and significant others (e.g. spouse) and socially, enhance participation in work activities that is enriching and fulfilling as well as becoming more impactful in the community and workplace by sharing talents and skills.

Employee Wellness focused on the Power Hour sessions for leadership at all levels. The role of leaders in any organisation is to firstly help and assist their teams realise and understand their purpose and secondly acknowledge that their purpose is significant. To achieve, leaders need to have a strong sense of their own individual purpose and sense of belonging. They can enable employees to constantly shift from healthy employees experiencing unhealthy negative emotions to healthy negative emotions - and the ultimate experience of health, peace, fulfilment and contentment. A carefully cultivated environment and leadership support will contribute extensively to assisting employees to shift from healthy to healthier.

Policy Development

Human Resources reviews all HR policies to ensure adherence to governance practices. During the past financial year, several HR policies

were reviewed to ensure alignment with legislation and best practice. The Leave policy was revised to bring it in alignment with the changes that was implemented regarding leave practices in the SABC. The newly revised Long Service Awards policy will be consulted with all relevant stakeholders before being rolled out in the organisation. Further policy reviews included the Recruitment and Selection policy and Transfer policy to ensure best practice.

CHALLENGES

The main challenge experienced by Human Resources was the attracting of suitably qualified candidates to fill identified vacancies within the organisation. To address this challenge a number of recruitment platforms were implemented to ensure a wide market of potential candidates are reached.

LOOKING FORWARD

Moving forward, HR will be implementing various programmes to ensure employees have the right skills to operate effectively. The SABC will focus on growing talent from within to ensure a motivated workforce that can deliver on the SABC's goals.

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	924 364	378 043	40,9%	523	723
News and Current Affairs	682 270	492 264	72,2%	639	770
Radio	810 916	130 185	16,1%	186	700
Sales	360 875	201 199	55,8%	256	786
Technology	708 451	358 683	50,6%	471	762
Video Entertainment	2 274 626	168 538	7,4%	195	864
Grand Total	5 761 503	1 728 912	30,0%	2 270	762

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	37 533	2,20%	11	3 412
Senior Management	39 679	2,30%	21	1 889
Middle Management	322 798	18,70%	259	1 246
Junior Management	323 940	18,70%	329	985
Supervisory Levels	823 417	47,60%	1 230	669
Rest of Staff	181 546	10,50%	420	432
Grand Total	1 728 912	100,00%	2 270	762

Performance Rewards

Level	Performance Rewards	Employee Compensation and Benefits Expenditure (R'000)	% of Performance Rewards vs Total Employee Compensation and Benefits Expenses
Top Management	-	37 533	-
Senior Management	-	39 679	-
Middle Management	-	322 798	-
Junior Management	-	323 940	-
Supervisory Levels	-	823 417	-
Rest of Staff	-	181 546	-
Grand Total	-	1 728 912	-

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	378 043	1 020	0,27%	223	4 573
News and Current Affairs	492 264	715	0,15%	170	4 205
Radio	130 185	672	0,51%	73	9 205
Sales	201 199	296	0,14%	120	2 466
Technology	358 683	574	0,16%	208	2 759
Video Entertainment	168 538	567	0,34%	82	6 914
Grand Total	1 728 912	3 844	0,22%	876	4 388

Employment and Vacancies by Division

Division	2022/2023 No. of Employees	2022/2023 Vacancies	% of Vacancies
Group Services	523	113	17,80%
News and Current Affairs	639	91	12,50%
Radio	186	41	18,10%
Sales	257	76	22,80%
Technology	470	162	25,60%
Video Entertainment	195	49	20,10%
Grand Total	2270	532	19,00%

Employment and Vacancies

Level	2022/2023 No. of Employees	2022/2023 Vacancies	% of Vacancies
Top Management	11	2	15,40%
Senior Management	21	5	19,20%
Middle Management	259	32	11,00%
Junior Management	329	69	17,30%
Supervisory Levels	1 230	303	19,80%
Rest of Staff	420	121	22,40%
Grand Total	2 270	532	19,00%

Employment Changes

Level	Employment at Beginning of Period	Appointments	Terminations	Employment at the End of Period	Level Movements
Top Management	11	2	2	11	0
Senior Management	20	5	4	21	1
Middle Management	263	16	27	259	-4
Junior Management	339	15	31	329	-10
Supervisory Levels	1 270	115	117	1 230	-40
Rest of Staff	394	31	20	420	26
Grand Total	2 297	184	201	2 270	-27

Reasons for Staff Leaving

Reasons	Number	% of Total no. of Staff Leaving
Contract expired	4	2,00%
Death	4	2,00%
Ill Health	4	2,00%
Dismissal	16	8,00%
Early Retirement	37	18,40%
Resignation	124	61,70%
Retirement	10	5,00%
Severance Package (Late S189)	2	1,00%
Grand Total	201	100,00%

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	6	6	1	-	1	1	-	-	-	-
Senior Management	9	4	1	1	-	-	2	-	-	-
Professional Qualified	202	161	17	16	27	18	50	55	5	10
Skilled	560	673	49	51	19	32	42	95	15	21
Semi-Skilled	110	33	2	6	1	-	2	7	-	3
Unskilled	-	-	-	-	-	-	-	-	-	-
Grand Total	887	877	70	74	48	51	96	157	20	34
FEMALE										
Top Management	2	2	-	-	-	-	1	1	-	-
Senior Management	8	8	-	-	-	-	1	1	-	-
Professional Qualified	210	139	16	15	18	15	48	58	-	5
Skilled	599	602	62	66	35	36	60	165	-	35
Semi-Skilled	96	104	8	8	2	-	3	1	-	5
Unskilled	-	-	-	-	-	-	-	-	-	-
Grand Total	915	855	86	89	55	51	113	226	-	45



“We rise in
rhythm and
raise our flag.”



AUDITED ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa 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 Corporation 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. 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 International Financial Reporting Standards 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 Corporation 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 Corporation and all employees are required to maintain the highest ethical standards in ensuring the Corporation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Corporation is on identifying, assessing, managing and monitoring all known forms of risk across the Corporation. While operating risk cannot be fully eliminated, the Corporation 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 Corporation's cash flow forecast for the year to 31 March 2024. Though material uncertainty in the short-term cast doubt over the ability of the Corporation to meet its obligations, the Board of Directors is confident that a combination of cost deferment, revenue improvement and liquidity management, will ensure that the Corporation has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future.

The audited annual financial statements set out on pages 84 to 125, which have been prepared on the going concern basis, were approved by the directors on 31 July 2023 and were signed on their behalf by:

Approval of financial statements



Mr Khathutshelo Ramukumba

Chairperson of the Board

Prepared in
accordance
to the IFRS

**EVERYWHERE
FOR EVERYONE,
ALWAYS.**

Report of the Auditor-General to Parliament on the South African Broadcasting Corporation SOC LTD (SABC)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

1. I was engaged to audit the financial statements of the South African Broadcasting Corporation (SOC) Ltd (SABC) set out on pages 84 to 125, which comprise the statement of financial position as at 31 March 2023, the 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 financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the public entity. Because of the significance of the matter described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Going Concern

3. As indicated in the statement of profit or loss to the financial statements, the public entity incurred a net loss of R1 127 million as at 31 March 2023 and at that date, its current liabilities exceeded the current assets by R612 million. The public entity was therefore commercially insolvent because it was not able to pay its debts as and when they were due, even though its assets exceeded its liabilities. Additionally, I was unable to obtain sufficient appropriate audit evidence to confirm the reasonableness of the cash flow forecasts for the public entity's viability in the foreseeable future. Consequently, I was unable to confirm or dispel whether it is appropriate to prepare the financial statements using the going concern assumption.

Emphasis of Matters

4. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Defined Benefit Asset

5. As disclosed in note 8 to the financial statements, the public entity has a defined benefit pension plan of R1 319 million (2022: R1 670 million), which is actuarially valued annually at year-end using the projected unit credit method for the financial statements. This is disclosed in note 1.2.3 regarding significant judgments and sources of estimation uncertainty on the pension plan assumptions.

TV licences

6. As disclosed in note 20 and note 1.2.1 to the financial statements, the public entity recognised TV licence fees of R741 million (2022: R815 million) of the total licence fees billed of R4 651 million (2022: R4 446 million). In management's judgment, it is not probable that the economic benefits associated with these transactions will flow to the public entity to meet the recognition criteria.

Contingencies

7. As disclosed in note 32 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.

Other Matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 35 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of SABC. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.

10. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the Accounting Authority for the Financial Statements

11. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (the Companies Act); and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting authority is responsible for assessing the public entity'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 public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the Audit of the Financial Statements

13. My responsibility is to conduct an audit of the consolidated and separate financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
14. I am independent of the public entity 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 the 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.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected strategic objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
16. I selected the following strategic objectives presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected strategic objectives that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Strategic Goal	Page	Purpose
Content and platform	27	To be a preferred broadcaster within our communities through the provision of compelling, informative, educational and entertaining content
Digital	28	To be a preferred broadcaster within our communities through the provision of compelling informative, educational and entertaining content that is accessible on all platforms

17. I evaluated the reported performance information for the selected strategic objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
 - The indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
 - The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently, and that I can confirm the methods and processes to be used for measuring achievements.
 - The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
 - The indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.

- The reported performance information is presented in the annual performance report in the prescribed manner.
 - There is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
20. I did not identify any material findings on the reported performance information for the selected strategic objectives.

Other Matters

21. I draw attention to the matters below.

Achievement of Planned Targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.
23. Reasons for the underachievement of targets are included in the annual performance report on pages [27 to 28].

Material Misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Content and Platform strategic objective. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

REPORT ON COMPLIANCE WITH LEGISLATION

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Consequence Management

29. 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. This was because investigations into irregular expenditure were not performed, as required by section 51(1)(e) (iii) of the PFMA.

