NASPERS

Annual financial statements
for the year ended 31 March 2020

Cape Town, South Africa

Statement of responsibility by the board of directors

for the year ended 31 March 2020

The annual financial statements of the Naspers Limited group (Naspers or the group) and the company are the responsibility of the directors of Naspers Limited. In discharging this responsibility, they rely on the management of the group to prepare the consolidated and separate annual financial statements presented on pages 29 to 182.

We have prepared the consolidated annual financial statements of Naspers for the year ended 31 March 2020, and the undertakings included in the consolidation taken as a whole, in accordance with, and in compliance, in all material respects, with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. As such, the consolidated and company annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated and separate annual financial statements. The directors are responsible for the establishment and adequate functioning of a system of governance, risk management and internal controls in the company. Consequently, the directors have implemented a broad range of processes and procedures designed to provide control by the directors over the company's operations.

These processes and procedures include measures regarding the general control environment. All these processes and procedures are aimed at providing a reasonable level of assurance that we have identified and managed the significant risks of the company, and that we meet the operational and financial objectives in compliance with applicable laws and regulations. Information regarding our internal control systems is set out in "Governance for a sustainable business" section of the Integrated Annual Report.

The Internal Audit function monitors the compliance with our internal control systems and updates management regarding the emergence of new risks. They support the annual review of the effectiveness of the system of governance, risk management and internal controls of the board of directors. Internal Audit provides comfort to the audit committee and board of directors that our system of risk management and internal controls – as designed and represented by management – are adequate and effective. While we routinely work towards continuous improvement of our processes and procedures regarding financial reporting, the directors are of the opinion that these systems provide reasonable assurance that the financial reporting does not contain material inaccuracies.

Based on forecasts and available cash resources, the directors believe that the group and company have adequate resources to continue operations as a going concern in the foreseeable future. Accordingly, the financial statements support the viability of the group and the company.

The preparation of the consolidated and company annual financial statements was supervised by the group's financial director, Basil Sgourdos CA(SA). These results were made public on 29 June 2020.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated and company annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 22.

The consolidated and company annual financial statements were approved by the board of directors on 29 June 2020 and are signed on its behalf by:

Koos Bekker
Chair

Bob van Dijk
Chief executive

Certificate by the company secretary

for the year ended 31 March 2020

In terms of section 88(2)(e) of the Companies Act No 71 of 2008 I, Gillian Kisbey-Green, in my capacity as company secretary of Naspers Limited, confirm that for the year ended 31 March 2020, the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.

Gillian Kisbey-Green
Company secretary
29 June 2020

Directors' report to shareholders

for the year ended 31 March 2020

GENERAL INFROMATION

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Naspers builds leading companies that empower people and enrich communities. The group operates and partners a number of leading internet businesses across the Americas, Africa, The Middle East, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, travel, education, health, etail and social and internet platforms.

OPERATING REVIEW

The past financial year has seen the Naspers group transform considerably as we executed several significant strategic initiatives, which we believe will unlock value over time. Operationally, the group ended the year in a position of significant strength with accelerating revenue growth in its ecommerce (online commerce) portfolio, improved profitability and a substantial net cash position with sufficient liquidity. Underpinning these results, Tencent continued to report resilience in an uncertain macro environment.

Most recently, the onset of a global pandemic had a marked impact on the daily lives people globally and the economy at large. While the impact is likely to persist for some time, we are confident to weather the storm. The group's focus is on safety, plus leveraging its financial flexibility to continue building a business that grows strongly, generates high rates of return and provides employment for thousands over the long term.

After many years of stock-price outperformance, Naspers now represents an outsized position on the JSE Limited's shareholder weighted index (SWIX). To extend our shareholder base and reduce that outsized position, on 11 September 2019, we listed our international internet assets on Euronext Amsterdam as Prosus N.V. (Prosus). Prosus includes all Naspers's operations and investments outside South Africa in online classifieds, food delivery, payments and fintech (financial technology), etail (online retail), travel, education, and social and internet platforms. As Europe's most valuable consumer internet company, Prosus gives global internet investors direct access to our portfolio of international internet assets, as well as exposure to China, India and other high-growth markets. Prosus also has a secondary listing on the JSE Limited (JSE) in South Africa. At the date of listing, Prosus was 73.84% owned by Naspers, with a free float of 26.16%. In January 2020, to fulfil an obligation to the South African Reserve Bank to repatriate US$1.5bn to South Africa, Naspers sold 22 million shares in Prosus, representing 1.35% of the issued Prosus N ordinary shares, to institutional investors for gross proceeds of €1.5bn (US$1.64bn). Following the disposal, Prosus was 72.49% owned by Naspers, with a free float of 27.51%. We have no intention to sell additional shares of Prosus.

All proceeds, net of expenses and costs, received by Naspers from this disposal were repatriated to South Africa as required and used to return capital to our shareholders in the form of a share repurchase programme. The programme was completed on 24 March 2020, with a total of 9 156 705 Naspers N ordinary shares being repurchased (representing 2.06% of the issued Naspers N ordinary shares prior to the programme). A total of R22.4bn (US$1.4bn), including transaction costs, was paid under the programme (representing an average cost of R2 447.11 per Naspers N ordinary share). The Naspers N ordinary shares repurchased in terms of the programme have been cancelled and delisted. We are pleased with the performance of the programme which, through the sale of Prosus N ordinary shares with a lower discount to net asset value and repurchase of Naspers N ordinary shares with a larger discount to net asset value, realised around R3.3bn in shareholder value. As a result, Naspers had 435 511 058 N ordinary shares in issue at 31 March 2020.

In ecommerce, all key segments made good progress against financial and strategic objectives. The Classifieds as well as Payments and Fintech segments have now reached profitability at their core and continue to grow profits, while investing to drive growth. Classifieds is expanding considerably faster than many of its peers. Food Delivery was the most significant investment area, as we grow the market and our position in it by investing in technology. We are also focusing on building first-party delivery capabilities, city and restaurant reach. To date, this investment has driven order and revenue growth in our Food-Delivery operations ahead of global peers. We believe Food Delivery fits our strategy, as it addresses a major consumer need that can be fundamentally transformed by technology. The progress of our core ecommerce segments, which are scaling well, builds confidence in our ability of identifying opportunities to create value.

Tencent delivered a solid financial performance, particularly in fintech and business services. Its expanding ecosystem drives very user engagement, ahead of local and international peers. This positions Tencent to offer new products and services to users. We continue to benefit from the close relationship and partnerships we have established in some of our markets.

OPERATING REVIEW (continued)

We ended the financial year facing the global Covid-19 pandemic, with many of our markets locking down in March 2020. Our priority was the wellbeing of our 25 000 people and the communities we serve around the world. As a global company operating in numerous local markets, we take our responsibility seriously. We are helping our people and communities navigate this crisis. In April 2020, we committed R1.5bn (US$84m) in emergency aid to the South African government's response to the crisis. We contributed R500m to the Solidarity Fund announced by the South African president, plus R1bn worth of personal protective equipment and other medical supplies. This equipment was rapidly sourced – in partnership with the Chinese government and Tencent – to support South Africa's frontline health workers. It was delivered in multiple shipments, with the final shipment delivered on 12 June 2020. In April 2020, Prosus donated INR100crore (US$13m) to the Indian government's response to the Covid-19 crisis via the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund. In addition, at local level, many of our companies have made meaningful contributions. Across the group, we continue to identify ways in which our technological expertise, global networks and resources can be used to support the fight against this virus.

We will continue to respond quickly to the evolving situation to safeguard our people, maintain our ability to serve our customers and protect our businesses. While we believe each of our segments will continue to benefit from secular growth trends, the global pandemic has affected operations and we need to draw attention to its potential impacts on 2021's financial year. That said, we believe the fundamentals of our businesses remain strong. We have sufficient liquidity to run the company and the ability to invest in opportunities that may arise during this period.

Given the wide geographical span of our operations and significant investments in ecommerce in particular, reported earnings are materially impacted by foreign exchange movements and the effects of acquisitions and disposals. Where relevant in this report, adjustments have been made for the effects of foreign currencies and acquisitions and disposals. These adjustments (pro-forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS).

FINANCIAL REVIEW

Group revenue, measured on an economic-interest basis, was US$22.1bn, reflecting growth of 17% (23%) from continuing operations. Measured similarly, and including the stepped-up investment in Food Delivery, group trading profit grew 13% (17%) year on year to US$3.7bn. Tencent grew revenues by a healthy 16% (21%) year on year. Driven by Classifieds, Etail, and Payments and Fintech, the ecommerce business posted strong performance. Overall revenue growth in ecommerce, adjusted for acquisitions and disposals, grew 32% in local currency, a 6% acceleration year on year. This was led by the Food Delivery segment, which grew orders 102% and revenues by 99% (105%), and strong growth in Classifieds, up 48% (37%). Tencent's profitability improved 17% (22%). Trading losses in ecommerce rose to US$964m, reflecting our investment in Food Delivery to grow markets and sustain our leading positions. Excluding the increased investments in food delivery, and payments and fintech as well as acquisitions and disposals, ecommerce trading losses reduced by 24% or US$76m in local currency.

Core headline earnings from continuing operations were US$2.9bn – down 5% (1%). Improving profitability in Tencent and the more established ecommerce businesses were partially offset by increased taxation related to the Prosus investment. Through listing Prosus and the subsequent sale of additional shares, minority shareholders with a 27.51% interest in Prosus were introduced. This reduced the attributable share of Naspers shareholders in the Prosus core headline earnings contribution for the year ended 31 March 2020 by US$466m (2019: US$nil).

Across the group, we invested US$1.3bn to expand our ecosystem and reach. Notably: through PayU, an investment of US$66m in Wibmo to expand our Indian footprint in payment security, mobile payment solutions and processing services; an investment of US$163m in PaySense broadens our ecosystem in India as we now start to offer consumer credit, an investment of US$199m in Iyzico, a leading payment service provider in Turkey, and US$48m in Red Dot Payment (Red Dot), providing payment solutions in Singapore and expanding across Southeast Asia. In Classifieds, we acquired a controlling stake in Frontier Car Group for US$320m and the contribution of certain subsidiaries, expanding our transactions business. Ventures invested US$81m in Meesho Inc., a leading social commerce online marketplace in India, continuing our successful track record of identifying Indian opportunities with the potential to become large businesses. We are also increasing our exposure to the edtech (educational technology) businesses by investing a further US$25m and US$44m in our education associates Brainly and Udemy respectively. In the Food Delivery business, we invested a further US$100m in our associate Swiggy.

FINANCIAL REVIEW (continued)

At year end, we had a solid net cash position of US$4.8bn, comprising US$8.3bn of cash and cash equivalents (including short-term cash investments), net of US$3.5bn of interest-bearing debt (excluding capitalised lease liabilities). We also have an undrawn US$2.5bn revolving credit facility. Overall, we recorded net interest income of US$16m for the year. In December 2019, Prosus established a US$6bn global medium-term note programme. In terms of this programme, Prosus may periodically issue notes denominated in any currency, with a maximum outstanding aggregate nominal amount of US$6bn. The notes trade on the Euronext Dublin stock exchange. Under the programme, in January 2020, we successfully issued US$1.250bn 3.68% notes due in 2030. The purpose of this offering was to raise proceeds to redeem the US$1.0bn 6.00% notes due in July 2020. The principal and interest accrued to the maturity date of these notes were repaid in February 2020. The group has no debt maturities due until 2025.

Consolidated free cash outflow was US$383m, compared to the prior-year outflow of US$120m from continuing operations (excluding the Video-Entertainment segment). This change reflects increased investment in the Food Delivery business, as well as negative working-capital effects, offset by merchant cash timing differences of US$28m, and transaction costs of unbundling MultiChoice Group and listing Prosus of around US$113m. Dividend income received from Tencent increased US$35m to US$377m. Cash extractions from our profitable Classifieds businesses continued to grow, increasing US$70m to US$305m. Covid-19 may have a short-term impact on that trajectory but, the positive trend is expected to return.

We adopted the new accounting standard IFRS 16 *Leases* on a prospective basis. Accordingly, comparative information has not been restated. Refer to note 2 for further details.

The company's external auditor has not reviewed or reported on forecasts included in this directors' report.

Unless otherwise stated, the following segmental reviews are prepared on an economic-interest basis (which includes consolidated subsidiaries and a proportionate consolidation of associates and joint ventures).

SEGMENTAL REVIEW

Internet

Internet revenues were US$21.9bn, up 17% (23%). Internet trading profit rose 12% (16%), even as we increased investment across the portfolio and particularly in Food Delivery, as many ecommerce units improved their profitability. Tencent delivered a solid performance.

Ecommerce

Overall, ecommerce revenue increased 19% (32%) to US$4.7bn, a 6% acceleration year on year and was led by meaningful contributions from Classifieds, Payments and Fintech, Food Delivery and Etail.

Trading losses rose to US$964m after increased investment to capture the online food-delivery opportunity and additional investments in payments and fintech to expand its footprint and build its credit offering. Excluding these and acquisitions and disposals, ecommerce trading losses reduced by 24% or US$76m in local currency, excluding acquisitions and disposals. Our investments in the Food Delivery business have already started delivering meaningful scale, evidenced by continued strong growth in orders and revenue. Classifieds continued to invest in convenient transactions, resulting in increased trading losses in that business as it scales. However, overall profitability in Classifieds improved year on year due primarily to continued revenue growth and strong margins at Avito, Central and Eastern Europe and reduced losses in letgo. Overall, Classifieds trading profit increased 1 933% in local currency, excluding acquisitions and disposals. Etail reported narrowing trading losses. Growth in PayU's core payment service provider (PSP) businesses reduced the trading profit margin from 2% last year to 1% this year.

Revenues from our profitable ecommerce businesses totalled US$2.3bn, with trading profits of US$411m. Compared to US$2.0bn and US$414m last year, this reflects growth, in local currency, of 18% and 13% respectively.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Classifieds

Building on the momentum from the previous financial year when the business became profitable, Classifieds delivered healthy results while expanding its business model. This is one of the fastest-growing classifieds businesses globally, with accelerating revenue growth of 48% (37%) to US$1.3bn. It generated trading profits of US$44m, driven by strong revenue growth in listings and margin improvement.

Convenient transaction revenue was US$393m, compared to US$103m in the prior year, growing 282% (164%) and contributing 30% of overall Classifieds revenue for the year. We are investing to improve the value proposition for our customers by deepening our relationships with partners and the breadth of our offering in autos. Larger markets in Russia and Europe drive growth, with strength in autos and real estate verticals, where leading market positions combine with operational execution to drive monetisation and successful financial outcomes. In Russia, Avito has maintained good momentum, recording revenues of RUB25.7bn or year-on-year growth of 22%. Avito delivered a trading profit margin of 51%, with autos and real estate revenue growing 38% and 21% year on year, respectively. Poland remains the cornerstone, growing revenues 16% (21%) to US$185m and recording a trading profit margin of 58%. Autos, real estate and business services all performed above expectations.

In the convenient transactions business, CashMyCar in India grew revenue 229% in local currency to US$78m, by expanding to over 70 inspection centres and more than 21 000 transactions at the end of the period.

OLX Brazil, our joint venture with Adevinta, improved its financial performance with year-on-year revenue growth of 10% (20%), due to vertical strength.

Competition in general classifieds has increased steadily. In 2020, we expanded our ecosystem and offering, while anchoring our competitive advantage where possible. This has allowed us to enhance our localised footprint.

In December 2019, Classifieds increased its shareholding to a majority in Frontier Car Group, enabling synergies and a presence in ten developing countries globally, with more than 450 inspection centres and over 89 000 transactions for the financial year. In Russia, the acquisition of MaxPoster in January 2020 (focused on providing business solutions to car dealers) deepens product offerings across the autos category.