Annual Financial Statements, Annual Performance Information and Annual Report

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA and section 29(1)(a) of the Companies Act.
31. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the supporting evidence not received resulted in the financial statements receiving a disclaimer of opinion.

Expenditure Management

32. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 35 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by not following due procurement processes.
33. Effective steps were not taken to prevent fruitless and wasteful expenditure as disclosed in note 35 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 interest and penalties due to late payment of supplier invoices.

Oversight and Governance

34. A social and ethics committee was not established, as required by section 72(4)(a) of the Co Act and Companies Regulation 43(2)(a) for the full year under review.
35. An audit committee was not established by the accounting authority, as required by section 51(1)(a)(ii) of the PFMA for the full year under review.

OTHER INFORMATION IN THE ANNUAL REPORT

36. The accounting authority is responsible for the other 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 71 of 2008. The other information referred to does not include the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
37. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
38. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected strategic objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. 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

40. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in disclaimer of opinion and the material findings on compliance with legislation included in this report.
42. Management did not implement adequate review controls and an effective system of collating information to ensure that information disclosed in the financial statements agrees with supporting schedules.
43. Leadership did not exercise oversight responsibility regarding compliance and related internal controls to ensure that compliance requirements are met in order to prevent irregular and fruitless and wasteful expenditure and consequence management. The public entity continued to incur irregular and fruitless and wasteful expenditure.
44. The action plans to address the internal control deficiencies were not adequately implemented and monitored. The absence of the accounting authority had an impact on the effectiveness of governance and oversight. The accounting authority did not exercise oversight on the annual performance report before submitted for audit. We identified material misstatements to the annual performance report submitted for audit that were subsequently corrected.
45. Non-compliance with legislation could have been prevented if management had properly reviewed and monitored compliance.

MATERIAL IRREGULARITIES

46. 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 material irregularities as previously reported in the auditor's report.

Status of Previously Reported Material Irregularities

47. 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.
48. The payments relating to the unoccupied space resulted in uneconomical utilisation of the public 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 financial statements.
49. The accounting authority was notified of the material irregularity on 03 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:
- 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.

Report of the Auditor-General continued

- The accounting authority intends to recover all monies paid, including interest at 10.25% tempora morae, from the respondent for the unoccupied space.
 - The matter was argued by the parties in the Pietermaritzburg High Court on the 12 October 2022. Judgement was reserved.
50. The accounting authority indicated they will abide by the outcome of the ruling of the court.
51. I will follow-up on the matter will be followed up 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

52. 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.
53. 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.
54. 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.
55. 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 09 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.
 - The public entity has put in place internal controls to address some of the shortcomings in relation to its supply chain management processes. The contract has since ended on the 31 July 2022.
56. I will follow up on the actions taken based on the court judgement during the next audit.

OTHER REPORTS

57. 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.
58. 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 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
31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR'S REPORT

Communication with those Charged with Governance

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-General's Responsibility for the Audit

Professional Judgment and Professional Scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected strategic objectives and on the public entity's compliance with selected requirements in key legislation.

Financial Statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the 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;
- conclude on the appropriateness of the 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 public entity 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 [consolidated and separate] 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; and
- 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.

Communication with those Charged with Governance

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.

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.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 50(3); 50(3)(a); 50(3)(b) Section 51(1)(a)(ii); 51(1)(a)(iii); 51(1)(a)(iv); 51(1)(b); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 52(b) Section 53(4) Section 54(2)(c'); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56 Section 57(b); 57(d) Section 66(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1 Regulation 31.2.5; 31.2.7(a) Regulation 33.1.1; 33.1.3
Companies Act No.71 of 2008	Section 30(3)(b)(i); 33(1)(a) Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4) Section 46(1)(a); 46(1)(b); 46(1)(c') Section 72(4)(a); Section 75(6) Section 86(1); 86(4); Section 88(2)(d) Section 112(2)(a); Section 129(7)
Prevention and Combating of Corrupt Activities Act No. 12 of 2004 (PRECCA)	Section 34(1)
Companies Regulations	Regulation 30(2); 43(2)(a)
Construction Industry Development Board Act No. 38 of 2000 (CIDB)	Section 18(1) Section 22(3)

Legislation	Sections or regulations
CIDB Regulations	CIDB regulation 17; 18(1A)1; 25(1); 25 (5) and 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2; 4.2 (b); 4.3; 4.4; 4.4 (c);4.4(d); 4.6 Paragraph 5.4
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraph Par 5.5.1(iv); 5.5.1(x)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a); 3.4(b); 3.9: 6.1;6.2;6.7
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4

Statement of Financial Position as at 31 March 2023

	Figures in R'000	Note(s)	2023	2022
Assets				
Non-Current Assets				
Property, plant and equipment		3	1 557 717	1 448 872
Right-of-use assets		4	14 684	12 165
Investment property		5	9 364	9 364
Intangible assets		7	90 791	52 640
Defined benefit asset		8	1 319 108	1 669 727
Prepayments		9	14 743	5 701
			3 006 407	3 198 469
Current Assets				
Programme, film and sports rights		6	477 478	461 007
Consumables		10	3 867	3 879
Trade and other receivables		11	562 177	605 632
Contract assets		20	14 905	18 339
Prepayments		9	87 029	42 562
Cash and cash equivalents		12	471 552	1 180 187
			1 617 008	2 311 606
Non-current assets held for sale and assets of disposal groups		36	1 526	1 526
Total Assets			4 624 941	5 511 601
Equity and Liabilities				
Equity				
Share capital		13	3 200 001	3 200 001
Retained income			(2 180 530)	(739 378)
			1 019 471	2 460 623
Liabilities				
Non-Current Liabilities				
Government debt instrument		14	27 390	-
Lease liabilities		4	11 694	1 261
Employee benefit obligation		17	1 285 323	1 260 197
Deferred government grant		15	50 169	76 707
			1 374 576	1 338 165
Current Liabilities				
Trade and other payables		18	1 168 347	613 239
Lease liabilities		4	5 045	5 883
Contract liabilities		20	368 834	312 907
Deferred government grant		15	314 876	240 594
Current tax payable			3 603	61 977
Provisions		19	223 949	317 065
Employee benefit obligation		17	146 240	161 148
			2 230 894	1 712 813
Total Liabilities			3 605 470	3 050 978
Total Equity and Liabilities			4 624 941	5 511 601

Statement of Profit or Loss

	Figures in R'000	Note(s)	2023	2022
Revenue		20	4 633 542	5 042 846
Other income		21	32 946	25 040
Amortisation of programme, film and sports rights		6	(1 343 254)	(1 344 291)
Net impairment reversed/(raised) of programme, film and sports rights		6	(4 123)	(14 447)
Amortisation of computer software		7	(17 936)	(11 584)
Impairment of trade receivables		11	(52 696)	(40 178)
Depreciation of property, plant and equipment		3	(130 512)	(114 747)
Depreciation of right-of-use assets		4	(12 247)	(8 664)
Broadcast costs			(406 111)	(314 474)
Signal distribution and linking costs			(682 530)	(725 567)
Marketing			(123 284)	(51 981)
Direct revenue collection costs			(67 389)	(72 754)
Professional and consulting fees		23	(60 625)	(75 009)
Employee costs		22	(2 381 849)	(2 009 154)
Personnel costs other than employee compensation			(55 540)	(45 904)
Operational			(532 101)	(490 870)
Profits/(losses) on disposal of assets		25	(3 781)	(6 201)
Operating loss before finance costs and tax loss			(1 207 490)	(257 939)
Finance income		26	60 320	63 194
Finance costs		26	(33 991)	(6 043)
Fair value gain on derecognition of financial asset at fair value through profit and loss			-	583
Loss before taxation			(1 181 161)	(200 205)
Taxation		27	53 798	-
Loss for the year			(1 127 363)	(200 205)

Statement of Comprehensive Income

	Figures in R'000	Note(s)	2023	2022
Loss for the year			(1 127 363)	(200 205)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Actuarial gain/(loss) on long service awards		17	(21 762)	4 736
Actuarial gain/(loss) on PRMA		17	64 579	105 900
Recognition of pension surplus/(deficit)		8	(356 607)	(428 423)
Total items that will not be reclassified to profit or loss			(313 790)	(317 787)
Other comprehensive income for the year net of taxation			(313 790)	(317 787)
Total comprehensive loss			(1 441 153)	(517 992)

Statement of Changes in Equity

	Figures in R'000	Share capital	Retained income	Total equity
Balance at 01 April 2021		3 200 001	(221 386)	2 978 615
Loss for the year		-	(200 205)	(200 205)
Other comprehensive income		-	(317 787)	(317 787)
Total comprehensive Loss for the year		-	(517 992)	(517 992)
Balance at 01 April 2022		3 200 001	(739 378)	2 460 623
Loss for the year		-	(1 127 363)	(1 127 363)
Other comprehensive income		-	(313 790)	(313 790)
Total comprehensive Loss for the year		-	(1 441 153)	(1 441 153)
Balance at 31 March 2023		3 200 001	(2 180 531)	1 019 470
Note(s)			13	

Statement of Cash Flows

	Figures in R'000	Note(s)	2023	2022
Cash flows from operating activities				
Cash receipts from customers			4 721 344	5 163 289
Cash paid to suppliers and employees			(5 378 393)	(5 565 047)
Cash used in operations		28	(657 049)	(401 758)
Interest income		26	60 320	63 194
Dividends received			-	-
Finance costs		26	(33 991)	(6 043)
Tax received			-	(6 863)
Net cash from operating activities			(630 720)	(351 470)
Cash flows from investing activities				
Purchase of property, plant and equipment		3	(253 813)	(117 854)
Proceeds from sale of property, plant and equipment		3	3 916	1 115
Purchases of intangible assets		7	(49 325)	(1 412)
Proceeds from sale of shares			-	9 111
Net cash from investing activities			(299 222)	(109 040)
Cash flows from financing activities				
Proceeds on perpetual debt		14	27 390	-
Repayment of loans and borrowings		4	-	(3 764)
Repayments of lease liabilities		4	(8 370)	(11 894)
Repayment of government debt instrument			-	(14 913)
Proceeds from government grants		15	202 287	189 781
Net cash from financing activities			221 307	159 210
Total cash movement for the year			(708 635)	(299 559)
Cash and cash equivalents at the beginning of the year			1 180 187	1 479 746
Cash and cash equivalents at the end of the year		12	471 552	1 180 187

CORPORATE INFORMATION

The South African Broadcasting Corporation SOC Limited is a state-owned Corporation, listed as a Schedule 2 entity in terms of the PFMA. It is incorporated and domiciled in South Africa. The Corporation is South Africa's national public broadcaster providing a free-to-air service.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these audited annual financial statements are set out below.

1.1 Basis of preparation

The 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 Corporation provides services on a commercial basis in a competitive market. The Corporation also receives insignificant funding from the government and has limited dependence on government funding. Reporting using IFRS framework is therefore still appropriate.

The 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 Corporation's separate financial statements requires management to make judgements, estimates and assumptions as provided in note 1.2.

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 1.2.

The financial statements have been prepared on a going concern basis that assumes the Corporation 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 separate annual financial statements, except where an amendment was required as a result of a change in IFRS.

1.2 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:

1.2.1 Revenue recognition

Probability of licence fee revenue

The Corporation 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 20).

Where it is assessed that the collection of television license 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

1.2.2 Useful lives and residual values for investment properties

The Corporation 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 Corporation'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.

1.2.3 Pension assumptions

The Corporation's pension fund is a funded defined benefit pension fund that provides pension fund benefits for all of the Corporation'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 8.

1.2.4 Post employment medical aid assumptions

The Corporation provides a subsidy for medical aid contributions payable by those employees who elect to remain on the medical aid scheme after retirement. The Corporation 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 Corporation's statement of financial position as well as a material impact on the Corporation'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)	1 058	1 294

1.2.5 Legal matters

The Corporation is involved in legal disputes through its normal course of business. The outcome of these legal claims may have a material impact on the Corporation'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 note 19 and 32.

1.2.6 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 credit-worthiness of customer, dispute as to the existence of the amount of the claim, no

Accounting Policies continued

enforceability of the claim for legal reasons etc.), the account is analysed and written down if circumstances indicate the receivable is uncollectable.

1.3 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.

1.4 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.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the Corporation 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 Corpora-

tion, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure 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 Corporation 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 Corporation. 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 below for estimated useful lives of property, plant and equipment.

Item	Depreciation method	Average useful life
Buildings	Straight line	10 - 65 years
Motor vehicles	Straight line	5 - 20 years
Broadcast equipment	Straight line	3 - 20 years
Other equipment sub categories per below	Straight line	Various
Artwork	Straight line	Indefinite useful life
Computer equipment	Straight line	3 - 5 years
Furniture and fittings	Straight line	3 - 20 years
Musical equipment	Straight line	1 - 30 years
Plant and machinery	Straight line	3 - 20 years
Security equipment	Straight line	5-10 years
Right of Use Assets	Straight line	2 - 5 years

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.

Where arrangements have been executed for the future purchase of property, plant and equipment, but the recognition criteria above have not been met, the arrangements are disclosed as Commitments (refer to note 3). Where payments have already been made, these are disclosed as prepayments.

1.6 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.

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 6) 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 license period begins, the cost of the right is known or reasonably determinable, the material has been accepted by the Corporation in accordance with conditions of the license 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 license 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 31). 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 Corporation'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 license 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 7) 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 below for estimates of amortisation useful lives.

Item	Depreciation 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 submission 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 an indefinite useful life, has a finite useful life.

1.7 Financial instruments

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.

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 Corporation has transferred substantially all the risks and rewards of ownership.

Note 30 Financial instruments and risk management presents the financial instruments held by the Corporation 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 Corporation's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Corporation 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.

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 11).

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 Corporation'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 Corporation 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

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 Corporation 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 Corporation 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 impair-

Accounting Policies continued

ment 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 Corporation 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 Corporation'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 Corporation 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.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 11) and the financial instruments and risk management note (note 30).

Trade and other payables

Classification

Trade and other payables (note 18), 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 Corporation 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 Corporation to liquidity risk and possibly to interest rate risk. Refer to note 30 for details of risk exposure and management thereof.

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 Corporation'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 recognized amounts and there is an intention to settle on a net basis, or to realize 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.

1.8 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 tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax 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.

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.

1.9 Leases

The Corporation assesses whether a contract is, or contains a lease, at the inception of the contract.

Lease agreements normally entered into by the Corporation 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 Corporation 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.

Company 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 Corporation is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Corporation recognises the lease payments as an operating expense (note 4) 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 Corporation has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Corporation is a lessee are presented in note 4 Leases (Corporation 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 Corporation 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 1.5for

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.

1.10 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.

1.11 Impairment of assets

The Corporation 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 Corporation 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.

1.12 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.

1.13 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.

Accounting Policies continued

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 Corporation 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 Corporation 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.

1.14 Provisions and contingencies

Provisions are recognised when:

- the Corporation 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 32.

1.15 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Corporation 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 already 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.

1.16 Revenue from contracts with customers

The Corporation 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 Corporation 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 Corporation and that revenue has been recognised in accordance with IFRS 15 Revenue from contracts with customers, but for which the Corporation's right to consideration is not yet unconditional.

Programme rights exploitation and channel carriage fees

The Corporation'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.

1.17 Translation of foreign currencies 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 cur-

rency 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.

1.18 Current versus non-current classification

The Corporation 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 Corporation classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.19 Hedge accounting

At the inception of the hedge relationship, the Corporation 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 Corporation

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 Corporation actually hedges and the quantity of the hedging instrument that the Corporation 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 Corporation adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Corporation 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 Corporation 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 Corporation 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.

1.20 Related parties

The Corporation 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, the related parties of the Corporation consist mainly of 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 Digital Technologies portfolio.

Key management is defined as individuals with the authority and responsibility for planning, directing and controlling the activities of the Corporation. All individuals from the level of Executive Management up to the Board of Directors are regarded as key management per the definition of IFRS.

Notes to the audited Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The Corporation has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Corporation's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	81 443	-	81 443	81 443	-	81 443
Buildings	941 120	(498 501)	442 619	947 603	(492 605)	454 998
Motor vehicles	198 288	(171 422)	26 866	187 096	(166 364)	20 732
Broadcasting equipment	1 518 298	(1 090 607)	427 691	1 442 905	(1 022 816)	420 089
Other equipment	811 356	(671 306)	140 050	796 465	(664 173)	132 292
Capital - Work in progress	439 048	-	439 048	339 318	-	339 318
Total	3 989 553	(2 431 836)	1 557 717	3 794 830	(2 345 958)	1 448 872

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	81 443	-	-	-	-	81 443
Buildings	454 998	89	(757)	242	(11 953)	442 619
Motor vehicles	20 732	48	(681)	16 801	(10 034)	26 866
Broadcasting equipment	420 089	58 584	(977)	27 559	(77 564)	427 691
Other equipment	132 292	31 544	(5 265)	12 440	(30 961)	140 050
Capital - Work in progress	339 318	163 548	-	(63 818)	-	439 048
	1 448 872	253 813	(7 680)	(6 776)	(130 512)	1 557 717

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
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

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 Corporation.

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.

1.21 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 impracticality 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 against employees as a consequence of such fruitless and wasteful expenditure.

1.22 Government debt instrument

In terms of the Exchequer Act, No. 66 of 1975, as amended, interest on permanent capital is payable 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 Corporation's shareholder.

4. LEASES (COMPANY AS LESSEE)

Details pertaining to leasing arrangements, where the Corporation is lessee are presented below:

Summary of right-of-use assets

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	31 444	(16 760)	14 684	53 455	(41 290)	12 165

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	2023	2022
Buildings	13 156	8 346
Office equipment	1 528	3 819
	14 684	12 165

Additions to right-of-use assets

Buildings	15 757	1 674
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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, as well as depreciation which has been capitalised to the cost of other assets.

Buildings	9 955	6 945
Office equipment	2 292	1 719
	12 247	8 664

Other disclosures

Interest expense on lease liabilities	1 244	1 082
Expenses on short-term leases included in operating expenses	-	-
Leases of low value assets included in operating expenses	-	-
Variable lease payments not included in the measurement of lease liabilities included in operating expenses	-	-
Total cash outflow from leases - Capital	8 370	11 894
Total cash outflow from leases - Interest	1 346	1 647
Total cash outflow from leases	9 716	13 541

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	6 009	5 425
Two to five years	12 966	2 246
	18 975	7 671
Less finance charges component	(2 236)	(527)
	16 739	7 144
Non-current liabilities	(11 694)	(1 261)
Current liabilities	(5 045)	(5 883)
	(16 739)	(7 144)

Future cash outflows not reflected in lease liabilities

There are no future cash outflows not reflected in lease liabilities.

Notes to the audited Annual Financial Statements continued

5. INVESTMENT PROPERTY

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Investment property	9 739	(375)	9 364	9 739	(375)	9 364

Reconciliation of investment property - 2023

	Opening balance	Total
Investment property	9 364	9 364

Reconciliation of investment property - 2022

	Opening balance	Transfers	Total
Investment property	9 739	(375)	9 364
Fair value of investment properties		44 559	47 760

Investment Properties which are under a disposal plan approved by the board of directors have been disclosed under Non- current assets held for sale (Note 36).

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Corporation.