On 3 March 2020, OLX Brazil reached an agreement to acquire Grupo Zap, which includes two leading Brazilian real estate verticals: Zap and VivaReal. The transaction is subject to approval by the Brazilian competition authorities and is expected to close in the second half of 2020. This investment will be financed equally by the joint venture partners.

On 26 March 2020, we announced the merger of our letgo US business with OfferUp, a deal that combines two of the leading classifieds brands in the US with complementary footprints. This will give the business a solid foundation in a highly competitive market. The transaction received regulatory approval and is expected to close on 1 July 2020.

On 26 April 2020, we completed the merger of our subsidiary Dubizzle Limited (BVI), the leading classifieds platform for users in the United Arab Emirates (UAE), with Emerging Markets Property Group (EMPG). EMPG owns and operates bespoke classifieds portals in different emerging markets across the world, including Bayut in Dubai, Zameen in Pakistan, and Mubawab in Morocco, North Africa. The group also contributed cash of some US$75m. Following the transaction, the group will hold a 39% interest in EMPG and account for this interest as an investment in associate.

In mid-March 2020, many of the markets in which we operate entered lockdown. In Classifieds we have seen a decline in traffic in marketplaces but have taken steps to assist customers and partners. In the short term, we expect to record some impact on revenue and profitability.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Food Delivery

This sector is evolving rapidly, moving from a marketplace model (third-party or 3P) to implementing an own-delivery model (first-party or 1P). This is increasing the size of the market and corresponding opportunity. We are at the forefront of this transformation and investing heavily in Food Delivery to grow both the size of the market and our position. We invest in product and technology innovation, including logistics, convenience and grocery delivery, cloud kitchens and private brands. We are also investing technology, which is significantly improving consumer targeting to optimise customer acquisition and marketing costs, while improving 1P economics by smartly routing delivery representatives to points of highest demand density. We anticipate further opportunity in this market which will be disrupted by technology. Our investment in the Food Delivery business has meaningful scale, as evidenced by continued strong growth in orders and revenue.

In the current year, this segment grew rapidly and is now one of the fastest-growing platforms globally, producing cumulative annualised gross merchandise value (GMV) growth of 76% year on year. Segment revenue increased 99% (105%), with strong contributions from our entire portfolio. Trading losses rose to US$624m from US$171m, reflecting continued investments in growth by the respective businesses.

In Latin America, iFood posted revenue growth of 94% (113%), as a result of product innovation and the growth of its logistics business. iFood remains the clear leader in Brazil and holds competitive positions in Mexico and Colombia. In March 2020, iFood Brazil supported a network of 160 000 active restaurants and processed 31 million orders, compared to 17 million last year. iFood Brazil has ramped up its own-delivery business, and 1P orders now account exceed 30% of orders and exceed the total volume of the nearest 1P competitor. In April 2020, we announced that iFood would join forces with Delivery Hero in Colombia. iFood will retain a 51% share and operate the combined business, Domicilios.com.

In India, Swiggy's revenue grew 182% year on year, driven by expansion into new cities. Swiggy now operates in over 520 cities and supports more than 160 000 restaurant partners, up from 85 000 a year ago. We invested an additional US$100m in Swiggy in February 2020 to support its business growth, increasing our already substantial commitment in India.

For the year ended 31 December 2019, Delivery Hero reported segmental revenue growth of 109% and order volume growth of 80%. GMV grew 66% year on year in constant currency to €7.4bn, primarily due to faster delivery times, efficiencies in customer acquisition and increased order frequency following investments to improve product and technology. Delivery Hero engaged in M&A and portfolio consolidation during the year, the acquisition of shares in South Korean Woowa Brothers Corp., and the incorporation of a joint venture to consolidate their footprint in the region. Delivery Hero has also restructured its German operations, disposing of its food-delivery business to Takeaway.com N.V. for cash and an equity stake in Takeaway. More information on Delivery Hero's results is available at **https://ir.deliveryhero.com**.

The lockdown state in many of our markets affected the Food Delivery business. While our platforms are recording increased demand, we have not always been able to meet demand due to supply issues as restaurants closed. In India, Swiggy has been permitted to continue operating during the lockdown, but was not implemented uniformly across the country and Swiggy's services have been halted in some regions. It is engaging with national and regional authorities in India. In Brazil, iFood's efforts to assist its restaurant and food-delivery partners have mitigated some supply issues and order volume is holding up well. In the longer term, we believe that the current environment may drive a structural shift in global consumption patterns in favour of food delivery.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Payments and Fintech

PayU's revenue grew 19% (21%) year on year, on the back of 26% (29%) higher volumes processed. Processed volumes reached US$37.9bn, driven by 30% growth in the number of transactions processed. The Payments and Fintech business's trading loss margin increased from 12% last year to 16%. This reflected improvement in profitability in the core PSP business, offset by investment to build a credit offering, primarily in India, and expanding our footprint in Southeast Asia with the Red Dot acquisition.

The payments business in India remains the growth engine, with volumes growing 30% (32%). In 2020, India's processed volumes were US$19.4bn, 51% of the total volume processed by PayU. Structural shifts to digital payments in the country, our ability to increase conversion rates for enterprise merchants, along with our ability to enter new segments such as billing and small/medium-sized businesses, have been the main drivers of this growth at above market rates.

In July 2019, we acquired Wibmo (a payment security leader) and also created closer partnerships with leading banks to reduce transaction failures and further strengthen our relationship with merchants.

In line with PayU's mission to build a world without financial borders, we have been pioneering credit for underbanked people in India. We started building an inhouse credit business two years ago and organically scaled this to over US$10m monthly issuances. We recently acquired a majority stake of 79.2% in PaySense for US$163m. PayU is setting the ambitious goal of building a strong credit franchise in India. While we believe the expansion of our credit business over time offers significant potential, it is important that we build the loan book methodically, with acceptable loss rates. We have temporarily paused due to the global pandemic.

In mid-March 2020, our Payments and Fintech business began to be impacted by lockdowns in markets in which we operate. It is still too early to estimate the full impact although we have seen a significant initial drop in transaction volumes in payments. India represents over 50% of the payments and fintech business's transaction volumes. In time, this business is expected to benefit from large sectoral trends, including more customers transacting online and more online transactions being executed through alternative forms of payment (other than cash). Our European businesses appear resilient and continued to grow during the pandemic, although that could change if the broader economic environment deteriorates further.

In December 2019, we completed the acquisition of a 90% interest in Iyzico for around US$199m to consolidate our position in Turkey's high-growth ecommerce market. Turkey is now our second-largest market in the Europe, Middle East and Africa region. On integration, PayU will be able to leverage existing relationships with global merchants and Iyzico's product capabilities to drive incremental cross-border volume.

We also added the South Asia market to our footprint by acquiring a majority in Red Dot, based in Singapore. Southeast Asia is an attractive base to enter one of the most dynamic markets globally, with ecommerce growth (62% CAGR 2015-19) and a high share of alternative payment methods (70% of ecommerce). This transaction gives us access to local payment-processing capabilities, supporting our merchants' expectations, and provides unique payment solutions particularly for the hotel and hospitality segment. We have integrated Red Dot into our global hub to offer all existing merchants access to the south-east Asia market.

Etail

The Etail segment accelerated revenue growth to 19% year on year, measured in local currency and adjusted for the disposal of Flipkart. On the same basis, the segment also improved its profitability, reducing its trading losses by economies of scale such as higher gross margins and fixed cost control.

eMAG, our leading business-to-consumer (B2C) platform in Central and Eastern Europe, continued to outpace market growth and improve its economics over the review period. Organic revenue growth reached 16% and trading profit increased 35%. eMAG's core market, Romania, realised 17% GMV growth in local currency. Performance was particularly strong across the 3P marketplace, which grew 26% in local currency. In Hungary, eMAG's second-largest market, the business delivered GMV growth of 25% in local currency. Both the retail and marketplace businesses contributed meaningfully to eMAG Hungary's results.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Etail (continued)

eMAG’s main market, Romania, entered lockdown on 26 March 2020, but the business is holding up well. It has recorded a boost in the early stages of the lockdown as customers shifted to online purchasing. While the rate of growth is likely to subside over time, we believe the pandemic may prove an accelerator in the structural shift to ecommerce.

In October 2019, the Hungarian competition authority approved the merger of eMAG Hungary with eDigital, two leading online retailers. This combination expands eMAG’s product offering to consumers and brings in the experienced and talented eDigital founders who will lead the merged business.

Takealot, South Africa’s number 1 etailer, extended its leadership and grew GMV 46% year on year in local currency. Takealot’s trading loss reduced by 20% in local currency and would have improved more, but for investment in the promising food-delivery business. This was driven in part by improving gross margins and disciplined management of operating costs. Takealot recorded revenue growth of 28% in local currency. One of the main drivers was the marketplace business, which grew GMV 77% year on year. Mr D Food, South Africa’s leading food-delivery service, continues to scale as it expands the local market for food delivery. Mr D Food’s GMV grew 94% and revenue grew 83%, both in local currency.

In South Africa, our Takealot business was allowed to sell and deliver only essential items in the first phase of the lockdown. The list of items was later expanded. In addition, Mr D Food is gaining momentum as take-away restaurants are slowly reopening.

Travel

In April 2019, we announced the exchange of our 43% interest in MakeMyTrip, our equity-accounted online travel investment in India, for a 5.6% interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com). The transaction closed at the end of August 2019, resulting in a gain of US$599m. Our share of MakeMyTrip’s reported revenues was US$146m, up 8% (measured in local currency, adjusted for acquisitions and disposals).

We include eight months of results for MakeMyTrip in our segmental results, representing our share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. On a similar basis, trading losses in the Travel segment (measured in local currency, adjusted for acquisitions and disposals) increased 21% year on year. After the Trip.com transaction, our Travel segment will cease to exist and will not be reported on after this financial year. The investment in Trip.com is accounted for at fair value through other comprehensive income. More information on MakeMyTrip’s results is available at **http://investors.makemytrip.com**.

Tencent

For the year ended 31 December 2019, Tencent’s revenue of RMB377bn was up 21% year on year. Non-GAAP profit attributable to shareholders (Tencent’s measure of normalised performance) grew 22% to RMB94bn.

Revenues from value-added services increased 13% to RMB200bn, with online games’ revenues growing 10% to RMB115bn and social networks’ revenues rising 17% to RMB85bn. Revenues from fintech and business services increased 39% to RMB101bn, and revenues from the online advertising business rose 18% to RMB68bn.

Tencent continued to lead in China, with nine of the top 20 mobile apps. Combined monthly active users (MAU) of Weixin and WeChat increased 6% to 1.16 billion. The Weixin mini program ecosystem became increasingly vibrant, with an annual transaction volume of over RMB800bn. With enhanced chat and friend recommendation features, as well as entertainment use cases via mini programs, QQ’s popularity with the younger generation continues to increase. However, QQ smart devices’ MAU declined 7.5% year on year to 647 million as Tencent proactively cleaned up spamming and bot accounts.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Tencent (continued)

China's online games market recovered after in-game monetisation licence approvals resumed in December 2018. Tencent extended its leadership. It has also made breakthroughs in self-developed games for international markets, with five of the top 10 international mobile games. Tencent's international revenue rose to 23% of total online games revenue in the fourth quarter of 2019.

Tencent currently operates the largest mobile payment platform in China by daily average users (DAU) and transaction volumes. Daily commercial payment transactions exceeded 1 billion as Tencent deepened penetration among offline merchants. In cloud, Tencent currently has over 1 million paying customers and outgrows peers with increasing scale and higher operating efficiency.

Despite the challenging economic environment, Tencent achieved robust advertising revenue growth by progressively realising the potential of Weixin Moments and expanding its mobile ad network. Tencent video subscriptions exceeded 100 million. Music subscription accelerated as it benefited from the pay-for-streaming model.

Tencent continues to grow off a very large base in a market that appears to be emerging well from the impact of Covid-19. It has been working relentlessly to mitigate the impacts of the pandemic. Tencent has steered its engineering scale and product suite to help the government and businesses navigate and recover from the impacts of Covid-19. This has benefited millions of enterprises that used WeChat for Work to resume operations in the wake of the outbreak. Over 300 million Weixin users have used Tencent Health as an access point for real-time pandemic data, online consultations and self-diagnosis services powered by artificial intelligence (AI). Through Tencent Medipedia, users can access professional medical information. Tencent has also provided medical AI imaging capabilities to assist the diagnosis of Covid-19. Its operational performance has remained resilient through the crisis, underpinning the value of its diverse portfolio and broad ecosystem.

More information on Tencent's results is available at **www.tencent.com/en-us/ir**.

Mail.ru

For the year ended 31 December 2019, Mail.ru's revenues grew 22% to RUB87.1bn. Non-GAAP EBITDA (Mail.ru's measure of normalised performance) grew 10% to RUB29.8bn. Advertising revenue rose 23% to RUB36.5bn. This was driven by user and user engagement growth, increased inventory of video advertisements and contextual targeting advertisements, and technology advancements in its advertising platforms.

Online games revenue grew 20% to RUB28bn. International revenues accounted for 68% of online games revenue.

Mail.ru is leveraging its leadership in the social and communications segment to build social ecommerce and online-to-offline (O2O) verticals that complement its user experience. A transformational AliExpress Russia joint venture between Mail.ru, Alibaba, MegaFon and Russian Direct Investment Fund was launched. This integrates Mail.ru's cross-border ecommerce platform, Pandao, with Alibaba's AliExpress and Tmall services in Russia. In December 2019, Sberbank and Mail.ru formed a Russian O2O services platform joint venture, focusing on food technology and mobility. Mail.ru contributed its food-delivery business, Delivery Club, and a 29.67% stake in Citymobil, Russia's second-largest taxi application, to the new entity.

As a long-term investor in Russian digital businesses, we continue to monitor proposed legislation that would potentially limit foreign ownership of businesses in Russia that are defined as significant information resources. As a long-standing participant in the country, we have stayed the course through various business cycles, up and down. We remain confident of a continued favourable disposition to our investment in the country.

More information on Mail.ru's results is available at **https://corp.mil.ru/en/investors/**.

PROSPECTS

We anticipate a time when Covid-19 will no longer have the impact on the global economy it has today. We hope to emerge from the global pandemic stronger.

Until then, we face these challenges from a position of relative financial strength. We closed our financial year on 31 March 2020 with US$4.8bn in net cash and a US$2.5bn undrawn revolving credit facility; with accelerating growth in our ecommerce portfolio, and improved profitability. We believe we have sufficient liquidity to run the company, while investing in opportunities that may arise during this period.

Our focus will remain on driving profitability in our more-established ecommerce segments, such as the classified markets and PSP business in the payment and fintech segment. We will invest substantially in food delivery, as well as the convenient transaction model in classifieds and credit in payments. Our strong balance sheet provides a basis for driving growth and unlocks new opportunities. We will also improve the competitiveness of our platforms by investing in tech and product and reinforcing our AI capabilities.

All our operations have business continuity plans in place. We are assessing potential impacts and supporting our businesses. The challenges of Covid-19 will vary by sector and geography, but we have the teams, the resources and the experience required to navigate them.

SHARE CAPITAL

The authorised share capital at 31 March 2020 was:

- 1 250 000 A ordinary shares of R20 each
- 500 000 000 N ordinary shares of 2 SA cents each

The issued share capital at 31 March 2020 was:

- 961 193 A ordinary shares of R20 each
- 435 511 058 N ordinary shares of 2 SA cents each

Refer to note 19 to the consolidated annual financial statements for information regarding changes in the group’s share capital during the year.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2020, the group’s investment in property, plant and equipment amounted to US$456.9m (2019: US$190.8m). Details are reflected in note 5 of the consolidated annual financial statements. The increase from the prior year is as a result of the adoption of IFRS 16 in the current financial year. Refer to note 2 for further details.

Capital commitments at 31 March 2020 amounted to US$28.9m (2019: US$18.8m).