Details of valuation

The effective date of the valuation of one asset was 01 March 2021. The valuation was performed by an independent valuer, Valuetec Property Valuation (Pty) Ltd. The effective date of the other valuations was 21 September 2022. Valuations were performed by an independent valuer, TESA Properties (PTY) LTD. The independent valuers are not connected to the Corporation and have recent experience in the location and category of the investment property being valued. The SABC's Property Policy of 2022 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 (2024/2025).

The valuation was based on open market value for existing use.

Amounts recognised in profit and loss for the year

	2023	2022
Rental income from investment property	1 795	8 651
Direct operating expenses from rental generating property	-	-
Direct operating expenses from non-rental generating property	-	-

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 Corporation:

6. PROGRAMME, FILM AND SPORTS RIGHTS

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Acquired programme and film rights	610 271	(487 245)	123 026	875 984	(753 574)	122 410
Acquired sports right	940 312	(875 216)	65 097	619 960	(549 651)	70 311
Originated programme and film rights	5 535 865	(5 449 381)	86 484	4 822 974	(4 723 726)	99 248
Work-in progress	220 877	(18 006)	202 871	187 044	(18 006)	169 038
Total	7 307 325	(6 829 848)	477 478	6 505 962	(6 044 957)	461 007

Reconciliation of programme, film and sports rights - 2023

	Opening balance	Additions	Transfers	Amortisation	Impairment loss	Total
Acquired programme and film rights	122 411	243 156	-	(242 481)	(60)	123 026
Acquired sports rights	70 308	336 570	-	(337 716)	(4 065)	65 097
Originated programme and film rights	99 249	-	750 294	(763 057)	(2)	86 484
Work-in progress	169 039	784 126	(750 294)	-	-	202 871
	461 007	1 363 852	-	-(1 343 254)	(4 127)	477 478

Reconciliation of programme, film and sports rights - 2022

	Opening balance	Additions	Derecognition	Transfers	Amortisation	Impairment loss	Total
Acquired programme and film rights	86 064	292 335	-	-	(255 845)	(143)	122 411
Acquired sports rights	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

7. INTANGIBLE ASSETS

Corporation	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	487 102	(396 311)	90 791	432 821	(380 181)	52 640
Total	487 102	(396 311)	90 791	432 821	(380 181)	52 640

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	52 640	49 325	(17)	6 779	(17 936)	90 791
	52 640	49 325	(17)	6 779	(17 936)	90 791

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	58 953	1 412	(273)	4 132	(11 584)	52 640
	58 953	1 412	(273)	4 132	(11 584)	52 640

Notes to the audited Annual Financial Statements continued

8. DEFINED BENEFIT ASSET

Defined benefit plan

The Corporation'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 Corporation. The Board of trustees must be composed of representatives of the Corporation and fund members in accordance with regulations and the rules of the fund.

There were no amendments, curtailments or settlements on the Corporation's 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:

	2023	2022
Opening balance	1 669 727	1 796 473
Actuarial gain/(loss) recognised in Other Comprehensive Income (OCI), including asset ceiling	(737 499)	(428 423)
Amounts recognised in profit/(loss)	210 172	125 861
Employer contributions	176 708	175 816
Closing balance	1 319 108	1 669 727
The amounts recognised in the statement of financial position are determined as follows:		
Present value of funded obligations	(11 084 980)	(11 265 136)
Fair value of planned assets	14 468 926	14 188 804
Funded status of planned assets	3 383 946	2 923 668
Asset ceiling	(2 064 838)	(1 253 941)
Assets recognised in the statement of financial position	1 319 108	1 669 727
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	11 265 136	10 955 534
Current service cost	131 326	218 671
Interest cost	1 290 224	1 217 775
Actuarial (gain)/loss	(831 783)	363 739
Benefit paid	(837 484)	(1 557 255)
Employee contribution	67 561	66 672
Closing defined benefit obligation	11 084 980	11 265 136
Changes in the fair value of plan assets are as follows:		
Opening balance	14 188 804	13 402 550
Employee contributions	67 561	66 672
Employer contributions	176 708	175 816
Benefits paid	(837 484)	(1 557 255)
Expected returns of plan assets	1 631 722	1 562 307
Fund expenses	(27 644)	(21 884)
Actuarial gain/(loss) return on assets	(730 741)	560 598
Fair value plan assets at the end of the year	14 468 926	14 188 804
The amounts recognised in profit or loss are determined as follows:		
Current service cost	(131 326)	(218 671)
Interest income/(cost)	341 498	344 532
The amounts recognised in the statement of other comprehensive income are determined as follows		
Expected return on plan assets	374 134	(989 021)
Actuarial (gains)/ losses on defined benefit	(730 741)	560 598
Net periodic pension charge	(146 435)	125 861

8. DEFINED BENEFIT ASSET (CONTINUED)

The principal actuarial assumptions at the reporting date (expressed as weight averages) are as follows:

	2023	2022	2021
Discount Rate at 31 March	11,95 %	11,75 %	12,25 %
Inflation	6,45 %	6,75 %	7,30 %
Future salary increases	7,95 %	8,25 %	8,80 %
Future pension increases	6,45 %	6,75 %	7,30 %

Plan assets comprises:	2023		2022		2021	
	R'000	%	R'000	%	R'000	%
Domestic equity	7 017 179	48,50 %	7 165 346	50,50 %	6 312 601	47,10 %
Bonds	3 103 350	21,45 %	2 922 894	20,60 %	2 559 887	19,10 %
Cash	305 412	2,11 %	397 287	2,80 %	254 648	1,90 %
Property	440 468	3,04 %	255 398	1,80 %	268 051	2,00 %
Foreign assets	3 602 517	24,90 %	3 447 879	24,30 %	4 007 363	29,90 %
	14 468 926	100,00 %	14 188 805	100,00 %	13 402 551	100,00 %

	2023	2022	2021	2020	2019	2018
	R'000	R'000	R'000	R'000	R'000	R'000
Defined benefit obligation	(11 084 980)	(11 265 136)	(10 955 534)	(9 814 426)	(10 771 417)	(11 608 061)
Plan assets	14 468 926	14 188 804	13 402 550	10 589 529	12 821 357	12 460 933
Asset ceiling adjustment	(2 064 838)	(1 253 941)	(650 543)	-	-	-
Surplus	1 319 108	1 669 727	1 796 473	775 103	2 049 940	852 872

The defined benefit pension plan typically exposes the Corporation to actuarial risks such as:

Salary	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	Base (6.75%)	1% increase
	(10 240 177)	(11 084 980)	(12 244 990)
Discount rate	1% decrease	Base (11.75%)	1% increase
	(12 230 107)	(11 084 980)	(10 149 756)
Post-retirement mortality improvements	Base (0.5% decrease)	Valuation basis	Base (0.5% increase)
	(10 775 071)	(11 084 980)	(11 403 883)

Notes to the audited Annual Financial Statements continued

9. PREPAYMENTS

	2023	2022
Programme, film and sports rights	45 411	9 506
Software licences	56 360	32 688
Other-commercial utilities	-	6 069
Total	101 772	48 263
Less: Current Portion	(87 029)	(42 562)
Non-current portion	14 743	5 701

10. CONSUMABLES

Finished goods	4 111	4 123
Inventories write-downs	(244)	(244)
	3 867	3 879
Amount of Consumables recognised as an expense during the period	4 772	6 864

11. TRADE AND OTHER RECEIVABLES

Financial instruments:

Trade receivables	407 089	514 646
Loss allowance	(12 277)	(29 350)
Trade receivables at amortised cost	394 812	485 296
Other receivable	146 069	120 336

Non-financial instruments:

Value Added Tax Receivable	21 296	-
Total trade and other receivables	562 177	605 632

Split between non-current and current portions

Current assets	562 177	605 632
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	540 881	605 632
Non-financial instruments	21 296	-
	562 177	605 632

Exposure to credit risk

Trade receivables inherently expose the Corporation to credit risk, being the risk that the Corporation will incur financial loss if customers fail to make payments as they fall due.

The SABC applies an Accounts Receivable 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 40 days (2022: 49 days). In line with the Accounts Receivable policy, interest is charged on outstanding trade receivables at 2% per annum.

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 Corporation 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.

11. TRADE AND OTHER RECEIVABLES (CONTINUED)**Exposure to credit risk continued**

Minimum qualitative factors considered for the expected credit loss include;

- 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
- Contractual disagreements
- Defaults are considered based on contractual terms which are determined on a contract by contract basis.

FV approximate the carrying value due to the instruments' short-term nature.

Credit risk profiles for different customer categories are disclosed under note 30.

	2023		2022	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due	379 556	-	457 061	-
Less than 30 days past due	18 591	-	22 867	-
31 - 60 days past due	3 805	-	1 879	-
61 - 90 days past due	790	-	523	-
91 - 120 days past due	1 187	-	341	-
More than 120 days past due	3 160	-	31 975	-
Expected credit loss: 0.35% (2022: 4.20%)	-	(1 439)	-	(21 617)
Provision for credit notes: 2.66% (2022: 1.50%)	-	(10 838)	-	(7 733)
Total	407 089	(12 277)	514 646	(29 350)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	2023	2022
Opening balance	(29 350)	(37 299)
Provisions reversed on settled trade receivables	17 072	4 431
Other	-	3 518
Closing balance	(12 278)	(29 350)

Exposure to currency risk

Refer to note 30 for details of currency risk management for trade receivables.

Analysis of impairment of trade receivables expenses

Impairment of trade receivables expense in the Statement of profit or loss consists of:-

	2023	2022
Loss allowance	(20 480)	(7 949)
TV Licence write off and other debtor impairment	73 176	48 127
	52 696	40 178

Notes to the audited Annual Financial Statements continued

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2023	2022
Cash on hand	378	927
Bank balances	25 003	17 927
Short-term deposits	419 960	1 151 743
Receivables finance facility	26 211	9 590
	471 552	1 180 187

The Corporation entered into a debtor financing facility of R100m 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

13. SHARE CAPITAL

Authorised

Ordinary shares (no par value)	1 001	1 001
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Reconciliation of number of shares issued:

Reported as at 01 April 2022	1 001	1 001
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Issued Share capital

Ordinary shares (R'000)	3 200 001	3 200 001
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14. GOVERNMENT DEBT INSTRUMENT

Perpetual debt balance	27 390	-
Perpetual debt	27 390	-
Redeemable long-term portion	-	-
Current portion	-	-
	27 390	-

The SABC had previously obtained approval from National Treasury and the DCDT to settle in full the permanent capital that was issued. Subsequently, it was concluded that in the absence of the Exchequer Act No.66 of 1975 being repealed, the transaction needed to be reversed. The loan was reinstated pending an application by the DCDT for the repeal of the Exchequer Act.

15. DEFERRED GOVERNMENT GRANT

Balance on 1 April	317 300	291 342
Amounts received during the year:	202 287	189 781
Amounts received during the year for Community radio stations	-	-
Amounts received during the year for Education projects	130 001	126 818
Amounts received during the year for Channel Africa projects	57 896	56 188
Amounts received during the year for SETA Grants	14 390	6 775
Amounts recognised in profit or loss (including amortisation and depreciation of assets acquired with the grant)	(153 898)	(163 823)
Amounts recognised in profit or loss (Business enterprise and facilities revenue)	(646)	-
Balance at 31 March	365 045	317 300
Less: Current portion	(314 876)	(240 594)
Non-current portion	50 169	76 706

In February 2005, the Department of Communications and National Treasury committed an amount of R700m including VAT to the Corporation over a period of five years, in order to facilitate the Corporation's migration from analogue to digital technical infrastructure. Additional amounts were contributed by the Department of Communications and Digital Technologies (during 2010/11 (R150m including VAT), 2013/14 (R76m including VAT) and 2014/15 (R62m including VAT). The total amount of grant funding for digital technical infrastructure received to date is R988m 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 2023 is R99,7m.

16. DEFERRED TAX**Deferred tax liability**

	2023	2022
Property plant and equipment	(76 946)	(78 529)
Defined benefit asset	(356 159)	(450 826)
Right of Use assets	760	-
Programme, film and sports rights	31 588	29 742
Doubtful debt allowance - non TV licences	(887)	(3 170)
Doubtful debt allowance - TV licences	(6 206 386)	(5 193 535)
Prepayments	(2 033)	(300)
Operating lease receivable	(245)	(285)
Section 24C	(73 279)	(53 223)
Revenue included in the Accrued TV licences relating to impaired TV licence debtors	(599 856)	(400 319)
Total deferred tax liability	(7 283 443)	(6 150 445)

Deferred tax asset

Right of Use assets	450	-
Variable remuneration	42 183	44 778
PRMA	-	-
Deferred income	314 906	316 071
Other payables and provisions	172 864	137 708
Amounts accrued not received - TV licences	104 112	125 201
Donations deductible in future	7 303 816	6 109 483
Tax loss	16 499	-
Deferred tax balance from temporary differences other than unused tax losses	978 261	569 362
Tax losses available for set off against future tax income	-	-
Variable allowance of deferred tax assets	8 933 091	7 302 603
Total deferred tax asset	8 933 091	7 302 603
Deferred tax liability	(7 283 443)	(6 150 445)
Deferred tax asset	8 933 091	7 302 603
Total net deferred tax asset	1 649 648	1 152 158

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	131 181	83 200
Current year loss	(437 317)	(127 187)
Effect of rate change	-	(41 621)
Timing differences not recognised - profit or loss	306 136	-
Timing differences not recognised - Other comprehensive income	-	85 608
Opening tax loss	2 102 628	1 631 565
Current year created (income)/loss	1 619 694	471 063
Available for utilisation in future years	3 722 322	2 102 628

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 2023 and is subject to South African Revenue Service ruling.

The Corporation has not recognised a deferred tax asset in respect of assessed loss as Management considers that it is no longer probable that the Corporation will generate taxable income to utilise the deferred tax asset. In the event that the Corporation returns to profitability, it will have a deferred tax asset of R1 649 million available for future utilisation.

Notes to the audited Annual Financial Statements continued

17. EMPLOYEE BENEFITS OBLIGATION

Non-current statement of financial position obligations for:

	2023	2022
Post-employment medical benefits	1 166 333	1 170 633
Leave pay	944	1 270
Long service awards	118 046	88 294
	1 285 323	1 260 197

Current statement of financial position obligations for:

Employee incentive	15 374	15 205
Leave pay	121 847	139 254
Long service awards	9 019	6 689
	146 240	161 148

Balance at 31 March	1 431 563	1 421 345
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Statement of Profit and loss (see also note 25):

Post-employment medical benefits	134 241	149 284
Leave pay	4 608	38 685
Long service awards	16 259	14 232
	155 108	202 201

The Corporation 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 receive 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	1 166 320	1 170 633
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Changes in the present value of the post-employment medical benefits are as follows:

Opening defined benefit obligation	1 170 633	1 198 687
Current service cost	6 768	6 265
Interest cost	127 473	143 019
Subsidy payments	(73 975)	(71 438)
Actuarial (gain)/loss	(64 579)	(105 900)
Closing defined benefit obligation	1 166 320	1 170 633

The amount recognised in profit or loss is determined as follows	134 241	149 284
Current service cost	6 768	6 265
Interest cost	127 473	143 019

The amount recognised in other comprehensive income is determined as follows:

Actuarial (gain)/loss on post-employment medical benefits	(64 579)	(105 900)
Total, included in employee compensation and benefit expenses, including items recognised in other comprehensive income	69 662	43 384

17. EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

The principal actuarial assumptions at the reporting date (expressed as weighted averages) are as follows:

	2023	2022
Discount rate at 31 March	12,20 %	11,30 %
Take-up rate by retired employees	30,00 %	30,00 %

	2023	2022	2021	2020	2019
Post-employment medical benefits obligations	1 166 320	(1 170 633)	(1 198 687)	(941 900)	(1 066 141)

Sensitivity Analysis

Healthcare cost inflation	1% decrease (1 058 159)	Base (8,20%) (1 166 320)	1% Increase (1 294 242)
Discount rate	1% decrease (1 293 794)	Base (3,70%) (1 166 320)	1% increase (1 059 879)
Post-retirement mortality improvements	-1 year (1 199 360)	Valuation Base (1 166 320)	+1 year (1 133 247)

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:

Present value of unfunded obligations

	2023	2022
Long service awards	127 065	94 983

Changes in the present value of the Long Service Awards are as follows:

Opening defined benefit obligation	94 983	91 749
Current service cost	6 689	6 567
Interest cost	9 570	7 665
Benefits payments	(5 939)	(6 262)
Actuarial gains/(losses)	21 762	(4 736)
Closing defined benefit obligation	127 065	94 983

The amount recognised in profit or loss is determined as follows:

Current service cost	16 259	14 232
Interest cost	6 689	6 567
Items recognised in other comprehensive income:		
Balance at 31 March	9 570	7 665
Total, included in employee compensation and benefit expenses, including items recognised in other comprehensive income	38 021	9 496

The principal actuarial assumptions in respect of long service awards at the reporting date (expressed as weighted averages) are as follows:

	2023	2022	2021
Discount rate at 31 March	11,05 %	10,40 %	
Rate of salary increase	7,25 %	7,30 %	
Long service award obligation	(127 065)	(94 983)	(91 749)

Sensitivity Analysis

Salary Inflation	1% decrease (118 699)	Valuation Basis (127 065)	1% Increase (136 383)
Discount rate	1% decrease (137 178)	Valuation Basis (127 065)	1% increase (118 129)

Notes to the audited Annual Financial Statements continued

17. EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

Long service awards

The Corporation provides long service awards to its employees on 5 year continuous service intervals; it starts from 5 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. The award applies for a continuous service of 30 years and more; 5 days of long service leave is also granted and for each subsequent 5 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:

	2023	2022
Discount rate at 31 March	8,65 %	8,20 %
Rate of salary increase	6,35 %	7,00 %

18. TRADE AND OTHER PAYABLES

Financial instruments:

Trade payables	583 157	19 652
Accruals	181 728	220 606
Accruals programme, film and sports rights	186 535	133 023
Other accruals	156 579	127 719

Non-financial instruments:

Personnel related liabilities	60 348	44 689
VAT	-	67 550
	1 168 347	613 239

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	1 107 999	501 000
Non-financial instruments	60 348	112 239
	1 168 347	613 239

Exposure to currency risk

Refer to note 30 Financial instruments and financial risk management for details of currency risk management for trade payables.

FV approximate the carrying value due to the instruments' short-term nature.

19. PROVISIONS

Reconciliation of provisions - 2023

	Opening balance	Additions	Reversed during the year	Closing balance
Legal proceedings	201 674	18 182	(66 202)	153 654
Other provisions	115 391	33 550	(78 646)	70 295
	317 065	51 732	(144 848)	223 949

Reconciliation of provisions - 2022

	Opening balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Closing balance
Legal proceedings	225 346	18 825	18 825	(42 497)	(42 497)	201 674
Other provisions	75 423	101 117	101 117	(61 149)	(61 149)	115 391
	300 769	119 942	119 942	(103 646)	(103 646)	317 065

• 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 Corporation 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 1.14 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.