DIVIDENDS

The board recommends an annual gross dividend of 580 cents (2019: 715 cents) per listed N ordinary share, and 116 cents (2019: 143 cents) per unlisted A ordinary share. In determining the proposed N ordinary share dividend, the board considered that shareholders who held listed N ordinary shares last year at the time of the listing of Prosus, would have received shares in Prosus or additional shares in Naspers Limited. These, if they continue to hold those shares would entitle them to receive either an additional Prosus dividend of 11 euro cents (South African rand equivalent to be determined at time of payments, currently 213 South African cents, based on exchange rate at 26 June 2020) per share, or dividends on their additional Naspers N ordinary shares received. The combined Naspers and Prosus dividend represents an increase of approximately 10% on the prior year Naspers dividend per share.

Dividends are declared and paid in SA rand, with the relevant exchange rate announced at the time of the dividend payment.

GROUP

Naspers is not a subsidiary of any other company. The name, country of incorporation and effective financial percentage interest of the holding company in each of the Naspers group's principal subsidiaries are disclosed in note 8 to the consolidated annual financial statements.

Details relating to significant acquisitions and divestitures during the year are highlighted in note 3 to the consolidated annual financial statements.

DIRECTORS

The directors' names and details are presented on the next page and the company secretary's name and business and postal addresses are presented on page 183. Directors' shareholdings in the issued share capital of the company are disclosed in note 18 to the consolidated annual financial statements.

From 31 March 2020, our non-executive director and lead independent director, Fred Phaswana, retired from the board. Mr Phaswana served on the board since 2003. He was lead independent director from April 2015 and a director of various group structures. He was also a member of the human resources and remuneration and nomination committees. The board thanks him for his superb commitment to the group over many years – his unique contributions were highly valued and will be missed. From 1 April 2020, Hendrik du Toit, an independent non-executive director, was appointed lead independent director.

In addition, from 24 April 2020, Ben van der Ross, independent non-executive director, stepped down from the audit and risk committees and was appointed to the social, ethics and sustainability committee. The board thanks him for his valuable contribution over many years to the audit and risk committees.

The appointment of Manisha Girotra as an independent non-executive director was confirmed on 1 October 2019. Ms Girotra also serves as a member of the audit committee.

From 26 June 2020, Ying Xu was appointed as an independent non-executive director.

DIRECTORS (continued)

Directors and attendance at meetings:

	Date first appointed in current position	Date last appointed	Thirteen board meetings were held during the year. Attendance:	Category
J P Bekker[(1)]	17 April 2015	23 August 2019	13	Non-executive
E Choi	21 April 2017	28 August 2017	12	Independent non-executive
H J du Toit[(2)]	1 April 2016	24 August 2018	11	Independent non-executive
C L Enenstein	16 October 2013	24 August 2018	12	Independent non-executive
D G Eriksson	16 October 2013	24 August 2018	12	Independent non-executive
M Girotra[(3)]	01 October 2019	01 October 2019	6	Independent non-executive
R C C Jafta[(1)(4)]	23 October 2003	25 August 2017	13	Independent non-executive
F L N Letele	22 November 2013	26 August 2016	10	Non-executive
D Meyer	25 November 2009	23 August 2019	13	Independent non-executive
R Oliveira de Lima	16 October 2013	24 August 2018	13	Independent non-executive
S J Z Pacak[(1)]	15 January 2015	23 August 2019	10	Non-executive
T M F Phaswana[(1)(5)]	23 October 2003	25 August 2017	13	Independent non-executive
M R Sorour [(1)(6)]	15 January 2015	24 August 2018	13	Non-executive
V Sgourdos[(1)]	1 July 2014	29 August 2014	13	Executive
J D T Stofberg	16 October 2013	23 August 2019	12	Non-executive
B van Dijk[(1)]	1 April 2014	29 August 2014	13	Executive
B J van der Ross	12 February 1999	23 August 2019	12	Independent non-executive

Notes

(1) *Members of the projects committee.*

(2) *Appointed as lead independent director on 1 April 2020.*

(3) *Appointed as a non-executive director on 1 October 2019.*

(4) *Appointed as a member of the projects committee as at 1 April 2020*

(5) *Retired as a director and member of all the committees on 31 March 2020.*

(6) *Appointed as a member of the Projects Committee 24 April 2020.*

Directors’ report to shareholders (continued)

for the year ended 31 March 2020

DIRECTORS (continued)

Committees and attendance at meetings:

	Projects committee[1]		Audit committee[2]		Risk committee		Human resources and remuneration committee[2]		Nomination committee[2]		Social, ethics and sustainability committee[3]		
	Seven meeting held during the year.		**Five meetings held during the year. Attendance:**		**Five meetings held during the year. Attendance:**		**Six meetings held during the year. Attendance:**		**Three meetings held during the year. Attendance:**		**Three meetings held during the year. Attendance:**		**Category**
J P Bekker	√	7					√	6	√	3			Non-executive
E M Choi					√	5	√	5					Independent non-executive
H J du Toit									√	3			Independent non-executive
C L Enenstein							√	6	√	3			Independent non-executive
D G Eriksson			√	5	√	5					√	3	Independent non-executive
M Girotra[4]			√	2									Independent non-executive
R C C Jafta[5]	√	-	√	5	√	5			√	3	√	3	Independent non-executive
F L N Letele											√	2	Non-executive
D Meyer											√	3	Independent non-executive
R Oliveira de Lima							√	6	√	3			Independent non-executive
S J Z Pacak	√	7			√	5							Non-executive
T M F Phaswana[6]	√	7					√	6	√	3			Independent non-executive
M R Sorour[7]	√	-											Non-executive
V Sgourdos	√	7			√	5					Alt	3	Executive
J D T Stofberg											√	3	Non-executive
B J van der Ross[8]			√	5	√	5					√	-	Independent non-executive
B van Dijk	√	7			√	4					√	3	Executive
M Davidson											√	3	Executive

Notes

[1] *Committee renamed from executive committee to projects committee on 23 August 2019.*

[2] *Executive directors attend meetings by invitation.*

[3] *Committee renamed from social and ethics committee to social, ethics and sustainability committee on 22 November 2019.*

[4] *Appointed as a member of the audit committee on 01 October 2019.*

[5] *Appointed as a member of the projects committee on 01 April 2020.*

[6] *Retired as a director and member of all the committees on 31 March 2020.*

[7] *Appointed as a member of the Projects Committee on 24 April 2020.*

[8] *Resigned from the audit and risk committees and appointed as a member of the social, ethics and sustainability committee on 24 April 2020.*

√ *Member of committee.*

Alt Alternate director

Report of the audit committee

for the year ended 31 March 2020

I am pleased to present the report of the audit committee (the committee) for the year ended 31 March 2020. The committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

This committee, chaired by Don Eriksson, comprises only independent non-executive directors. All members are financially literate and have business and financial acumen. The committee held five meetings during the past financial year. The chief executive and financial director attend committee meetings by invitation.

The names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are shown on page 13.

The committee has unrestricted access to company information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities. Both internal and external auditors have unrestricted access to the committee through the chair. The internal and external auditors also have the opportunity at two meetings per year to report to the committee in the absence of management, or when appropriate to do so.

The chair of the board is not a member of the committee, but may attend meetings by invitation. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

RESPONSIBILITIES

This committee's main responsibilities, in addition to its responsibilities in terms of the South African Companies Act, are as follows:

- Annually review and assess the charters of the group's significant subsidiaries' audit committees and review their annual assessment of compliance with their charters to establish if the committee can rely on the work of the subsidiary companies' committees.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter and reporting these findings to the board.
- Review and approve for presentation to and approval by the board, the company's annual report director reports, annual financial statements, interim and provisional reports, and any other company press releases with material financial or internal control impacts.
- Disclose in the annual report significant matters that the committee has considered in relation to the annual financial statements, and how these were addressed by the committee.
- Review the documented assessment of the viability of the company and the group on a going-concern basis, making recommendations to the board relating thereto. The committee should be alert to the general viability of the company and the group with regard to its reliance and effects on the total resources it uses and affect, its solvency and liquidity, and its status as a going concern.
- Receive the external auditors' reports directly from the external auditors, including the receipt and review of reports, which furnish, in a timely fashion, information relating to:
  - all critical accounting policies and practices to be used in the preparation of the financial statements;
  - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the external auditors' preferred treatment;
  - the external auditors' internal quality control procedures (such reports to be received annually), describing any material issues raised by the most recent internal quality control review or peer review of the external auditors, (such reports to be received annually), or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issue,
  - a written statement in respect of relationships between the external auditors and the company, which the audit committee will use to investigate any relationships disclosed therein that may impact the external auditors' objectivity and independence, and take appropriate action to oversee the external auditors' independence

RESPONSIBILITIES (continued)

  - confirmation of the external auditors' continued registration with the JSE
  - other material written communications between the external auditors and management; and
  - other required disclosures to the audit committee by the external auditors.
- Annually review external audit and disclose the committee's views on the quality of the external audit and independence, when required, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditors, who will be subject to regular rotation as required by applicable regulations.
- Present the committee's conclusions in respect of the nomination for appointment as external auditors to the board, preceding the annual request to shareholders to approve the appointment of the external auditors.
- Approve the external auditor's terms of engagement and remuneration. Evaluate and provide commentary on the external auditors' audit plans, scope of findings, identified issues and reports.
- Pre-approve all audit and audit-related services provided by the external auditors.
- Develop a policy for the board to approve with regard to non-audit services performed by the external auditors. Approve non-audit services provided by the external auditor in accordance with the policy.
- Receive notice of reportable irregularities (as defined in the Auditing Profession Act) that have been reported by the external auditor to the Independent Regulatory Board for Auditors.
- Oversee the management of financial and other risks that affect the integrity of external reports issued by the company.
- Based on the information provided by the various assurance providers, evaluate the effectiveness of internal financial controls and disclose the committee's views in the Naspers integrated annual report on the effectiveness of the design and implementation of internal financial controls and on the nature and extent of any significant weaknesses in the design, implementation or execution or internal financial controls that resulted in material financial loss, fraud, corruption or error. Such views must be reported to the board and in the integrated annual report.
- Approve and recommend to the board for approval the internal audit charter, which must be reviewed annually.
- Overseeing the internal audit function and assisting the board in fulfilling the following responsibilities:
  - Setting the direction for internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes.
  - Ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the company, and that internal audit is supplemented as required by specialists.
  - Confirm the appointment or dismissal of the head of the group's internal audit function and periodically review his or her performance.
  - Monitor that internal audit follows an approved risk-based internal audit plan, reviews the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
  - Ensure internal audit provides a statement annually as to the effectiveness of the company's governance, risk management and control process.
  - Ensure the internal audit function is subject to an external, independent quality review every 5 years.
  - Obtain confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics.
- Evaluate and disclose the audit committee's views on the effectiveness of the head of internal audit and the arrangements for internal audit, as well as approving the annual internal audit plan and any material changes thereto.
- Review internal audit's and the risk committee's reports to the committee.

RESPONSIBILITIES (continued)

- Review procedures to ensure that the requirements of the relevant stock exchanges are complied with.
- Review Naspers practices in light of the King IV^{tm} code on Corporate Governance for South Africa, as amended from time to time, and make specific disclosures recommended by the King IV^{tm} Code.
- Monitor compliance with the board-approved group levels of authority.
- Related-party transactions:
    - within the confines and requirements of the South African Companies Act, approve all related-party transactions between US$5 million and US$50 million (in excess of US$50 million only the board to approve) (except those between wholly owned, direct and indirect subsidiaries of Naspers, which would be reviewed in the context of accounting disclosure requirements) as defined by the JSE and IAS 24 *Related Party Disclosures* (IAS24).
    - all related-party transactions as defined by IAS 24 to a value of less than US$5 million must be brought to the attention of the audit committee at the most convenient meeting closest to when the transaction is concluded, and
    - furthermore, the audit committee will review, approve and recommend to the board for approval material related party transactions outside the ordinary course of business, or on terms other than normal market terms, as required by the relevant laws and regulations.
- Evaluate:
    - legal matters which may affect the financial statements
    - matters of significance reported by the internal and external auditors, and any other parties, including implied potential risks to the group and recommendations on appropriate improvements
    - major unresolved accounting or auditing issues, and
    - progress in respect of the completion of all unfinished matters reported by the internal and external auditors.
- Establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal control, auditing matters, risk management and management or other fraudulent activities, including procedures for confidential, anonymous reporting by employees in respect of questionable matters.
- Annually evaluate the performance of and appropriateness of the expertise and experience of the financial director and the finance function. The results of the review to be disclosed in the annual report.
- Compile a report to be inserted in the financial statements, describing how the committee carried out its functions and stating whether the committee is satisfied that the external auditors were independent of the company. Include in that report a statement regarding the effectiveness of the internal controls and, specifically, of the internal financial controls.
- Assisting the board in fulfilling the following responsibilities:
    - Ensuring that arrangements for assurance services are effective in achieving the following objectives:
        - enabling an effective internal control environment
        - supporting the integrity of information used for internal decision-making by management, the board and its committees, and
        - supporting the integrity of external reports.
    - Ensuring that a combined assurance model is applied that incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.
    - Ensure that the combined assurance model is designed and implemented to cover effectively the company's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the company.
    - Disclosing in the annual report the arrangements in place for combined assurance and the committee's views on its effectiveness.

RESPONSIBILITIES (continued)

- Execute assignments commissioned by the board

Some responsibilities of this committee may also be a responsibility of the company's risk committee

KEY FOCUS AREAS DURING THE YEAR

The committee's key focus areas during the year included:

- discharging its functions in terms of its charter;
- assessing and reviewing the preparation of the Prosus N.V. prospectus and the combined financial information in anticipation of the listing of Prosus;
- assessing the impact of changes to accounting standards;
- ensuring group reporting meets JSE Listings Requirements and any other requirements which arise due to Naspers's listings; and
- implementing King IV™ recommendations.

FINANCIAL STATEMENT REPORTING ISSUES

The committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the group's consolidated annual financial statements with its primary focus on:

- the quality and acceptability of accounting policies and practices;
- material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor; and
- an assessment of whether the consolidated and company annual financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The significant judgements and issues and conclusions reached/actions taken by the committee in relation to the 2020 annual financial statements are outlined in the table below. The significant judgements and issues are broadly comparable in nature to prior years. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as a key audit matter in the report on the audit of the consolidated and company financial statements on pages 22 to 28.

Significant reporting matter	Conclusions reached/actions taken
Applicable to the consolidated financial statements	
Impairment testing of goodwill and intangible assets The group's net asset value includes significant amounts of goodwill and intangible assets (refer to notes 6 and 7). These balances are tested at least annually for impairment and this process involves complex calculations and the exercise of critical management judgement regarding assumptions and estimates. The outbreak of the Covid-19 pandemic is a triggering event for potential impairment and the impairment tests as of 31 March 2020 were updated using revised forecasts to take the impact of Covid-19 into account.	The committee received impairment reporting from management including the results of the group's annual impairment testing of goodwill and those assets where indicators of impairment existed. The committee reviewed this reporting in terms of the consistent application of management's testing methodology, the achievability of business plans and forecasts based on the Naspers board approval thereof and the critical assumptions applied. In addition, as impairment testing remains a key area of focus for the group's external auditor, the committee reviewed the external auditor's reporting on impairment testing and the valuations used for this purpose. The committee also received detailed written feedback from management on how valuation principles, areas of judgement and forecasts have been impacted by Covid-19. Consequently, the committee was satisfied with the appropriateness of the analysis performed by management and the impairment-related disclosures in the consolidated annual financial statements.
Share-based payments The group has a number of share-based compensation schemes (refer to note 44). The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions and estimates.	The committee acknowledged that the human resources and remuneration committee reviews the valuations, including assumptions and allocations, of the share-based compensation schemes as well as the various scheme rules. The committee noted the report of the human resources and remuneration committee will be tabled at the Naspers board meeting in August and will detail the results of these reviews as per the normal process. The committee noted that these valuations and the underlying assumptions are used for the accounting of share-based payments. The committee also reviewed the accounting and disclosure of share-based payments in the annual financial statements. As a result, the committee concluded that that accounting and disclosure of share-based payments in the consolidated annual financial statements is appropriate.
Equity-accounted investments – Tencent Holdings Limited (Tencent) Equity-accounted investments (refer to notes 10 and 11) are significant to the consolidated annual financial statements and the group is required to make certain adjustments to the underlying results of investees in respect of any significant transactions that occur between the investees' year-ends and 31 March. These adjustments require the exercise of critical management judgement and are significant in terms of magnitude. Accounting for the group's investment in Tencent was a significant matter due to the significant contribution of the	The committee received feedback from the group's representatives on the committees of Tencent and other significant equity-accounted investments. The committee reviewed the reporting of the contribution of equity-accounted investments to the group's results and financial position as part of their review of the consolidated annual financial statements. In addition, the committee received reporting from management on significant lag-period adjustments and/or adjustments made to the underlying results of investees to align the investees' accounting policies to those of the group.