20. REVENUE

Revenue from contracts with customers

	2023	2022
Mobile Revenue	48 799	37 014
Channel carriage fees	224 281	208 025
Programme rights and exploitation rights	67 350	48 206
Advertising revenue	2 631 865	3 078 475
Sponsorship revenue	717 507	664 432
Licence fees	741 218	815 055
Business enterprise and facilities revenue	48 624	27 816
	4 479 644	4 879 023

Revenue other than from contracts with customers

Revenue recognised from government grants	153 898	163 823
	4 633 542	5 042 846

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 Corporation 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 R4.651 bn (31 March 2022: R4.446 bn) were billed of which only R 741 m (31 March 2022: R 815 m) met the probability recognition criteria.

Contract liabilities

Advertising revenue	50 615	55 575
TV licence income	117 895	106 323
Sponsorship revenue	200 324	151 009
Total contract liabilities	368 834	312 907

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. Contract liabilities are recognised as revenue as (or when) the SABC fulfils performance obligations under the contract. All unsatisfied performance obligations are expected to be completed within one year from reporting date.

Contract assets

TV Licence (unmatched to account holders)	14 905	18 339
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Contract assets are recognised to the extent that performance obligations have been performed by the Corporation and that revenue has been recognised in accordance with IFRS 15 Revenue from contracts with customers, but for which the Corporation'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 for a second year running, exceeded the set performance target in Rand value 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 2023.

(i) Significant change in contract assets and liabilities

	Contract Liabilities	Contract assets and liabilities
Revenue recognised that was included in contract liability at beginning of period	(116 884)	(196 023)
Increase due to cash received, excluding amounts recognised as revenue during the period	353 929	312 907
	237 045	116 884

All considerations 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 Corporation applies the practical expedient methodology 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 Corporation 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.

Notes to the audited Annual Financial Statements continued

20. REVENUE (CONTINUED)

(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:

	2023	2022
Advertising revenue received in advance	31 045	47 641
TV Licence fees received in advance	70 266	98 478
Sponsorship revenue	15 573	49 904
	116 884	196 023

21. OTHER OPERATING INCOME

Rental income	13 146	8 651
Event sponsorships and other	19 733	16 052
Travel commission	67	337
	32 946	25 040

22. EMPLOYEE AND DIRECTORS' COMPENSATION AND BENEFIT EXPENSE

Cost of Employment	2 163 695	1 932 992
Long-service Awards	16 259	14 232
Defined benefit pension fund recognised in profit or loss	176 060	(125 861)
Post-employment medical benefits	21 227	149 284
Leave pay	4 608	38 507
Total amounts recognised in profit or loss	2 381 849	2 009 154

Items recognised in other comprehensive income:

Actuarial (gains)/loss Post-retirement medical aid liability	(64 579)	(105 900)
Actuarial (gains)/loss Pension fund defined benefit	(374 134)	989 021
Actuarial (gains)/loss Long service awards	21 762	(4 739)
Expected return on plan assets	730 741	(560 598)
	2 695 639	2 326 938

23. PROFESSIONAL AND CONSULTING FEES

Audit fees	26 797	27 970
Consulting fees total	33 828	47 039
Managerial	6 182	21 645
Technical	27 466	25 155
Other	180	239
	60 625	75 009

24. OPERATIONAL EXPENSES

Other expenses include the following charges:

Premises	3 352
Equipment	3 744
Legal claim provision raised/(reversed)	-
Security costs	68 144
Maintenance and Repairs	71 802

25. PROFITS/(LOSSES) ON DISPOSAL OF ASSETS

	2023	2022
Profit/(loss) on disposal of assets	(3 781)	(6 201)

Profit/(loss) on sale of assets relates to the disposal of items of property, plant and equipment and computer software. Refer to note 36 for carrying amount and proceeds of items of property, plant and equipment and computer software disposed.

26. NET FINANCE GAIN

Interest received from banking institutions	56 037	53 925
Net foreign exchange gain on monetary items	4 283	9 269
Total Interest Income	60 320	63 194
Dividend Income	-	-
Total Finance Income	60 320	63 194
Total Interest paid	(18 078)	(2 040)
Interest paid - Permanent Capital	(5 534)	(727)
Instalment sale and lease liabilities	(1 348)	(1 082)
Other interest paid	(11 196)	(231)
Net forex gains (losses) foreign borrowing	(15 913)	(4 003)
Finance expenses	(33 991)	(6 043)
Net financing gain/(loss)	26 329	57 151

27. TAXATION**Reconciliation of the tax expense**

Reconciliation between accounting profit and tax expense.

Accounting loss	(1 181 161)	(200 205)
Tax at the applicable tax rate of 27% (2022: 28%)	(318 913)	(54 055)
Tax effect of adjustments on taxable income		
Non-taxable income	(10 396)	(10 559)
Non-deductible expenses	23 173	20 627
Effect of the rate change	-	(41 621)
Prior year adjustment	(53 798)	-
Deferred tax asset not recognised - other temporary differences	306 136	85 608
	(53 798)	-

Notes to the audited Annual Financial Statements continued

28. CASH USED IN OPERATIONS

	2023	2022
Loss before taxation	(1 181 161)	(200 205)
Adjustments for non-cash items:		
Depreciation and impairment of property, plant and equipment	130 512	114 747
Depreciation of rights-of-use assets	12 247	8 664
Amortisation of computer software	17 936	11 584
Amortisation of programme, film and sports rights	1 347 377	1 358 738
Profits/(loss) on disposal assets	3 781	6 201
Impairment of Trade Receivables	52 696	40 178
Revenue recognised from government grants	(153 898)	(163 823)
Gains on reclassification of financial assets	-	(583)
Investment income	(60 320)	(63 194)
Finance costs	33 991	6 043
Increase/(decrease) of provision on trade receivables	(17 073)	(7 949)
Net acquisition of programme, film and sports rights	(1 363 852)	(1 351 428)
Changes in working capital:		
Consumables	12	184
Trade and other receivables	65 264	33 434
Contract assets	3 434	1 041
Prepayments	(53 509)	70 402
Trade and other payables	555 108	(112 262)
Contract Liabilities	55 927	116 884
Deferred government grant	47 744	25 959
Defined benefit assets and liabilities	(5 988)	(301 677)
Other non-current liabilities	-	(4 180)
Provisions	(93 116)	16 639
Employee benefits obligation	(5 382)	(7 155)
Other tax liability	(58 374)	-
Loans and Borrowings	9 595	-
	(657 049)	(401 758)

29. TAX (PAID)/REFUNDED

Balance at beginning of the year	(62 123)	(68 840)
Balance at end of the year	(1 643)	62 123
Movement	(63 766)	(6 717)

The closing tax is due to payments and SARS credits passed in relation to VDP.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

2023				
	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	11	540 881	540 881	540 881
Cash and cash equivalents	12	471 552	471 552	471 552
		1 012 433	1 012 433	1 012 433
2022				
	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	11	605 632	605 632	605 632
Cash and cash equivalents	12	1 180 187	1 180 187	1 180 187
		1 785 819	1 785 819	1 785 819

Categories of financial liabilities

2023				
	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	1 086 237	1 086 237	-
Compound instruments	14	27 390	27 390	-
		1 113 627	1 113 627	-
2022				
	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	501 000	501 000	-

Capital management

The Corporation's share capital is 100% owned by the Government. The Corporation does not hold any other form of share capital. There are no changes expected in the Corporation's approach to capital management during the year. The Corporation is not subject to any externally imposed capital requirements. The Corporation 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 Corporation has guarantees against the employee housing scheme to the value of R0.105 million, and a guarantee for IATA travel agency licence.

General short-term banking facilities (available for future operating activities)

	2023	2022
FNB/Rand Merchant Bank	-	-
Nedbank	-	-
ABSA Corporate and Merchant Bank	13 800	13 800
Unutilised	12 572	12 710
Asset finance (available to settle capital commitments)		
Provided	7 800	7 800
Utilised	-	-
Unutilised	7 800	7 800
Guarantees		
Provided	45 000	45 000
Utilised	-	(310)
Unutilised	45 000	44 690

Notes to the audited Annual Financial Statements continued

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Receivable facility

		2023	2022
Provided		100 000	280 000
Utilised		-	-
Unutilised		100 000	280 000
Government debt instrument	14	27 390	-
Trade and other payables	18	1 107 999	501 000
Total borrowings		1 135 389	501 000
Cash and cash equivalents	12	(471 552)	(1 180 187)
Net borrowings		663 837	(679 187)
Equity		1 019 471	2 460 623
Gearing ratio		111 %	20 %

Financial risk management

Overview

The Corporation is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

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	0%
2	Moderate	Customer account balances which are only current and/or 30 days past due with a credit rating between A to B, but have qualitative factors	1 %
		Customer account balances which are current and/or 30 days past due (which are also included in the past 30 days)	2 %
		Customer account balances which are current and/or 30 days past due with a credit rating of C are deemed to have moderate risk	3 %
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	20 %

		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	11	553 158	(12 277)	540 881	634 982	(29 350)	605 632
Cash and cash equivalents	12	471 552	-	471 552	1 180 190	-	1 180 190
		1 024 710	(12 277)	1 012 433	1 815 172	(29 350)	1 785 822

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due or can only do so at excessive high costs. The Corporation'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 Corporation's reputation. Where internal funding is constrained, external sources of funding are explored.

The Corporation manages its cash flow requirements by forecasting for both the short-term (three months) and the long-term (one to 3 years) cash requirements of the Corporation. The Corporation has borrowing facilities amounting to R100 million (2022: R7 million) which include short-term banking facilities as well as asset-based finance facilities.

The following analysis details the contractual maturity of the Corporation'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 Corporation can be required to settle the liability. The analysis includes both interest and principal cash flows.