Significant reporting matter	Conclusions reached/actions taken
Applicable to the consolidated financial statements	
entity to the consolidated results of the group and the fact that Tencent has a year-end that is not coterminous with that of the group. For further information refer to note 2 and note 10.	The committee was satisfied with the adjustments made and the critical judgements applied by management.

INTERNAL AUDIT

The committee has oversight of the group's consolidated annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties.

The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The head of internal audit reports functionally to the chair of the committee and administratively to the financial director. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, is effective.

EFFECTIVENESS OF THE COMPANY'S INTERNAL FINANCIAL CONTROLS

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the internal financial controls of the company and its investments are effective. Although the committee was appraised of certain areas in which control improvements are recommended, have started or have been completed, after consideration it is of the opinion that none of these imply a material weakness in financial control of the company and its subsidiaries for the year under review

INDEPENDENCE AND EFFECTIVENESS OF THE EXTERNAL AUDITOR

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the company until the next annual general meeting. PwC has been the auditor of Naspers for 105 years. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has at all times acted with unimpaired independence.

Details of fees paid to the external auditor are disclosed in note 29 to the consolidated annual financial statements on page 113. All non-audit services were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The partner responsible for the audit is required to rotate every five years. The committee meets with the auditor independently of senior management.

During the year, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives, the committee concluded the external audit to be satisfactory.

It was confirmed that no unresolved issues of concern exist between the group and the external auditors.

CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors.

EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR AND THE FINANCE FUNCTION

As required by JSE Listings Requirement 3.84(h), the committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skillset of the finance function met the group's requirements.

Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the financial director, is effective.

COMBINED ASSURANCE

The board does not only rely on the adequacy of the internal control embedment process but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied with the effectiveness of the arrangements for combined assurance. The various assurance providers to the board comprise the following:

- senior management and the risk committee considers the company's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The committee receives assurance from the risk committee that risk management activities are sufficiently addressed and effective; and
- the committee considers the systems of internal control, internal and external audit reports and also reviews the independence of the auditor, the extent and nature of audit engagements, scope of work and findings. This committee also reviews the level of disclosure in the consolidated annual financial statements and the appropriateness of accounting policies adopted by management, and jointly with the risk committee considers material issues of fraud and reporting on fraud. The board reviews the performance of the committee against its charter.

The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

DISCHARGE OF RESPONSIBILITIES

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on www.naspers.com. The board concurred with this assessment.

KEY FOCUS AREAS GOING FORWARD

The committee's key focus for the 2021 financial year include:

- discharging its functions in terms of its charter;
- assessing the impact of changes to accounting standards;
- ensuring group reporting meets JSE Listings Requirements and any other requirements which arise due to Naspers's listings;
- implementing King IV™ recommendations;
- overseeing the mandatory audit firm rotation process;
- focussing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns; and
- reviewing and monitoring the accounting for potential mergers, acquisitions and disposal and the conduct of impairment tests.

Don Eriksson
Chair: Audit committee
29 June 2020

Report on the audit of the consolidated and separate financial statements

TO THE SHAREHOLDERS OF NASPERS LIMITED

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Naspers Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Naspers Limited's consolidated and separate financial statements set out on pages 29 to 182 comprise:

- the consolidated and company statements of financial position as at 31 March 2020;
- the consolidated income statement for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

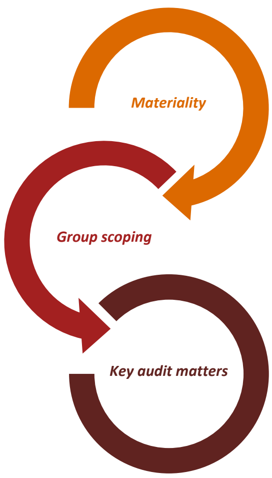
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

OUR AUDIT APPROACH

Overview



Overall group materiality

US$181 750 000, which represents 5% of consolidated profit before tax from continuing operations.

Group audit scope

We identified significant components based on the following indicators: consolidated revenue, consolidated profit before tax, consolidated total assets and consolidated total liabilities.

We conducted full scope audits at 4 significant components, and other audit procedures on 8 other components due to their risk or contribution to the consolidated financial statements.

File reviews were performed by the group team for the work performed by PwC teams in China (Tencent) and the Netherlands (Prosus N.V. Group (Prosus)).

Key audit matters

1. Impairment assessment of goodwill and intangible assets arising from business combinations (applicable to the consolidated financial statements);
2. Valuation of share-based compensation schemes and share-based payments (applicable to the consolidated financial statements);

	3. Accounting for equity accounted investments – Tencent Holdings Limited (applicable to the consolidated financial statements); and 4. Accounting for the Prosus restructuring (applicable to the separate financial statements).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	US$ 181 750 000
How we determined it	5% of consolidated profit before taxation from continuing operations.
Rationale for the materiality benchmark applied	We chose consolidated profit before taxation from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our group audit strategy included consideration of significant components as well as taking into consideration the sufficiency of work performed over material line items in the consolidated financial statements.

In scoping our group audit, we first determined the components that are individually financially significant to the group, namely: Tencent Holdings Limited, the Classifieds and Etail segments as well the listed entity Prosus N.V. which includes the majority of the Group's cash, short-term investments and external debt. These components were subjected to audits of their complete financial information (full scope audit). To achieve appropriate audit coverage over the consolidated financial statements, we selected 5 additional components: Mail.ru, Movile (including iFood), the Payments and Fintech segment, Takealot, the Media24 Group and certain corporate entities for full scope audits of their complete financial information.

The group engagement team performed further audit and review procedures over the remaining balances and the consolidation process to corroborate our assessment that there were no significant risks of material misstatements within those components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or by component auditors from other PwC network firms, or non-PwC firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. The group engagement team performed the audit work on the corporate entities. For all other components we used component auditors who are familiar with the local laws and regulations to perform the audit work.

.

Report on the audit of the consolidated and separate financial statements

How we tailored our group audit scope (continued)

We issued group audit instructions to the component teams. These instructions included, amongst others, our risk analysis, evaluation of local materiality levels applied and our global approach. We had individual calls with each of the in scope component teams before commencing their respective audits, throughout the audit and upon conclusion of their work. During these calls, we discussed our instructions, the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters which could be of relevance for the consolidated financial statements

We, as a group engagement team conducted meetings with several of the component teams and local management. During these meetings we discussed the strategy and financial performance of the local businesses, as well as the audit plan and execution, significant risks and other relevant audit topics. Since the Covid-19 outbreak limited our ability to physically visit all the significant components during the year, we conducted a series of video calls and performed remote review of selected working papers of the work performed by component teams in China (Tencent) and the Prosus N.V. Group audit team's review of the component teams in Poland (OLX and PayU), Romania (eMag), Brazil (Movile and iFood), and the United States (Letgo).

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<u>1. Impairment assessment of goodwill and intangible assets arising from business combinations (applicable to the consolidated financial statements) (refer to note 2(h) (accounting policies) and notes 6 and 7 (financial disclosures) to the consolidated financial statements)</u> As at 31 March 2020 the Group's goodwill and intangible assets amount to over US$3 billion. Goodwill is tested for impairment annually, at the level of individual cash generating units (CGU's), for impairment or whenever there is an impairment indicator identified by management. Intangible assets are tested for impairment when an impairment indicator is identified. The recoverable amounts for unlisted CGU's are based on the fair value estimates by management by reference to recent funding rounds or market transactions (where applicable) or value in use estimates using discounted cash flow models. In estimating the recoverable amount, management uses assumptions relating to discount rates, long term growth rates and projected revenue growth rates, projected EBITDA margins and EBITDA growth rates, which they model using forecast periods of up to 10 years. These forecast periods reflect the early stage in the life cycle of many of these businesses. The outbreak of the Covid-19 pandemic is a triggering event for potential impairment and management updated the impairment tests as of 31 March 2020 using revised forecasts and discount rates. Impairments amounting to US$ 12 million were raised as a result of this assessment. The impairment assessment of goodwill and intangible assets	We have performed procedures, with the support of our valuation specialists which varied in depth per CGU or investment, based on our risk assessment with respect to the size and maturity of the individual businesses. Our audit procedures included, amongst others: • Tested the composition of future cash flow forecasts by evaluating (i) the current and past performance of the business or CGU, (ii) the consistency with external market and industry data; (iii) the corroboration of strategic initiatives with evidence obtained in other areas of the audit; and (iv) the expectations of certain analysts for a specific business or CGU; • Assessed the reasonableness of the terminal growth rates used by management per CGU or investment by comparing to the long-term growth rates most reflective of the underlying operations, obtained from independent external sources; • Compared the inputs to the discount rates to externally obtained data such as the risk-free rates in the market, equity market risk premiums, country risk premiums, debt/equity ratios as well as the betas of comparable companies; • Recalculated the carrying amount of the goodwill CGUs with reference to underlying documentation; • For those investments valued on a recent transaction or funding round, assessed the overall economics thereof to ensure that one or more third parties was directly impacted by the underlying valuation used; • Evaluated external analyst report valuations and comparing these to management's valuation;

Report on the audit of the consolidated and separate financial statements

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>was a matter of most significance to our audit due to the significant judgement applied by management. in determining the recoverable amounts as well as the magnitude of the balances involved.</td><td>Tested the forecasts updated by management for the anticipated impact of Covid-19 by reperforming the procedures listed above; and
Tested the related financial statement disclosures against the disclosure requirements of IFRS. In addition to our overall response described above, we further challenged management's sensitivity analyses by performing our own sensitivity analyses based on independent inputs for key valuation assumptions. In respect of the audit procedures specified above no material findings were identified. </td></tr>
<tr><td> <u>2. Valuation of share-based compensation schemes and share-based payments (applicable to the consolidated financial statements) (refer to note 2(q) (accounting policy) and note 44 (financial disclosures) to the consolidated financial statements).</u> A number of equity compensation plans are used where share options, restricted stock units (RSUs), performance share units (PSUs) or share appreciation rights (SARs) are granted to employees in the Group. The share-based compensation expense amounted to $122 million for the year ended 31 March 2020. When these schemes are settled in cash or Naspers shares at the discretion of the Group, they are accounted for as equity-settled schemes by the Group. The grant date fair value is calculated by management using an option valuation model. In estimating the fair value of options management uses assumptions relating to risk free rates, volatility rates, dividend yields, forfeiture rates, listed share prices, and for unlisted schemes, the share prices of the underlying businesses. All awards are granted subject to the completion of a requisite service (vesting) period by employees. The following share schemes were considered to be most significant in terms of their contribution to the total share-based compensation balances of the Group and have therefore been separately disclosed by management: MIH Services FZ LLC Share Trust
Naspers Restricted Stock Plan Trust (RSU)
Naspers Share Incentive Trust
MIH Holdings Share Trust
Naspers Global Ecommerce SAR Scheme
Naspers Global Classifieds SAR scheme
Naspers Fintech SAR Scheme
Avito SAR Scheme The valuation of share-based compensation schemes and share based payments was a matter of most significance to our audit due to the complexity surrounding the valuations, specifically the assumptions, judgements and estimates used in the option valuation models relating to each scheme, as </td><td> We assessed the terms of share-based compensation schemes including changes to the existing plans based on the guidance set forth in International Financial Reporting Stadard, Share-based payment (IFRS 2). We traced the award movements to relevant supporting documentation as follows: Agreed the share option/right offers during the year to signed trustee, board or remuneration committee resolutions;
Agreed the share option/right sales during the year to sales requisitions;
Agreed share option/right forfeitures to supporting documentation such as resignation or dismissal letters; and
Agreed other movements such as cancellations to underlying supporting documentation. We tested the mathematical accuracy of the option valuation models by performing a recalculation of significant valuations, and we involved our valuation experts in assessing if the approach adopted by management in the option valuation models is in line with the requirements of IFRS 2. With the assistance of our internal valuation experts, we assessed the key inputs in the option valuation calculation by performing the following procedures: Agreed risk free rates to independently obtained data;
Agreed expected volatility rates for listed companies to independently obtained external data, and for unlisted companies they were agreed to volatility rates of comparable companies in the market;
Assessed dividend yields by agreeing the share price information to independently obtained data and recalculating the average historical dividend yield;
Assessed the reasonableness of forfeiture rates in terms of the history of forfeitures for each grant of the relevant share option/share appreciation right scheme;
For unlisted schemes, recalculated the share prices of the underlying businesses by dividing the valuations performed by management's expert by the outstanding number of shares of the relevant scheme; and</td></tr>
</table>

Report on the audit of the consolidated and separate financial statements

Key audit matter	How our audit addressed the key audit matter
well as the volume of share-based transactions.	• For listed schemes, agreed the share prices to the listed share price as at the grant date for equity settled awards. We assessed the experience and competence of management's expert utilised in performing the business valuations and assessed the reasonability of these valuations by comparing them to the values attributed to these businesses as part of management's impairment assessment process. We evaluated whether the disclosures were in compliance with the disclosure requirements of IFRS 2, *Share-based payment.* In respect of the audit procedures specified above no material findings were identified.
<u>3. Accounting for equity accounted investments – Tencent Holdings Limited (applicable to the consolidated financial statements) (refer to note 2(a) (accounting policy) and note 10 (financial disclosures) to the consolidated financial statements)</u> The Group holds an investment in Tencent Holdings Limited which is accounted for in terms of International Accounting Standard 28, *Investments in Associates and Joint Ventures* (IAS 28) and carried at US$ 18.67 billion. The Tencent Holdings Limited investment has a year-end (31 December) that is not coterminous with that of the Group. The Group's accounting policy is to account for an appropriate lag period in reporting on their results. Any significant transactions that occur between Tencent's year-end and 31 March (the Group's year-end) are taken into account in the equity-accounted results of the investment. The accounting for the equity accounted investment in Tencent Holdings Limited was a matter of most significance to our audit due to the fact that the investment has a year-end that is not coterminous with that of the Group and therefore management apply judgement in adjusting for significant transactions that occur in the lag period, as well as the significant contribution of the associate investment to the consolidated results of the Group.	We performed the following procedures: • We issued audit instructions to the component auditors of Tencent Holdings Limited. The instructions covered the significant audit areas that the Tencent Holdings Limited auditors should focus on, as well as the information required to be reported back to the Group audit team. A summary of the performed procedures in relation to the component auditors work is outlined in section 'The scope of our group audit' of this report. • We obtained the equity accounted results recorded by the Group and reconciled them to the audited 31 December 2019 financial results of Tencent Holdings Limited. • Since Tencent Holdings Limited's year end is not coterminous with the Company, lag period adjustments and top-level adjustments prepared by management were recalculated based on publicly available information subsequent to 31 December 2019 and input from the corresponding component team to gain comfort that all material lag period adjustments were appropriately accounted for. We independently assessed the accounting policies of the associate to that of the Group to identify any material differences with IFRS. In respect of the audit procedures specified above no material findings were identified.
<u>4. Accounting for the Prosus restructuring (applicable to the separate financial statements) (refer to note 1 (accounting policy) and note 13 (Revenue) to the separate financial statements).</u> Following the listing of the Company's subsidiary, Prosus N.V. on the Euronext Amsterdam MIH Holdings Proprietary Limited ("MIHH"), a wholly owned subsidiary of the Company, distributed its 73.84% interest in Prosus N.V. to the Company on 13 September 2019 as a dividend-in-specie, which is recognised at a value of R1.3 trillion.	We inspected the signed board resolution in respect of the in-specie dividend declaration of the 73.84% interest in Prosus N.V. to the Company, and the share register of Prosus N.V. to recalculate the Company's shareholding in Prosus N.V. on 13 September 2019. We assessed the fair value of the dividend-in-specie (the Prosus N.V. investment) by agreeing the trading volumes and share prices of Prosus N.V. to independent sources and recalculating the 15-day VWAP used by management.

Report on the audit of the consolidated and separate financial statements

Key audit matter	How our audit addressed the key audit matter
This dividend-in-specie (investment in Prosus N.V.) was recognised in the Company's separate financial statements at the fair value of the Prosus N.V. investment. In calculating the fair value, the Company determined that the share price of the Prosus N.V. Group for the first 15 days did not represent an orderly transaction on account of the trading volumes during this period and the Volume Weighted Average Price (VWAP) determined over the following 15 days of trading was considered more representative of the fair value of the Prosus N.V. Group in an orderly transaction. The accounting for the Prosus restructure within the separate financial statements was a matter of most significance to our audit due to the judgement applied by management in the estimation of the fair value of the dividend in specie as well as the magnitude of the balances involved.	We evaluated whether the disclosures were in line with IFRS. In respect of the audit procedures specified above no material findings were identified.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Naspers Limited financial statements 2020"and in the document titled "Naspers Limited Integrated Report 2020", which include the Certificate by the company secretary, the report of the Audit Committee and the Directors' Report to shareholders as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

Report on the audit of the consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Naspers Limited since the company's formation in 1915 (105 years).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Vicki Myburgh
Registered Auditor
Johannesburg, South Africa
29 June 2020

Consolidated statement of financial position

as at 31 March 2020

	Notes	31 March 2020 US$'m	2019 US$'m
ASSETS			
Non-current assets		**26 807**	23 133
Property, plant and equipment	5	**457**	191
Goodwill	6	**2 237**	2 120
Other intangible assets	7	**898**	877
Investments in associates	10	**22 235**	19 746
Investments in joint ventures	11	**74**	96
Investments and loans	12	**818**	74
Other receivables	16	**5**	7
Related party receivables	18	**8**	-
Derivative financial instruments	42	**55**	1
Deferred taxation	13	**20**	21
Current assets		**9 512**	10 552
Inventory	14	**260**	209
Trade receivables	15	**139**	172
Other receivables	16	**443**	515
Related party receivables	18	**99**	3
Derivative financial instruments	42	**-**	4
Short-term investments	39	**4 060**	7 298
Cash and cash equivalents	40	**4 303**	2 284
		9 304	10 485
Assets classified as held for sale	17	**208**	67
TOTAL ASSETS		**36 319**	33 685
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders		**21 750**	27 999
Share capital and premium	19	**3 362**	4 945
Other reserves	20	**(8 508)**	(739)
Retained earnings	21	**26 896**	23 793
Non-controlling interests		**8 178**	132
TOTAL EQUITY		**29 928**	28 131
Non-current liabilities		**4 184**	3 973
Post-employment medical liability	22	**17**	21
Long-term liabilities	23	**3 759**	3 245
Other non-current liabilities	24	**160**	538
Cash-settled share-based payment liability	44	**40**	-
Provisions	25	**5**	6
Derivative financial instruments	42	**2**	33
Deferred taxation	13	**201**	130
Current liabilities		**2 207**	1 581
Current portion of long-term debt	23	**67**	23
Provisions	25	**10**	19
Trade payables		**322**	287
Accrued expenses and other current liabilities	26	**1 701**	1 219
Related party payables		**3**	6
Taxation payable		**7**	13
Dividends payable		**1**	1
Derivative financial instruments	42	**38**	3
Bank overdrafts	40	**32**	8
		2 181	1 579
Liabilities classified as held for sale	17	**26**	2
TOTAL EQUITY AND LIABILITIES		**36 319**	33 685

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated income statement

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	2019 US$'m
Continuing operations			
Revenue from contracts with customers	28	**4 001**	3 291
Cost of providing services and sale of goods	29	**(2 692)**	(2 104)
Selling, general and administration expenses	29	**(1 960)**	(1 716)
Other gains/(losses) - net	30	**(69)**	(38)
Operating loss		**(720)**	(567)
Interest income	31	**245**	284
Interest expense	31	**(229)**	(205)
Other finance income/(cost) - net	31	**129**	130
Share of equity-accounted results	10, 11	**3 932**	3 410
Impairment of equity-accounted investments	10, 11	**(21)**	(88)
Dilution losses on equity-accounted investments	10, 11	**(52)**	(182)
Net gains on acquisitions and disposals	32	**351**	1 609
Profit before taxation		**3 635**	4 391
Taxation	33	**(231)**	(229)
Profit from continuing operations		**3 404**	4 162
Profit from discontinued operations	4	**-**	2 759
Profit for the year		**3 404**	6 921
Attributable to:			
Equity holders of the group		**3 137**	6 901
Non-controlling interests		**267**	20
		3 404	6 921
Earnings per ordinary share (US cents) from continuing operations			
Basic	34	**718**	965
Diluted	34	**699**	950
Earnings per ordinary share (US cents) from discontinued operations			
Basic	34	**-**	614
Diluted	34	**-**	611

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	31 March 2019 US$'m
Profit for the year		**3 404**	6 921
Other comprehensive income[1]			
Foreign currency translation reserve		**(1 321)**	(1 529)
Exchange loss arising on translating the net assets of foreign operations		**(1 321)**	(1 529)
Fair-value (losses)/gains	20	**(292)**	11
Fair-value (losses)/gains on financial assets at fair value through other comprehensive income		**(292)**	11
Hedging reserve	42	**-**	145
Net movement in hedging reserve		**-**	115
Hedging reserve reclassified to the income statement		**-**	54
Net tax effect of movements in hedging reserve		**-**	(24)
Share of equity-accounted investments' direct reserve movements		**241**	918
Share-based compensation reserve		**429**	395
Valuation reserve	20	**(310)**	344
Foreign currency translation reserve		**122**	179
Total other comprehensive income, net of tax, for the year		**(1 372)**	(455)
Total comprehensive income for the year		**2 032**	6 466
Attributable to:			
Equity holders of the group		**2 013**	6 452
Non-controlling interests		**19**	14
		2 032	6 466

[1] All components of other comprehensive income may subsequently be reclassified to profit or loss except for fair value loss of US$291.8m (2019: gains of US$10.8m) relating to the group's financial assets at fair value through other comprehensive income and fair value gains of US$78.7m (2019: US$752.4m) from equity accounted investments' financial assets at fair value through other comprehensive income and other direct reserve movements.

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2020

	Share capital and premium		Foreign currency trans-lation reserve	Hedging reserve	Valuation reserve	Existing control business combi-nation reserve	Share-based compen-sation reserve	Retained earnings	Share-holders' funds	Non-control-ling interest	Total
	A shares US$'m	N shares US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
Balance at 1 April 2018	2	4 963	(761)	(106)	841	(1 847)	1 460	20 971	25 523	169	25 692
Total comprehensive income for the year	-	-	(1 329)	130	355	-	395	6 901	6 452	14	6 466
Profit for the year	-	-	-	-	-	-	-	6 901	6 901	20	6 921
Total other comprehensive income for the year	-	-	(1 329)	130	355	-	395	-	(449)	(6)	(455)
Treasury share movements	-	(20)	-	-	-	-	-	-	(20)	-	(20)
Share-based compensation movement[1]	-	-	-	-	-	-	30	-	30	3	33
Transactions with non-controlling shareholders[2][3]	-	-	-	-	-	930	-	(890)	40	64	104
Foreign exchange movements on equity reserves	-	-	(4)	-	3	-	-	(1)	(2)	(2)	(4)
Direct retained earnings and other movements[4]	-	-	24	(24)	(439)	(210)	(187)	836	-	-	-
Dividends	-	-	-	-	-	-	-	(196)	(196)	(116)	(312)
Distribution in specie[5]	-	-	-	-	-	-	-	(3 828)	(3 828)	-	(3 828)
Balance at 31 March 2019	2	4 943	(2 070)	-	760	(1 127)	1 698	23 793	27 999	132	28 131
Balance at 1 April 2019	**2**	**4 943**	**(2 070)**	**-**	**760**	**(1 127)**	**1 698**	**23 793**	**27 999**	**132**	**28 131**
Total comprehensive income for the year	**-**	**-**	**(1 116)**	**-**	**(437)**	**-**	**429**	**3 137**	**2 013**	**19**	**2 032**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3 137**	**3 137**	**267**	**3 404**
Total other comprehensive loss for the year	**-**	**-**	**(1 116)**	**-**	**(437)**	**-**	**429**	**-**	**(1 124)**	**(248)**	**(1 372)**
Share capital movements[6]	**-**	**(1 547)**	**208**	**-**	**-**	**-**	**-**	**-**	**(1 339)**	**-**	**(1 339)**
Treasury share movements	**-**	**(36)**	**-**	**-**	**-**	**-**	**-**	**-**	**(36)**	**-**	**(36)**
Share-based compensation movement[1]	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**(63)**	**(51)**	**(2)**	**(53)**
Transactions with non-controlling shareholders[3]	**-**	**-**	**-**	**-**	**-**	**(166)**	**1**	**(9)**	**(174)**	**233**	**59**
Other movements[7]	**-**	**-**	**-**	**-**	**-**	**8**	**-**	**(37)**	**(29)**	**-**	**(29)**
Recognition of Prosus non-controlling interest	**-**	**-**	**-**	**-**	**-**	**(6 399)**	**(53)**	**37**	**(6 415)**	**7 798**	**1 383**
Direct retained earnings movements[4]		**-**	**4**	**-**	**(42)**	**(7)**	**(211)**	**256**	**-**	**-**	**-**
Dividends (refer to note 21)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(218)**	**(218)**	**(2)**	**(220)**
Balance at 31 March 2020	**2**	**3 360**	**(2 974)**	**-**	**281**	**(7 691)**	**1 876**	**26 896**	**21 750**	**8 178**	**29 928**

[1]Retained earnings includes a decrease of US$62.6m (2019: US$nil) related to the settlement of share-based compensation benefits. The share-based compensation reserve includes the current year expense recognised in the income statement of US$118.6m (2019: US$98.0m).

[2]Relates to the derecognition of non-controlling interest of US$79.8m related to the MultiChoice Group which was distributed to shareholders in February 2019 through a listing on the JSE Limited stock exchange (refer note 3).

[3]The current year relates mainly to the put option liabilities raised from the existing control business combination reserve of US$137.5m. The group's various disposals and other transactions with non-controlling interest resulted in the realisation of reserves to retained earnings of US$8.9m and non-controlling interest of US$228.5m. In the prior year the settlement of put option liabilities and transactions with non-controlling interest amounted to US$924.9m.

[4]Relates to the realisation of the fair value reserve recognised through other comprehensive income of US$42.1m (2019: US$439.4m), the recycling of share-based compensation reserve of US$210.5m (2019: US$186.6m) on the vesting of the share options and existing business combination reserve of US$7.1m (2019: US$209.9m).

[5]Relates to the MultiChoice Group which was distributed to shareholders in February 2019 (refer to note 3).

[6]During the current year Naspers effected a share repurchase programme

[7]Relates mainly to the realisation of reserves as a result of various disposals and liquidations to retained earnings of US$37.4m and in existing control business combination reserve of US$8.4m.

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	31 March 2019 US$'m
Cash flows from operating activities			
Cash from operations	35	**(394)**	322
Dividends received from investments and equity-accounted companies		**387**	344
Cash generated from operating activities		**(7)**	666
Interest income received		**261**	244
Interest costs paid		**(235)**	(252)
Taxation paid		**(215)**	(248)
Net cash (utilised in)/generated from operating activities		**(196)**	410
Cash flows from investing activities			
Property, plant and equipment acquired		**(92)**	(136)
Proceeds from sale of property, plant and equipment		**4**	3
Intangible assets acquired		**(22)**	(19)
Proceeds from sale of intangible assets		**1**	-
Acquisitions of subsidiaries and businesses, net of cash acquired	36	**(468)**	(104)
Disposals of subsidiaries and businesses	37	**22**	(508)
Acquisition of associates	38	**(158)**	(547)
Disposal of associates	3	**87**	1 930
Partial disposals of associates		**-**	4
Additional investment in existing associates	38	**(218)**	(733)
Additional investments in existing joint ventures	38	**(23)**	(18)
Disposal of joint ventures		**-**	34
Acquisition of short-term investments[1]		**(3 868)**	(8 591)
Maturity of short-term investments[1]		**7 022**	1 361
Cash movement in other investments and loans		**29**	(2)
Net cash generated from/(utilised in) investing activities		**2 316**	(7 326)
Cash flows from financing activities			
Proceeds from sale of subsidiary shares	9	**1 568**	-
Payments for repurchase of shares	19	**(1 426)**	-
Proceeds from long- and short-term loans raised	23	**1 300**	62
Repayments of long- and short-term loans	23	**(1 047)**	(51)
Additional investments in existing subsidiaries[2]	3	**(68)**	(1 610)
Repayments of capitalised lease liabilities	23	**(34)**	(59)
Outflow from equity-settled share-based compensation transactions		**(195)**	(119)
Funding received from non-controlling shareholders		**127**	70
Dividends paid by subsidiaries to non-controlling shareholders		**(7)**	(118)
Dividend paid by holding company		**(204)**	(199)
Other movements resulting from financing activities		**(8)**	(19)
Net cash generated from/(utilised in) financing activities		**6**	(2 043)
Net movement in cash and cash equivalents		**2 126**	(8 959)
Foreign exchange translation adjustments on cash and cash equivalents		**(112)**	(132)
Cash and cash equivalents at the beginning of the year		**2 276**	11 368
Cash and cash equivalents classified as held for sale		**(19)**	(1)
Cash and cash equivalents at the end of the year	40	**4 271**	2 276

[1] Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 39.

[2] Relates to transaction with non-controlling interest. The prior year includes the settlement of the group's put option liabilities. Refer to note 24.

Cash flow information is related to the 2019 financial year includes cash flows associated with discontinued operations (refer to note 4).
The accompanying notes are an integral part of these consolidated annual financial statements.

1. NATURE OF OPERATIONS

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Naspers builds leading companies that empower people and enrich communities. The group operates and partners a number of leading internet businesses across the Americas, Africa, the Middle East, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payment and fintech, education, health, etail and social and internet platforms.

On 11 September 2019 Naspers listed its international ecommerce and internet assets on Euronext Amsterdam. This listing has created a new global consumer internet group Prosus N.V. (formerly Myriad International Holdings N.V.), comprising Naspers's internet interests outside South Africa and includes investments in online classifieds, food delivery, payments and fintech, etail, education and social and internet platforms, among others. Prosus N.V. has a secondary inward listing on the Johannesburg Stock Exchange (JSE) in South Africa. Pursuant to this transaction, the group issued 6 011 074 N ordinary shares to those shareholders who elected not to receive Prosus N.V. shares upon listing. In total, 56 065 A ordinary shares were also issued to existing A ordinary shareholders. These shares were issued for no consideration.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These accounting policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated and separate annual financial statements of the group are presented in accordance with, and comply with International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act No 71 of 2008. The consolidated and separate annual financial statements are prepared using the historic cost convention apart from certain financial instruments (including derivative instruments) and cash-settled share-based payment schemes stated at fair value.