	2023			Total	Carrying amount
	Less than 1 year	1 to 2 years			
Non-derivative financial liabilities					
Trade and other payables	583 157	-		583 157	-
Accruals	181 728	-		181 728	-
Accruals programme, film and sports rights	186 535	-		186 535	-
Other liabilities	-	-		-	-
Other payables*	130 928	-		130 928	-
Lease liabilities	5 045	11 694		16 739	-
	1 087 393	11 694		1 099 087	-
	2022			Total	Carrying amount
Non-derivative financial liabilities					
Trade and other payables	18	19 652	-	19 652	-
Accruals		220 606	-	220 606	-
Accrued expense - Programme, film and sports rights		133 023	-	133 023	-
Lease liabilities		7 144	-	7 144	-
Other payables*		127 719	-	127 719	-
Other non-current liabilities		4 180	-	4 180	-
		512 324	-	512 324	-

* 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 Corporation's income or the value of its holdings of financial instruments. The objective of the Corporation'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 Corporation 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 Corporation's Risk Management policy of 2021 is to economically hedge between 35% to 75% of firm commitments for a rolling 12 month period. The Corporation has not applied hedge accounting for these forward currency contracts. The Corporation 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 of budget rate was achieved.

Notes to the audited Annual Financial Statements continued

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The corporation's functional currency performed better in the year under review as the target of budget rate was achieved.

The Company's exposure to foreign currency risk based on notional amounts was as follows:

	US Dollar/Euro '000	Rand'000
	2023	
Trade payables	(10)	(180)
Gross financial position exposure	(10)	(180)
Net financial position exposure	(50)	(900)
	2022	
Trade payables	(6)	(88)
Gross financial position exposure	(6)	(88)
Net financial position exposure	(47)	(416)

The following significant exchange rates applied during the year:

	Average Rate		Reporting date spot rate	
	2023	2022	2023	2022
USD 1	17,02	14,64	17,81	14,61
EUR 1	17,70	16,73	19,37	16,20

Sensitivity analysis

A 10% strengthening of the Rand against the USD 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 2022/23 financial reporting period. Due to the nature of the transactions, there is no effect on equity.

Profit or (loss)

	2023	2022
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. The impact is immaterial.

Interest rate risk

The Corporation's income and operating cash flows are substantially dependent on changes in market interest rates. The interest rates of finance leases to which the Corporation is a lessee are fixed at inception of the lease or variable over the term of the lease, and therefore expose the Corporation to fair value interest rate risk. At reporting date the interest rate profile of the Corporation's interest bearing financial instruments was:

Carrying amount Fixed rate instruments

Government debt instrument	27 390	-
Variable rate instrument		
Loan and borrowings	-	-
Cash and cash equivalents	471 552	1 180 187
	471 552	1 180 187

Fair value sensitivity analysis for fixed rate instruments

The Corporation 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
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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. The impact is immaterial.

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.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**(i) Other financial assets**

The carrying amount of these financial assets is the fair value and is quoted in an active market.

Company

	2023				2022			
	Carrying amount R'000	Level 1 R'000	Fair value Level 2 R'000	Level 3 R'000	Carrying amount R'000	Level 1 R'000	Fair value Level 2 R'000	Level 3 R'000
Financial assets								
Other financial assets								
Financial assets at amortised cost								
Cash and cash equivalents	471 552	-	-	-	1 180 187	-	-	-
Total Financial assets	471 552	-	-	-	1 180 187	-	-	-
Financial liabilities								
Financial liabilities measured at amortised cost								
Lease liabilities	(16 739)	-	-	-	(7 144)	-	-	-
Net financial liabilities	454 813	-	-	-	1 173 043	-	-	-

Details pertaining to leasing arrangements, where the Corporation is a lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

	2023	2022
Buildings	13 156	8 345
Office equipment	1 528	3 819
	14 684	12 164

Additions to right-of-use assets

Buildings	15 757	1 674
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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	9 955	6 945
Office equipment	2 292	1 719
	12 247	8 664

Other disclosures

Interest expense on lease liabilities	1 244	1 082
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Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	6 009	5 425
Two to five years	12 966	2 246
	18 975	7 671
Less finance charges component	(2 236)	(527)
	16 739	7 144
Non - current liabilities	11 694	1 261
Current liabilities	5 045	5 883
	16 739	7 144

Notes to the audited Annual Financial Statements continued

31. COMMITMENTS

Authorised capital expenditure

Already contracted for but not provided for

	2023	2022
Property, plant and equipment	156 918	139 126
Programme, film and sports rights	755 487	1 139 099
Total contracted for but not provided for	912 405	1 278 225

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 2023 is as follows:

	Local commitments R'000	Foreign commitments EURO/USD'00 R'000 0	Total R'000	
Year ending March 2024	558 435	5 995	111 523	669 958
Local currency	558 435	-	-	558 435
Foreign- EURO	-	325	6 523	6 523
Foreign-US Dollar	-	5 670	105 000	105 000
Year ending March 2025	42 417	2 240	41 676	84 093
Local currency	42 417	-	-	42 417
Foreign- EURO	-	125	2 509	2 509
Foreign-US Dollar	-	2 115	39 167	39 167
Year ending March 2026	417	35	639	1 056
Local currency	417	-	-	417
Foreign-US Dollar	-	35	639	639
Year ending March 2027	380	-	-	380
Local currency	380	-	-	380
Total commitments	601 649	8 270	153 838	755 487

32. 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 Corporation 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 2023 and giving rise to contingent liabilities are detailed as follows:

	Possible Losses for the Company 2023
(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 Set down for 18 May 2023.	1 126
(ii) A former SABC Freelancer Contracted by SABC Sport is suing the SABC for damages due to the non- renewal of his contract. The Parties await a new trial date.	444
(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.	8 195
(iv) Summons was served on the SABC on the 07th of 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.	16 063
(v) On 28 January 2020, the SABC was served with a summons instituted in the High Court of South Africa Local Division Johannesburg by one of its employees claiming damages for alleged defamation of character.	500
(vi) A former independent contractor instituted action against the SABC claiming damages for alleged 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 Parties' Attorneys will be holding the pre-trial conference on 16 March 2023. Following the conference, we will be in a position to apply for a trial date of the matter.	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.	500
(ix) On 11 February 2020, the SABC was served with a summons instituted in the High Court of South Africa Gauteng Local Division. An employee is suing the SABC for defamation claiming her dignity and the right to practice her profession have been assailed by the Corporation's conduct as she is unable to get employment.	500
(x) On 03 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 (ICA) concluded pursuant to the SABC's termination of the first ICA.	475
(xi) A former SABC Freelancer is claiming copyright on a the SABC TV programme, known as Shay'iround purely because he believes the concept was stolen from him by the SABC. The Parties await the trial date.	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 on the Corporation's website.	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 practices and claims for breach of contract.	169 533
(xv) 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.	501 578
	965 911

Notes to the audited Annual Financial Statements continued

33. RELATED PARTIES

Relationships

Ultimate holding company 1

The Corporation is 100% controlled by its Shareholder, the Government, represented by the DCDT.

The Corporation 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 Corporation consist mainly of all other State-Owned Companies (SOC) excluding schedule 3C listed entities, the DCDT and all entities within the Communication and technologies portfolio. Key management personnel of the Corporation or its shareholder and close family members are related parties. The related parties of the Corporation 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 Corporation 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 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 Chapter 9 institutions in terms of the Constitution of the Republic.

(i) Significant transactions with government related entities Included in Revenue are the following:

Items recognised in other comprehensive income:

	2023	2022
Government Communication and Information Services	52 072	77 545
Aggregate sales to other government related entities not listed above	81 947	51 576
	134 019	129 121

Outstanding balances with government related entities

Included in Receivables are the following:

Government Communication and Information Services	4 817	9 993
Aggregate sales to other government related entities not listed above	17 388	10 430
	22 205	20 423

Goods and services are sold to related parties on an arm's length basis at market related prices.

Purchases of goods and services

Aggregate purchases from other government related entities

Sentech (SOC) Limited	664 581	692 204
Aggregate purchases from other government related entities	325 696	291 474
	990 277	983 678

Balances with government related entities

Included in Payables are the following:

Aggregate Purchases from other government related entities	7 609	12 081
	7 609	12 081

33. RELATED PARTIES (CONTINUED)

Goods and Services are purchases from related parties on an arm's length basis at market related prices.

(ii) Grants and sponsorship from the Department of Communication and Digital Technologies

	2023		2022	
	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	153 898	-	163 823	-
Government grants received	202 287	-	189 781	-
Deferred government grant	-	365 045	-	317 301
	356 185	365 045	353 604	317 301

Goods and services are purchased from related parties on an arms length basis at market related prices.

(iii) Interest payments

	2023		2022	
	Amount of transactions R'000	Amounts owed (to)/by subsidiary R'000	Amount of transactions R'000	Amounts owed (to)/by subsidiary R'000
Shareholder - permanent capital	27 391	-	15 802	-

(iv) Employee benefit payments

SABC Pension fund	176 708	1 319 108	175 816	1 669 727
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(v) 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 2023						
Channel Africa	38 464	39 239	(81 878)			(4 175)
	38 464	39 239	(81 878)			(4 175)
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

(vi) Service contracts for Executive Directors

Service contract	Mxakwe M	van Biljon Y	Plaatjes 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	6 months	6 months	1 Year and 10 months