Going concern

The consolidated and company annual financial statements are prepared on the going concern basis. Based on forecasts and available cash resources, the group and company have adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2020, the group recorded US$8.33billion in net cash, comprising US$4.30bn of cash and cash equivalents and US$ 4.06bn in short-term cash investments. The group had US$3.52bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US$2.5bn revolving credit facility. Refer to note 19 "Share capital and premium – capital management" for details of how the group manages its capital to safeguard its ability to continue as a going concern.

In assessing going concern, the impact of the Covid-19 pandemic on the group's operations and liquidity was considered in preparing the forecasts. The board is of the opinion that the group has sufficient financial flexibility given its low gearing and very strong liquidity position at 31 March 2020 to negate the expected negative effects on the company and the group's going concern that could result from the Covid-19 impact on the group's businesses in the year subsequent to the date of these financial statements.

Discontinued operations presentation

Prior-period financial information as contained in the income statement has been restated to reflect the results of the group's video-entertainment segment as a discontinued operation (refer to note 3 for further details regarding the distribution of the MultiChoice Group to shareholders during the current period). Amounts reported in the statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity however reflect items from both continuing and discontinued operations.

From the date on which disposal groups are classified as held for sale/distribution, the group applies the measurement provisions of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation. Where disposal groups are classified as held for distribution and qualify for presentation as discontinued operations, the group presents those disposal groups as discontinued operations only after the distribution has been carried out.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Accounting judgements and sources of estimation uncertainty

The preparation of the consolidated and separate annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of property, plant and equipment (refer to note 5), impairment of goodwill (refer to note 6); recognition and impairment of other intangible assets (refer to note 7); impairment of financial assets carried at amortised cost and other assets (refer to note 15); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 32); the valuation and remeasurement of written put option liabilities (refer to note 24); and equity compensation benefits (refer to note 44). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results. The following accounting judgements had the most significant impact on the consolidated annual financial statements:

Lag periods applied when reporting results of equity-accounted investments

Where the reporting periods of associates and joint ventures (equity-accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March (for instance due to the availability of the results of the equity-accounted investee relative to the group's reporting period), the group applies an appropriate lag period of not more than three months in reporting the results of the equity-accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises significant judgement when determining the transactions and events for which adjustments are made.

Accounting for equity-accounted investments share of other comprehensive income and changes in net asset value

The group recognises its share of other comprehensive income and other changes in net assets of associates and joint ventures in the statement of comprehensive income.

Accounting for written put option liabilities

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. This applies regardless of whether the group has the discretion to settle in its own equity instruments or cash. Written put option liabilities that are linked to a committed employment period are accounted for as cash-settled share-based compensation benefits. The expected redemption amounts payable for these written put options is dependent on the completion of an employment service period.

Accounting for share-based payment transactions

The group recognises cash- and equity-settled share-based payment expenses arising from its various share incentive schemes and exercises significant judgement when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the group's most significant share incentive schemes are disclosed in note 44.

(a) Basis of consolidation

The consolidated annual financial statements include the results of Naspers Limited and its subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are entities over which the group has control. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity to the extent that those rights are substantive. Subsidiaries are consolidated from the date on which control is obtained (acquisition date) up to the date control ceases. For certain entities, the group has entered into contractual arrangements which allow the group to control such entities. Because the group controls such entities, they are consolidated in the consolidated annual financial statements.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the group and the fair value of contingent consideration arrangements where applicable. If the contingent consideration is classified as equity, it is not subsequently remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement.

For each business combination, the group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the income statement. The fair value of the group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the group's employment subsequent to a business combination, retention agreements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity compensation benefits.

Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred, and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. If the consideration transferred is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognised in the income statement. The gain or loss arising on the disposal of an entity is calculated after consideration of attributable goodwill.

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. In transactions with non-controlling shareholders, the excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the "Existing control business combination reserve" in equity. Refer to section (c) for the group's accounting policy regarding written put options over non-controlling interests.

Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity would be to account for the transaction at book value in its consolidated financial statements. The book value of the acquired entity is the consolidated book value as reflected in the consolidated financial statements of the selling entity. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired in common control transactions, will be allocated to the existing control business combination reserve in equity.

The group applies the above common control accounting policy to distributions of non-cash assets that is ultimately controlled by the same party or parties both before and after the distribution.

Associates and joint ventures

Investments in associated companies (associates) and joint ventures are accounted for in terms of the equity method.

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

Most major foreign associates and joint ventures do not have year-ends that are coterminous with that of the group, and the group's accounting policy is to account for an appropriate lag period in reporting their results where it is impractical for the associates and joint ventures to provide relevant information in time. Significant transactions and events occurring between the investees' and the group's March year-end are taken into account.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Associates and joint ventures (continued)

Unrealised gains or losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the relevant associate or joint venture, except where the loss is indicative of impairment of assets transferred.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the statement of comprehensive income.

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Other comprehensive income recognised in prior periods in relation to the previously held stake in investee is reversed through equity and a share of profits and other equity movements is also recorded in equity. Acquisition-related costs form part of the investment in the associate or joint venture.

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the income statement. The group's proportionate share of gains or losses previously recognised in other comprehensive income by associates and joint ventures are reclassified to the income statement when a dilution occurs if the gains or losses are required to be reclassified to the income statement in terms of the applicable accounting standard.

Where an associate or joint venture holds equity in the group, the carrying amount of the investment in the associate or joint venture is adjusted by an amount representing the group's indirect holding in its own equity because of the cross holding. The amount of the group's share of the associate's or joint venture's results is determined after eliminating, from the associate's or joint venture's results, any income or dividends received by the associate or joint venture from the group.

Each associate and joint venture is assessed for impairment on an annual basis as a single asset. If impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount and the resulting impairment loss is included in "Impairment of equity-accounted investments" in the income statement.

Disposals

When the group ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), the retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, the amounts previously recognised in other comprehensive income in respect of the entity disposed are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Where the group contributes a non-monetary asset (including a business) to an investee in exchange for an interest in that investee that is equity-accounted, the gain or loss arising on the remeasurement of the contributed non-monetary asset to fair value is recognised in the income statement only to the extent of other parties' interests in the investee. The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

(b) Financial assets

Classification, initial recognition and measurement

Financial assets are initially recognised when the group becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are classified as financial assets measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on the objectives of the business model within which the financial asset is held and the characteristics of its contractual cash flows.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continue)

Classification, initial recognition and measurement (continued)

The group assesses the objective of the business model in which a financial asset is held based on all relevant evidence that is available at the date of assessment including how the performance of the financial asset is evaluated and reported to management and the risks affecting the performance of the financial asset as well as how those risks are managed.

In evaluating the contractual cash flows of a financial asset, the group considers its contractual terms, including assessing whether the financial asset is subject to contractual terms that change (or could potentially change) the timing or amount of associated future cash flows.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the group considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Financial assets classified as at amortised cost include trade and other receivables, related party receivables and cash and cash equivalents.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the fair value of such investments in other comprehensive income. This election is made on an investment-by-investment basis. These investments are classified as financial assets at fair value through other comprehensive income. The group has classified all equity investments that do not represent investments in subsidiaries, associates or joint ventures in this category.

All financial assets not classified as at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets other than those forming part of effective hedging relationships to which hedge accounting is applied. A financial asset is classified in this category at initial recognition if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Financial assets (excluding trade receivables that are not subject to a significant financing component) are initially measured at fair value plus, for an instrument not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue. Trade receivables that are not subject to significant financing components are initially measured at the relevant transaction prices.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

Subsequent measurement

Amortised cost financial assets are subsequently measured using the effective interest method, reduced by relevant impairment allowances. Interest income, foreign exchange gains and losses and impairment losses on amortised cost financial assets are recognised in the income statement.

Changes in the fair value of equity investments classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income and are accumulated in the valuation reserve in the statement of changes in equity. Dividends received on equity investments at fair value through other comprehensive income are recognised in the income statement. On derecognition of financial assets at fair value through other comprehensive income, fair value changes accumulated in the valuation reserve are transferred to retained earnings.

Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value recognised in the income statement.

Refer to note 43 for the group's fair-value measurement methodology regarding financial assets.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continued)

***Subsequent measurement** (continued)*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

Impairment

The group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances, specifically for trade receivables.

For financial assets at amortised cost (including primarily trade receivables) and accrued income balances, the group measures impairment allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument.

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

At each reporting date the group assesses whether financial assets at amortised cost and/or accrued income balances are credit impaired. Financial assets are considered credit impaired when one or more events that have a detrimental impact on expected future cash flows have occurred. Evidence that a financial asset is credit impaired includes but not limited to significant financial difficulty experienced by the borrower, a breach of contract such as defaulting on contractually due repayments or the probability of the borrower entering bankruptcy.

Impairment allowances for financial assets measured at amortised cost and accrued income balances are recognised in the income statement and in an impairment allowance account. The gross carrying amount of the financial asset is reduced by the impairment loss allowance and is written off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Refer to note 42 for further details regarding the group's credit risk management.

(c) Financial liabilities

Financial liabilities are recognised when the group becomes party to the contractual provisions of the relevant instrument. The group classifies financial liabilities at amortised cost or at fair value through profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses on these financial liabilities are recognised in the income statement. Other financial liabilities comprise primarily trade and other payables, borrowings and written put option liabilities. These financial liabilities are initially recognised at fair value, net of transaction costs.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Financial liabilities (continued)

Written put option liabilities represent contracts that impose (or may potentially impose) an obligation on the group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. Written put option liabilities are initially raised from the "Existing control business combination reserve" in equity at the present value of the expected redemption amount payable. Simultaneously, the group may still recognise non-controlling interest where the risks and rewards of ownership are not deemed to have been transferred to the group on initial recognition of the put option liability. Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the written put option liability, are recognised in "Other finance (costs)/income – net" in the income statement. Where a written put option liability expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the "Existing control business combination reserve" in equity.

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are also accounted for as outlined above. Written put option liabilities are presented within "Other liabilities" in the statement of financial position. Written put option liabilities that are linked to a committed employment period are accounted for as share-based compensation benefits. The expected redemption amounts payable for these written put options is dependent on the completion of an employment service period (refer to share-based compensation accounting policy below).

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or when it expires.

(d) Financial instruments used for hedge accounting

The group uses derivative financial instruments (derivatives) to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise forward exchange contracts and interest rate (including cross currency) swap agreements. Forward exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Cross-currency interest rate swap agreements protect the group from movements in foreign exchange risk on a net investment in a foreign operation.

The group documents, at inception of hedging transactions, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. Hedging instruments are included in "derivative financial instruments" in the statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 43.

The method of recognising the resulting gain or loss arising from the remeasurement of derivatives used for hedging is dependent on the nature of the item being hedged. The group designates a derivative as either a hedge of the fair value of a recognised asset, liability or firm commitment (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge). The group also designates certain derivatives as hedges of the group's net investments in its foreign operations (cash flow hedges).

Fair value hedges

When a derivative is designated as a fair value hedge, changes in the fair value of the derivative are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognised in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Financial instruments used for hedge accounting (continued)

***Cash flow hedges** (continued)*

When the hedged forecast transaction or firm commitment subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flow affects in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The amount accumulated in the hedging reserve at that time remains in equity until, for a hedge resulting in the recognition of a non-financial item, it is included in the initial cost on initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period as the expected cash flows affect the income statement.

When a committed or forecast transaction is no longer expected to occur, the amounts accumulated in the hedging reserve are reclassified to the income statement.

Net investment hedges

When a derivative is designated as a hedging instrument in a hedge of the group's net investment in a foreign operation, the effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income and presented in the foreign currency translation reserve within equity. The ineffective portion of the change in fair value of the derivative is recognised in the income statement. The amount accumulated in the foreign currency translation reserve is reclassified to the income statement on disposal of the relevant foreign operation.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(e) Leased assets

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is or contains a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased.

Lessee accounting

The group recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease liabilities) from the lease commencement date.

The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The cost includes the initial amount of the respective lease liability adjusted for lease payments made before the commencement date of the lease, plus initial direct costs incurred and estimated costs to dismantle or destroy the underlying asset, less lease incentives received where applicable. The right-of-use asset is subsequently depreciated using the straight-line method over the earlier of the useful life of the underlying asset or the period of the lease term. In addition, the right-of-use asset is reduced by impairment losses if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease and where that rate cannot be readily determined the group entity uses the incremental borrowing rate. This is the rate of interest that the group entity would have to pay to borrow the funds necessary to obtain an asset of a similar value to the respective right-of-use asset in a similar economic environment.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets (continued)

Lessee accounting (continued)

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under residual value guarantees;
- amounts in an optional renewal lease period if the group is reasonably certain to exercise an extension option
- the exercise price of a purchase option that the group is reasonably certain to exercise; and
- penalties for early termination of the lease unless the group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured where there is a change in future lease payments, a change in the group's estimate of amounts expected to be payable under a residual value guarantee or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the income statement if the carrying amount of the right-of-use asset has been reduced to zero. The group presents right-of-use assets in "property, plant and equipment" and capitalised lease liabilities in "long-term liabilities' in the statement of financial position."

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The group has applied the 'integrally linked' approach in respect of the tax consequences of lease contracts. At inception of a lease and on the transition date no deferred taxes are recognised as no temporary differences arise between the tax base and carrying amount of the net lease asset or liability (without taking into account advance payments). Subsequent to initial recognition, deferred taxes are recognised when temporary differences arise.

The group's leases do not impose covenants, but leased assets may not be used as security for borrowing purposes.

Previous accounting policy for leases

In the previous financial year, the group classified all of its leases as finance or operating leases based on the criteria described below.

Finance leases

Leases of property, plant and equipment are classified as finance leases where substantially all risks and rewards associated with ownership are transferred to the group as lessee. Assets under finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments, with the related lease obligation recognised at an equivalent amount. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the lease obligation and finance charges. The corresponding lease obligations, net of finance charges, are included in long-term liabilities or current portion of long-term debt. The interest element of the minimum lease payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(f) Property, plant and equipment

Property, plant and equipment comprises of owned and leased assets.

Property, plant and equipment are stated at cost, being the purchase cost plus the cost to prepare the assets for their intended use, less accumulated depreciation and accumulated impairment losses.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Cost includes transfers from equity of gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life. Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Class of asset	Owned	Leased
Buildings	5 to 50 years	2 to 10 years
Computer equipment	1 to 10 years	2 to 3 years
Manufacturing equipment	2 to 15 years	2 to 4 years
Improvements to buildings	2 to 12 years	3 to 5 years
Office equipment	2 to 25 years	2 to 4 years
Vehicles	2 to 10 years	2 to 5 years

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured.

The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component 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 where it has an estimated useful life that differs from that of the item as a whole.

Major leasehold improvements are amortised over the shorter of the respective lease terms and estimated useful lives.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds to the asset's carrying value and are recognised in "Other (losses)/gains – net" in the income statement.

Work in progress are assets still in the construction phase and not yet available for use. These assets are carried at cost and are not depreciated. Depreciation commences once the assets are available for use as intended by management.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use.

(g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Class of asset	Useful life
Patents	5 years
Title rights	10 years
Brand names and trademarks	25 years
Software	10 years
Intellectual property rights	10 years
Customer-related assets	11 years

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Intangible assets

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the income statement as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Web and application (app) development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group and its cost can be measured reliably, otherwise these costs are expensed as incurred.

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are expensed as incurred.

Work in progress are assets still in the development phase and not yet available for use. These assets are carried at cost and are not amortised but are tested for impairment at each reporting date. Amortisation commences once the assets are available for use as intended by management.

(h) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill or intangible assets with indefinite useful lives relates. The recoverable amount of a cash-generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in "Other gains/(losses) – net" in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

Other intangible assets and property, plant and equipment

Other intangible assets (with finite useful lives) and items of property, plant and equipment are reviewed for indicators of impairment at least annually. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the group's overall business and significant negative industry or economic trends.

Intangible assets still in the development phase, and not yet available for use (work in progress), are tested for impairment on an annual basis. An impairment loss is recognised in "Other (losses)/gains – net" in the income statement when the carrying amount of an asset exceeds its recoverable amount.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less the incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Impairment of non-financial assets (continued)

***Other intangible assets and property, plant and equipment** (continued)*

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash generating unit level).

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains – net" in the income statement.

(i) Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the weighted average method.

The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from other comprehensive income of gains/losses on qualifying cash flow hedges relating to foreign currency denominated inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(k) Short-term investments

Short-term investments are cash investments with maturities of more than three months from the date of acquisition. On initial recognition, short-term investments are recognised at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost.

(l) Provisions

Provisions are obligations of the group where the timing or amount (or both) of the obligation is uncertain.

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The group recognises a provision relating to its estimated exposure on all products still under warranty at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in the income statement.

(m) Taxation

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Taxation (continued)

Current income tax

The normal South African company tax rate applied for the year ending 31 March 2020 is 28% (2019: 28%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It accounts for uncertain tax positions where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred tax assets and liabilities have been calculated using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates the group expects to apply to the periods in which the assets are realised or the liabilities are settled.

Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax on dividends

Dividends paid by Naspers Limited to shareholders that are not exempted from dividends withholding tax under South African tax law are subject to dividend withholding tax at a rate of 20%.

(n) Foreign currencies

The consolidated annual financial statements are presented in US dollar (US$) which is the group’s presentation currency. The company’s functional currency is the South African rand (R). However, the group measures the transactions of its operations using the functional currency determined for that specific operating entity which is the currency of the primary economic environment in which the operation conducts its business.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of the valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as part of qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair-value gain or loss recognised in the income statement. Translation differences on non-monetary equity investments classified at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in the valuation reserve as part of the fair-value remeasurement of such items.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Foreign currencies (continued)

The results and financial position of all foreign operations (none of which operates in a hyperinflationary economy) that have a functional currency that is different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date.
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the spot rate on the dates of the transactions).
- Components of equity are translated at the historic rate. Exchange differences on translation of equity are recognised directly in retained earnings.
- All other resulting exchange differences except equity are recognised in other comprehensive income and accumulated in the "Foreign currency translation reserve" in the statement of changes in equity.

The group recognises foreign exchange differences relating to monetary items that form part of its net investment in its foreign operations in other comprehensive income where settlement of the item is neither planned nor likely to take place in the foreseeable future.

When a foreign operation is disposed of, the accumulated foreign exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

(o) Revenue recognition

Revenue from contracts with customers is derived from the sale of goods and rendering of services. Revenue is measured based on the transaction price specified in the contract with the customer. The group recognises revenue when (or as) it transfers control of goods and/or services to its customers, which is when specific criteria have been met for each of the group's activities as described below. Revenue is recognised at the amount the group expects to be entitled to in exchange for the goods and/or services transferred to customers.

Revenue is shown net of value-added tax (VAT), returns, rebates and discounts. For contracts that permit returns, rebates or discounts, revenue is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur as a result of such items. The amount of revenue recognised is adjusted for expected returns, rebates or discounts which are estimated based on the group's historical experience and taking into consideration the type of customer, the type of transaction and the specific terms of each arrangement. The right to return goods is measured at the former carrying amount of the inventory less expected costs to recover goods.

Where contracts include multiple goods and/or services, the transaction price is allocated to each distinct good or service (or performance obligation) based on respective stand-alone selling prices. Where stand-alone selling prices are not directly observable, they are estimated.

The group identifies all parties that are integral to it generating revenue on its online platforms as its customers and, accordingly, incentives (including cash discounts and discount vouchers/coupons) provided to any party transacting on the platform are treated as a reduction of revenue.

The group considers, for each contract with a customer, whether it is a principal or an agent. The group regards itself as the principal in a transaction where it controls a promised good or service before the good or service is transferred to a customer. Where the group is the principal in a transaction, it recognises revenue in the gross amount of consideration to which it expects to be entitled. The group is the principal in the majority of transactions that it enters into.

Revenue earned, but for which the group's right to the consideration payment is not yet unconditional is presented as accrued income as part of other receivables in the statement of financial position. Payments received in advance from contracts with customers represent an obligation to transfer future goods and/or services and are presented as part of accrued expenses and other liabilities in the statement of financial position.

The group is not party to contracts where the period between the transfer of goods and/or services and payment exceeds one year. Consequently, the group does not adjust its transaction prices for financing components.

Revenue recognition for the group's major revenue streams is outlined below in the following paragraphs.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Revenue recognition(continued)

Ecommerce revenue

Revenue represents amounts received or receivable from customers relating to online goods sold on the group's etail and other internet platforms and from services rendered. Services rendered include advertising, travel package revenue and commissions, classifieds listings revenue, payment transaction commissions and fees, food delivery revenue, mobile and other content revenue and comparison-shopping commissions and fees.

Revenue from goods sold is recognised when the goods are delivered and accepted by customer. The group recognises classifieds listings and related fees on listing of an item for sale and success fees and other relevant commissions when a transaction is completed on the group's websites. Payments and fintech, food delivery, mobile content and comparison-shopping revenues are recognised once a transaction is completed and is based on the applicable fee for each transaction performed.

Advertising revenues

The group mainly derives advertising revenues from advertisements published in its newspapers and magazines and shown online on its websites and instant-messaging windows. Advertising revenues from print media products are recognised upon publication over the period of the advertising contract. Publication is regarded to be when the print media product has been delivered to the retailer and is available to be purchased by the general public. Online advertising revenues are recognised over the period in which the advertisements are displayed using a time-based measure.

Printing, distribution, circulation and publishing revenue

Revenues from print and distribution services are recognised upon completion of the services and delivery of the related product and customer acceptance. The recognition of print services revenue is based upon delivery of the product to the distribution depot and acceptance by the distributor of the customer, or, where the customer is responsible for the transport of the customers' products, acceptance by the customer or its nominated transport company. Revenues from distribution services are recognised upon delivery of the product to the retailer and acceptance thereof.

Print and distribution services are separately provided by different entities within the group and separately contracted for by customers. Where these services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated based on fair value for each service.

Circulation revenue is recognised in the month in which the magazine or newspaper is sold.

Book sales are recognised upon delivery of products and customer acceptance. Revenue relating to any particular publication is brought into account in the month that it is published.

(p) Employee benefits

Retirement benefits

The group provides retirement benefits to its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds. The assets of these funds are generally held in separate trustee administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period in which the employees render services to the group.

Post-employment medical aid benefits

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period.

Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Employee benefits

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the income statement.

(q) Equity compensation benefits

The group grants share options, share appreciation rights (SARs), performance stock units (PSUs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, SARs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans, whereas a corresponding credit to liabilities is raised for cash-settled plans.

The fair value of the options, SARs, PSUs and RSUs at the date of grant under equity-settled plans is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with changes in fair value recognised in the income statement.

A share option, SAR, PSU or RSU scheme is considered equity-settled when the transaction is settled through the issue of equity instruments of Naspers Limited or its subsidiaries or where the group has no obligation to settle awards with participants. They are considered cash-settled when there is an obligation to settle in cash or any other asset.

On the final vesting date of equity-settled plans, the group transfers the accumulated balance relating to vested share options, SARs, PSUs and RSUs from the share-based compensation reserve to retained earnings.

(r) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the group by the weighted average ordinary shares outstanding during the financial year excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The group discloses headline earnings per share as determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, pursuant to the JSE Listings Requirements. Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements relating to, amongst others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests.

Basic headline earnings per share are determined by dividing the headline earnings described above by the weighted average ordinary shares outstanding during the financial year excluding treasury shares. Diluted headline earnings per share are determined by dividing the headline earnings by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

In the event that the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation without consideration, the calculation of the basic and diluted earnings per share for the comparative period are adjusted retrospectively.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(s) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction against share premium.

Where subsidiaries hold Naspers N ordinary shares, the consideration paid to acquire those shares, including attributable incremental costs, is deducted from shareholders' equity as treasury shares. Such shares are predominantly held for equity compensation plans. Where such shares are subsequently sold or reissued, the cost of those shares is released, and the realised gains or losses are recorded as treasury shares in equity. Shares issued to or held by share incentive plans within the group are treated as treasury shares until such time when participants pay for and take delivery of such shares.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker. The chief operating decisionmaker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in the various reportable segments. This is considered more reflective of the economic value of these investments.

(u) Disposal groups held for sale and discontinued operations

Non-current assets and liabilities (disposal groups) are classified as held for sale and presented as current assets and liabilities in the statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal. From the date on which disposal groups are classified as held for sale, the group applies the measurement provisions of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation.

Discontinued operations comprise those activities of the group that were disposed of during a reporting period or which were classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. The results of discontinued operations are presented separately in the income statement.

(v) Accounting Developments

(i) The group has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing 1 April 2019. The impact of adopting new accounting pronouncements is outlined below and includes, significantly, the first-time application of IFRS 16 *Leases* (IFRS 16) with effect from 1 April 2019. A number of other pronouncements were also effective from 1 April 2019. but did not have a significant effect on the group's consolidated financial statements.

IFRS 16 replaces IAS 17 *Leases* (IAS 17) and IFRIC 4 *Determining whether an Arrangement contains a Lease* (IFRIC 4) and outlines the principles for the recognition, measurement, presentation and disclosure of leases. In terms of IFRS 16, the group now recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease obligations) in the statement of financial position whereas previously lease payments relating to arrangements classified as operating leases in terms of IAS 17 were expensed on a straight-line basis in the income statement.

In accordance with IFRS 16, lease payments are allocated between lease obligations and finance costs. The corresponding lease obligations, net of finance costs, are included in long-term liabilities or current portion of long-term liabilities. The interest element of lease payments is charged to the income statement over the relevant lease term. Right-of-use assets are depreciated over the shorter of the relevant right-of-use asset's estimated useful life and the lease term, on a straight-line basis.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(v) Accounting developments (continued)

The group has applied IFRS 16 on a prospective basis with effect from 1 April 2019 and has therefore not restated the comparative information contained in these consolidated financial statements. On transition to IFRS 16, lease liabilities were measured at the present value of remaining lease payments discounted at the incremental borrowing rate as at 1 April 2019. The right-of-use assets recognised on 1 April 2019 were measured at an amount equal to the lease liability adjusted by prepaid or accrued lease payments and onerous contracts provision. There was no adjustment to the group's opening balance to retained earnings on 1 April 2019.

The group has applied the following practical expedients:

- the group did not reassess whether contracts contained leases and accordingly the previous classifications applied to these contracts in terms of IAS 17 and IFRIC 4 were retained (i.e. the accounting for contracts not previously identified as leases was sustained);
- operating leases of which the underlying assets were of low value were not recognised as right-of-use assets and obligations to make lease payments in the statement of financial position – the existing accounting for these leases was sustained (i.e. lease payments continue to be expensed on a straight-line basis for these leases);
- where appropriate, the group applied a single incremental borrowing rate to a portfolio of leases and onerous contract provisions with reasonably similar characteristics;
- the group relied on its existing onerous lease contract assessments as an alternative to performing impairment reviews on right-of-use assets as at 1 April 2019 and recognised all existing provisions for onerous leases as adjustments to the relevant right-of-use assets as at 1 April 2019;
- operating leases under which the lease terms end within 12 months (short-term leases) of 1 April 2019 are accounted for as short-term leases (i.e. lease payments continue to be expensed on a straight-line basis for these leases);
- the group excluded initial direct costs from the measurement of right-of-use assets as at 1 April 2019;
- the carrying amounts of leased assets and lease obligations relating to leases that were classified as finance leases in terms of IAS 17 were treated as the carrying amounts of the right-of-use assets and lease obligations for purposes of IFRS 16 immediately before the date of transition (i.e. as at 31 March 2019); and
- the group applied hindsight in determining the lease terms for contracts that contain extension and termination options.

On transition to IFRS 16, the group recognised right-of-use assets of US$241.5m and lease obligations of US$242.2m. The difference related primarily to pre-existing onerous lease provisions and prepaid or accrued lease payments that were adjusted to the carrying value of the relevant underlying right-of-use assets. Apart from leases of assets of low value and short-term leases, lease obligations and right-of-use assets have been measured by discounting lease payments (including those arising under extension options where relevant) using the relevant lease's incremental borrowing rate as at 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 4.8%.

The group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'long-term liabilities' in the statement of financial position. Interest on lease liabilities is included in 'interest expense' in the income statement and included in the cash flows from operating activities in the statement of cash flows.

The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and motor vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased. Leasing arrangements may contain extension and/or termination options that are exercisable by the group. In determining the lease term for arrangements that contain extension and/or termination options the group considers all facts and circumstances that may create an economic incentive to exercise an extension and/or not exercise a termination option. The leases do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

In the consolidated annual financial statements for the year ended 31 March 2019, the group disclosed the operating lease commitments in terms of IAS 17 on an undiscounted basis. The impact on transition to IFRS 16 provides a reconciliation of the lease commitments disclosed under IAS 17 as at 31 March 2019 to the lease liability recognised on a discounted basis using the weighted average incremental borrowing rate as at 1 April 2019.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(v) Accounting developments (continued)

The impact on the financial statements on transition to IFRS 16 is detailed below.

Lease liabilities recognised

	1 April 2019 US$'m
Operating lease commitments under IAS 17	
Operating lease commitment at 31 March as disclosed[1]	282
Discounted using the incremental borrowing rate as at 1 April 2019	216
Recognition exemptions	(1)
Short-term leases	(1)
Extension and termination options reasonably certain to be exercised	27
Finance lease liabilities recognised as at 31 March 2019	8
Lease liabilities recognised as at 1 April 2019	250
Less: current portion of lease liabilities	(47)
Non-current portion of lease liabilities	203

[1]The group disclosed these lease commitments on an undiscounted basis in the consolidated annual financial statements for the year ended 31 March 2019.

(ii) The following new standards, interpretations and amendments to existing standards, that are considered relevant to the group, are not yet effective as at 31 March 2020. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted:

Standard/Interpretation	Title	Effective for year ending
IAS 1/IAS 8	*Presentation of financial statements*	March 2021
IFRS 3	*Business combinations*	March 2021
IFRS 9/IAS 39/IFRS7	*Financial Instruments*	March 2021
IFRS 10/IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined by the IASB

Other new standards, interpretations and amendments to existing standards not yet effective

None of the other new standards, interpretations and amendments to existing standards that are not yet effective as at 31 March 2020 are expected to have a significant impact on the group.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2020

In July 2019 the group acquired the majority stake in Red Dot Payment Private Limited (Red Dot) in Southeast Asia for US$45m. The company is an online payment company providing payment solutions and expertise to merchants across Asia Pacific. Following this investment, the group has a 72% effective interest (66% fully diluted) in Red Dot. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: fixed assets US$1m; intangible assets US$11m; cash and deposits US$14m; trade and other receivables US$2m; trade and other liabilities US$7m; and the balance of US$36m to goodwill. The group has a put option arrangement with the non-controlling interest exercisable in future over a specified period and also exercisable upon termination of employment of the non-controlling interest. The main intangible assets recognised in the business combination were customer relationships and technology.