Notes to the audited Annual Financial Statements continued

33. RELATED PARTIES (CONTINUED)

(vii) Directors' and key management personnel compensation

Remuneration paid to the person in any capacity

	Service as	Service period in months	Basic salary R'000	Expenses and other allowance R'000	Employer's contribution to pension fund, medical aid and other R'000	Total
Year ended 31 March 2023						
Non-executive Directors						
Makhathini BE	Board Chairperson	6	-	494	-	494
Mohlala MM	Deputy Chairperson	6	-	350	-	350
Phalane JH	Board member	6	-	287	-	287
Mohuba DK	Board member	6	-	228	-	228
Markovitz MG	Board member	6	-	281	-	281
Cooper S	Board member	6	-	281	-	281
Maimela D	Board member	6	-	231	-	231
Lekalakala MB	Board member	6	-	249	-	249
Patel J	Board member	6	-	277	-	277
Socikwa MM	Board member	6	-	210	-	210
Papayya MBP	Board member	6	-	237	-	237
Horne RKC	Board member	4	-	136	-	136
Malele JA	Independent Audit and Risk Committee member	-	-	1	-	1
Executive Directors						
Mxakwe MT	Group Chief Executive Officer	12	3 728	1 379	723	5 830
Van Biljon Y	Chief Financial Officer	12	2 177	842	385	3 404
Plaatjes IC	Chief Operating Officer	12	2 283	625	475	3 383
Senior Management						
Bayi LV	Company Secretary	11	1 591	820	318	2 729
Mpepu KL	Chief Audit Executive	9	732	244	173	1 149
Wotshela NN	Group Executive: Radio	12	1 938	706	387	3 031
M Mosia	Group Executive: Human Resources	12	1 648	593	336	2 577
Ntuli GM	Group Executive: Corp Affairs and Marketing	10	1 297	668	277	2 242
Monare N	Group Executive: News and Current Affairs	10	1 518	536	326	2 380
Naicker M	Group Executive: Video and Entertainment	12	1 580	438	324	2 342
Nxumalo R	Group Executive: Commercial Enterprises	12	1 648	642	343	2 633
Vanara NJ	Group Executive: Legal Governance and Regulatory	12	1 615	625	286	2 526
Binza L	Chief Digital Officer	12	1 812	701	321	2 834
Salojee M	Company Secretary (Acting)	1	80	8	21	109
Tshiruruvhela I K	Chief Audit Executive (Acting)	3	256	90	67	413
Seapolelo M V	Group Executive: Corp Affairs and Marketing (Acting)	2	134	33	31	198
Uren D C	Group Executive: News and Current Affairs (Acting)	2	143	41	34	218
		-	24 180	12 253	4 793	41 226

* - The Honourable State President appointed 12 Non-Executive Directors (NEDs) on 18 April 2023 for a period of five years and the appointment resulted in a fully quorate and functional Board. Senior Management who acted for less than 12 months, disclosure of remuneration is limited to only the period they acted.

33. RELATED PARTIES (CONTINUED)**(vii) Directors' and key management personnel compensation continued****Remuneration paid to the person in any capacity**

	Service as	Service period in months	Basic salary R'000	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	Group Chief Financial Officer	12	2 154	835	380	3 369
Plaatjes IC	Group Chief Operating Officer	12	2 252	619	466	3 337
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	10	1 325	514	232	2 071
Naicker M	Group Executive: Video and Entertainment	12	1 563	434	318	2 315
Nxumalo R	Group Executive: Sales	11	1 629	875	336	2 840
Vanara NJ	Group Executive Governance and Assurance (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
Madolo LT	Group Executive: Sales (Acting)	1	1 118	847	260	2 225
		-	27 695	16 606	5 552	49 853

Notes to the audited Annual Financial Statements continued

34. LICENSE AGREEMENTS

The Corporation was granted Public Television Broadcasting Licences by the Independent Communications Authority of South Africa ('ICASA') for the period 18 December 2008 to 18 December 2023 for SABC1 and SABC2.

The Corporation was granted Commercial Television Broadcasting Licences by ICASA for the period 18 December 2008 to 18 December 2023 for S3.

The Corporation was granted Public Sound Broadcasting Licences by ICASA for the period 18 December 2018 to 17 December 2028 for SAfm, RSG, UMHLOBO WENENE FM, UKHOZI FM, LESEDI FM, MOTSWEDING FM, THOBELA FM, LIGWALAGWALA FM, IKWEKWEZI FM, MUNGHANA LONENE FM, PHALAPHALA FM, LOTUS FM, RADIO 2000, XK FM and Tru FM.

The Corporation was granted Commercial Sound Broadcasting Licences by ICASA for the period 18 December 2018 to 17 December 2028 for 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 Corporation is required to comply with the applicable regulations as amended from time to time. No subsequent expenditure has been incurred on these licences.

35. EXPENDITURE THROUGH IRREGULAR PROCESSES AND LOSSES THROUGH FRUITLESS AND WASTEFUL EXPENDITURES

The following amounts have been determined as being irregular and fruitless and wasteful expenditures, in terms of section 55(2) (b) (i) of the Public Finance Management Act, No. 1 of 1999, as amended:

Expenditure identified in the current year

	2023	2022
Irregular expenditure	34 799	33 546
Fruitless and wasteful expenditure	16 066	10 373
	50 865	43 919

36. NON-CURRENT ASSETS HELD FOR SALE

The Corporation 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 Corporation remains committed to the disposal transaction.

Assets and liabilities

Non-current assets held for sale

Property, plant and equipment	959	960
Investment property	566	566
	1 525	1 526

37. GOING CONCERN

Throughout the year under review the SABC continued to deliver on its mandate to educate, inform and entertain and consistently impacted and improved the lives of South Africans. Despite the shortcomings in the funding model and external and internal factors that negatively impacted financial performance, service delivery, that met and exceeded expectations continued. A strong and healthy ethical culture, internal control and Supply Chain environment, and the absence of fraud indicators or risk are evidenced in various governance reviews. As a pillar to both democracy and the media industry, the SABC thus does a lot of good.

The Corporation have been experiencing negative operating cashflows though. In the year under review R631 million (31 March 2022: R352 million). The cash position as at 31 March 2023 declined to R470 million (2022: R1.18 billion). The net loss reported increased 563% to R1 128 million from R200 million. It is necessary to emphasise that the Corporation is solely dependent on cash generated from Revenue streams to sustain its annual operations. Bailout funding dedicated to Content acquisition and capital can take up to 2 years in the case of content and 5 years + for capital before yielding a return. The Corporation has no other funding avenues.

At the reporting date 100% of the turnaround plan activities have been achieved reflecting the Board and Management's efforts and commitment to turnaround the entity. An assessment of the impact of the turnaround plan indicated that the only activities that did not, or have not yet, contributed to the financial sustainability of the Corporation were those related to Revenue generation and the evolution required in the Regulatory and Legislative Framework.

Throughout the year attention was drawn to the risks that affected the pillars that underpin Going Concern. Cashflow forecasts are further done on a weekly, monthly, quarterly, and annual basis. Though creditor days are high, should 1 strategic trading partner be excluded from the calculation, creditor days are well aligned with accepted working capital management practices.

In preparing the 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 2024.

The tough trading conditions forecasted makes it imperative for austerity measures to continue being implemented with particular attention to cash management on the back of mitigating plans that will set the Corporation in a Revenue recovery trajectory.

The risk to the Revenue streams in the short term will be mitigated by the following main measures in the forecast period: -

- Reduce cost of content through AFPs or licenced content. The SABC has already successfully acquired content through this cost sharing strategy. The success achieved will be replicated across more time channels on our TV platforms.
- Management and Board has further approved targeted cost reductions and deferrals from the approved budget.
- Where commissioned productions will proceed, the post production services will all be moved to internal facilities where the Corporation has capacity to do so.
- The Annual Procurement Plan was reviewed, and a project embarked on to review all long-term contract for renegotiations and costs reductions.
- All Long-Term Capital Projects has effectively been deferred and reprioritised to ensure execution within available resources. Only a few select projects will be focused on.

The above is anticipated to serve as a bridge in the next 3 – 6 months while the Revenue improvement plan initiatives mature and starts contributing to the available cash resources.

As it pertains to initiatives to improve Revenue generation – a comprehensive plan has been designed and detail is being firmed up, but it has the support of the Board and the Shareholder. Engagements are also ongoing to substantiate a motivation for support for the loss of audiences and consequently financial losses as a result of the Analogue Switch Off.

Based on the above and stringent liquidity risk management the corporation is expected to meet its short term obligations.

Management has further considered several estimates, judgments and assumptions in performing the cashflow forecasts, the most significant of which are listed below: -

- The scenario analysis applied to forecast is conservative.
- Analogue Switch Off will be mitigated by the announced two step process with final switch off planned for December 2024.
- Amendment to the Must Carry Regulations will have an impact on cashflows from 2024 onwards as a grace period for negotiations has been granted to broadcasters.
- The outcome of two cases before the Competition Commission is expected to have a positive impact on the financial sustainability of the Corporation but because the outcome and timing is uncertain it has not been a consideration for the period under review.
- The effective implementation of the SABC Bill in the next 2 – 5 years will effectively address the funding model challenges of the Corporation and sustainably change its fortunes. No impact has however been assumed of the period under review.

Though there is a material uncertainty in the short term that cast doubt over the ability of the Corporation to meet its obligations, the Board of Directors are confident that on the back of the above, 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.

38. EVENTS AFTER THE REPORTING PERIOD THE SABC BOARD

The SABC has a unitary Board of Directors which in terms of the Broadcasting Act No. 4 of 1999, as amended, comprises of 12 Non-Executive Directors and 3 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 12 Non-Executive Directors (NEDs) on 18 April 2023 for a period of five years and the appointment resulted in a fully quorate and functional Board.



"We are
empowered by
our diversity."

REMEMBRANCE

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 public service 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.

THEME

With this year's Annual Report, we **Expanding** our Reach, **Connect** with our Audiences and **Inspire** our Nation by giving their Stories a Voice and a Face, which is rooted in our mandate of Informing, Educating and Entertaining.

Everywhere for Everyone, Always.

Speaks to a country of storytellers and visionaries. A country shaped by different experiences and worldviews. The SABC has always played a role in embracing and amplifying this open culture.

The SABC continues to empower, uplift and enable every citizen everywhere to VOICE their views, share their truth; It continues to give a FACE to everyone's story.

This positions the SABC as an engine of freedom of expression. It tells the story of the SABC as an empowering force, an instrument that inspires greater possibilities for all people in every corner of the country.

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