The main factor contributing to the goodwill recognised in the acquisition is Red Dot's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In July 2019 the group invested US$66m for a 100% effective and fully diluted interest in Wibmo, Inc. (Wibmo), a digital payment company providing payment security, mobile payment solutions and processing services in India. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: intangible assets US$28m; property, plant and equipment US$3m; cash and deposits US$4m; trade and other receivables US$9m; liabilities US$14m; and the balance of US$36m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

The main factor contributing to the goodwill recognised in the acquisition is Wibmo's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In October 2019 the group concluded the merger of Dante International Korlátolt Felelősségű Társaság (eMAG Hungary), its Hungarian operations with operations of Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság (Extreme Digital), one of the leading marketers in Hungary. The group contributed the operations of its subsidiary eMAG Hungary as well as US$1m cash with an aggregate value of US$13m. Following the merger, eMAG is the majority shareholder, with an effective interest of 52% in the newly merged entity. The group accounted for the acquisition of its interest in Extreme Digital as a business combination and recognised an investment in subsidiary. The purchase price allocation: intangible assets US$21m; property, plant and equipment US$8m; other assets US$1m; liabilities US$9m; and the balance of US$4m to goodwill. The main intangible assets recognised in the business combination were customer relationships and brand names. The transaction gave rise to the recognition of non-controlling interest of US$11m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Extreme Digital as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US$9m.

The main factor contributing to the goodwill recognised in the acquisition is Extreme Digital's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2020 (continued)

In December 2019 the group invested US$134m in cash and contributed its subsidiary PayU Turkey to acquire a 90% effective and fully diluted interest in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico), a leading payment service provider in Turkey. The acquisition of Iyzico was accounted for as a business combination with an effective date of December 2019. The shares held by non-controlling interest in Iyzico are linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, no non-controlling interest has been recognised at the acquisition date. The purchase price allocation: intangible assets US$40m; cash and deposits US$28m; fixed assets US$2m; trade and other liabilities US$25m; deferred tax liabilities US$9m, and the balance of US$98m to goodwill. The main intangible assets recognised in the business combination were customer relationships, brand names and technology.

The main factor contributing to the goodwill recognised in the acquisition is Iyzico's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019 the group invested an additional US$163m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Prior to this transaction the group held 21% in PaySense and was accounted for as an investment in an associate. Following this additional investment, the group now holds a 79% effective and fully diluted interest in PaySense. The fair value of the group's previously held interest in PaySense was US$31m at the date of obtaining control. A gain of US$14m has been recognised in "Gains/(losses) on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in PaySense to its fair value. The transaction was accounted for as a business combination with an effective date of December 2019. The purchase price allocation: intangible assets US$41m; cash and deposits US$ 98m, fixed assets US$1m; trade and other receivables US$3m; liabilities US$22m; deferred tax liabilities US$10m, and the balance of US$90m to goodwill. The main intangible assets recognised in the business combination were technology and brand names. The transaction gave rise to the recognition of noncontrolling interest of US$8m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of PaySense as at the acquisition date. A portion of the shares held by non-controlling interest in PaySense is linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, the non-controlling interest recognised at the acquisition date relates to 50% of their legal shareholding not linked to an employment service period.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US$5m.

The main factor contributing to the goodwill recognised in the acquisition is Paysense market presence and technological capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2020 (continued)

In December 2019 the group invested US$320m in cash and contributed a portion of its investment in subsidiaries India Used Car Group B.V. (IUCG) and Poland Used Car Group B.V. (PUCG) for an additional interest in Frontier Car Group (FCG). FCG is a used car marketplace in emerging markets providing consumers with access to buy used cars. Prior to this transaction the group held 33% effective interest (32% fully diluted) in FCG and was accounted for as an investment in an associate. Following this additional investment, the group holds an 84% effective interest (83% fully diluted) in FCG. A gain of US$59m has been recognised in "Gains/(losses) on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in FCG to its fair value. The aggregate value of the investment in FCG was US$455m consisting of the cash consideration, the fair value of the previously held interest in the company of US$118m, and the fair value of PUCG and IUCG contributed amounting to US$4m and US$11m respectively. The transaction was accounted for as a business combination with an effective date of December 2019.

The purchase price allocation: intangible assets US$113m; cash and deposits US$123m; trade and other receivables US$31m; inventory US$22m; property, plant and equipment US$15m; liabilities US$78m; deferred tax liabilities US$22m; and the balance of US$287m to goodwill. The main intangible assets recognised in the business combination were software, dealer relationships, tradenames and domain names. The transaction gave rise to the recognition of non-controlling interest of US$31m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of FCG as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US$20m.

The main factor contributing to the goodwill recognised in the acquisition is FCG's market presence. The goodwill that arose is not expected to be deductible for income tax purposes.

Since the acquisition dates of the above business combinations, revenue of US$193m and net losses of US$41m have been included in the group's income statement. The impact on revenue and net losses from the above transactions, had the acquisitions taken place on 1 April 2019, were US$833m and US$125m respectively.

During the reporting period the group disposed of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada (BuscaPé) for US$15m. The transaction received regulatory approval in October 2019. At 30 September 2019, BuscaPé was classified as a disposal group available for sale in the amount of US$9m. The group recognised a loss of US$178m, primarily related to the recycling of the foreign exchange translation loss reserve of US$182m.

The following relates to the group's significant transactions related to investments in its equity-accounted investees:

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US$56m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The group recognised a gain on loss of control of US$26m in "Gains on acquisitions and disposals" in the income statement. The companies will merge their operations in the Philippines. The group classified its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell. In November 2019 the groups interest was further diluted to 7% effective interest (6% fully diluted) as a result of a subsequent funding round which resulted in the group losing its board representation. The group has classified its interest in Carousell as an investment at fair value through other comprehensive income.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

In July 2019 the group invested an additional US$25m in Brainly Inc. (Brainly). Following this investment, the group holds a 44% effective interest (38% fully diluted) in Brainly. The group continues to account for its interest as an investment in an associate.

In August 2019 the group invested US$80m in Meesho Inc. (Meesho), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. As at 31 March 2020, the group holds a 12% effective and fully diluted interest in Meesho. The group has accounted for its interest as an investment in an associate on account of its representation on the board of Meesho.

In August 2019 the group exchanged its 43% interest in its online travel associate MakeMyTrip Limited for a 6% effective interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com), a well-known provider of online travel and related services headquartered in China. The group made a gain of US$599m which was recognised in “Gains on acquisitions and disposals” in the income statement. The group has classified its interest in Trip.com as an investment at fair value through other comprehensive income presented in “Other investments and loans” in the statement of financial position.

In October 2019 the group acquired a 21% effective interest (19% fully diluted) for US$30m in NTex Transportation Services Private Limited (ElasticRun), a software and technology platform for providing transportation and logistics services in India. The group accounts for the acquisition of its interest as an investment in an associate.

In February 2020 the group made an additional investment amounting to US$100m, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following this investment, the group holds a 40% effective interest (36% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

The group made an additional investment amounting to US$10m in April 2019 and US$34m in March 2020, in Udemy Inc. (Udemy), an online education marketplace. Following this investment, the group holds a 15% effective interest (13% fully diluted) in Udemy. The group continues to account for its interest in Udemy as an investment in an associate.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019

In August 2018 the group invested US$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US$2m; trade and other receivables US$1m; intangible assets US$22m; trade and other payables US$1m; loan liabilities US$1m; deferred tax liability US$5m and the balance of US$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US$23m; trade and other receivables US$1m; intangible assets US$5m; trade and other payables US$3m; deferred tax liability US$2m and the balance of US$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US$1m and net losses of US$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and group net profit from continuing operations would have amounted to US$3.29bn and US$4.15bn respectively.

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the abovementioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019, the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019, the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019 (continued)

The following relates to the group's investments in its equity-accounted investees:

In May 2018 the group invested US$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with FCG in India during February 2019 through an investment of US$25m in the group's subsidiary India Used Car Group B.V.

In July 2018 the group invested an additional US$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group accounted for its interest in PaySense as an investment in an associate.

The group invested an additional US$79m in Bundl Technologies Private Limited (Swiggy), a leading online food ordering and delivery platform in India, during July 2018, followed by a further investment of US$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US$383m in Think & Learn Private Limited (BYJU's) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited – its equity-accounted etail investment in India – to US-based retailer Wal-Mart International Holdings, Inc. for US$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US$97m to the income statement. Related income tax expenses of US$177m have been included as part of "Taxation" in the income statement.

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online B2B travel distribution business, for US$37m. A gain on disposal of US$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

Following its listing on the JSE in February 2019, the group distributed its shares in its video-entertainment business, MultiChoice Group Limited (the MultiChoice Group), to shareholders as a pro rata distribution in specie (the distribution). The MultiChoice Group and, accordingly, the group's video-entertainment segment, have been presented as a discontinued operation in these consolidated annual financial statements (refer to note 4). The group recorded a gain of US$2.49bn as part of "Profit from discontinued operations" in the income statement following the distribution, being the difference between the fair value of the MultiChoice Group shares distributed, measured using its listed share price, and the book value of the net assets derecognised. The gain recognised is presented net of the reclassification of reserves (primarily foreign currency translation and hedging reserves) of US$546m (losses) to the income statement following the distribution. The distribution reduced retained earnings by US$3.83bn being the fair value of the distributed MultiChoice Group shares. The group calculated the gain on distribution based on the fair value of the MultiChoice Group as at the date of distribution. In calculating the fair value, the group determined that the share price of the MultiChoice Group for the first 15 days of trading did not represent an orderly transaction on account of the trading volumes during this period and the fact that there was no exposure to the market before the measurement date. Consequently, the group used the 15-day volume-weighted average share price of the MultiChoice Group and excluded the first 15 days of trading as this was considered more representative of the fair value of the Multichoice Group in an orderly transaction. This is consequently a level-2 fair value measurement.

4. PROFIT FROM DISCONTINUED OPERATIONS

The group concluded the disposal of its subsidiary MultiChoice Group Limited (MultiChoice Group) in February 2019 (refer to note 3). The assets and liabilities of MultiChoice Group were classified as held for sale in September 2018. The results and cash flows of the group's video-entertainment segment have been presented as discontinued operations in these consolidated annual financial statements. Discontinued operations also include the group's subscription video-on-demand service in Poland which was closed at the end of January 2019.

Income statement information of discontinued operations

	31 March 2019 US$'m
Revenue from contracts with customers	3 321
Expenses	(2 851)
Profit before tax	470
Taxation	(200)
Profit for the period	270
Gain on disposal of discontinued operation	2 489
Profit from discontinued operations	2 759
Profit from discontinued operations attributable to:	
Equity holders of the group	2 683
Non-controlling interest	76
	2 759
Revenue from contracts with customers	
Revenue from discontinued operations comprised the following:	
Subscription revenue	2 750
Advertising revenue	211
Hardware sales and maintenance revenue	171
Technology revenue	98
Sublicense and reconnection fee revenue	63
Other revenue	28
Revenue from contracts with customers	3 321
Cash flow statement information of discontinued operations	
Net cash generated from operating activities	344
Net cash utilised in investing activities	(63)
Net cash generated from financing activities	20
Cash generated by discontinued operations	301

5. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$'m	Computer and office equip-ment US$'m	Furniture and fittings US$'m	Other US$'m	Total US$'m
1 April 2019					
Cost	141	70	63	15	289
Accumulated depreciation and impairment	(33)	(39)	(26)	(8)	(106)
Carrying value at 1 April 2019	108	31	37	7	183
Change in accounting policy[1]	228	7	-	7	242
Restated carrying value at 1 April 2019	336	38	37	14	425
Foreign currency translation effects	(51)	(3)	(4)	(3)	(61)
Transferred to assets classified as held for sale	(9)	(1)	-	-	(10)
Reclassifications	-	2	(2)	-	-
Acquisitions of subsidiaries and businesses	23	2	2	1	28
Disposals of subsidiaries and businesses	(2)	(2)	-	-	(4)
Acquisitions of assets	32	24	20	1	77
Acquisitions of right-of-use assets	96	7	-	2	105
Disposals/scrappings	(11)	(1)	-	-	(12)
Depreciation	(62)	(19)	(12)	(3)	(96)
31 March 2020					
Cost	425	86	68	20	599
Accumulated depreciation and impairment	(73)	(39)	(27)	(8)	(147)
Carrying value at 31 March 2020	352	47	41	12	452
Work in progress at 31 March 2020					5
Total carrying value at 31 March 2020					457

[1] The group adopted IFRS 16 Leases from 1 April 2019 and accordingly the capitalised lease assets as at 31 March 2020 relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings US$'m	Computer and office equip-ment US$'m	Furniture and fittings US$'m	Trans-mission equip-ment US$'m	Other US$'m	Total US$'m
1 April 2018						
Cost	315	230	85	2 059	48	2 737
Accumulated depreciation and impairment	(84)	(160)	(36)	(822)	(30)	(1 132)
Carrying value at 1 April 2018	231	70	49	1 237	18	1 605
Foreign currency translation effects	(34)	(4)	(7)	(125)	(4)	(174)
Transferred to assets classified as held for sale[(1)]	(144)	(40)	(12)	(1 051)	(12)	(1 259)
Acquisitions of subsidiaries and businesses	1	1	-	-	1	3
Acquisitions	69	30	18	13	9	139
Disposals/scrappings	-	(2)	(1)	(1)	(1)	(5)
Impairment	-	-	-	-	(1)	(1)
Depreciation[(2)]	(15)	(24)	(10)	(73)	(3)	(125)
31 March 2019						
Cost	141	70	63	-	15	289
Accumulated depreciation and impairment	(33)	(39)	(26)	-	(8)	(106)
Carrying value at 31 March 2019	108	31	37	-	7	183
Work in progress at 31 March 2019						8
Total carrying value at 31 March 2019						191

[(1)] Assets classified as held for sale include those assets of the MultiChoice Group that were classified as held for sale in September 2018 and were subsequently distributed to shareholders (refer to note 3).

[(2)] Includes depreciation of US$89.7m associated with discontinued operations (refer to note 4).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of work in progress mainly comprises buildings and equipment.

The group recognised impairment losses of US$nil (2019: US$1.0m) on property, plant and equipment related to the media segment. No impairment losses (2019:US$nil) are presented within work in progress. US$nil (2019:US$1.0m) of the impairment losses have been included in "Other (losses)/gains – net" in the income statement.

The carrying values and depreciation of right-of-use assets are as follows[1]:

	31 March 2020	
	Carrying value US$'m	Depreciatio charge for the year[2] US$'m
Vehicles	**8**	**(3)**
Buildings	**240**	**(52)**
Computers, furniture and office equipment	**19**	**(4)**
	267	**(59)**

[1] The group adopted IFRS 16 from 1 April 2019 and accordingly the capitalised lease assets as at 31 March 2020 relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

[2] Relates to the depreciation expense for right-of-use assets during the current year.

Included in the acquisition of property, plant and equipment is an amount of US$89.9m (2019: US$1.8m) relating to leased assets, which are non-cash in nature. Refer to note 27 for details of the group's assets pledged as collateral.

6. GOODWILL

	31 March	
	2020 US$'m	2019 US$'m
Cost		
Opening balance	**2 360**	2 961
Foreign currency translation effects	**(306)**	(338)
Acquisitions of subsidiaries and businesses	**566**	105
Disposals of subsidiaries and businesses	**(144)**	(8)
Transferred to assets classified as held for sale	**(152)**	(360)
Closing balance	**2 324**	2 360
Accumulated impairment		
Opening balance	**240**	354
Foreign currency translation effects	**(28)**	(46)
Impairment	**12**	6
Disposals of subsidiaries and businesses	**(137)**	(1)
Transferred to assets classified as held for sale	**-**	(73)
Closing balance	**87**	240
Carrying value	**2 237**	2 120

The group recognised impairment losses on goodwill of US$11.8m (2019: US$6.4m) related to various smaller ecommerce investments as well as US$2.2m (2019:US$nil) in the media segment.

Management used up to 10-year projected cash flow models, terminal growth rates ranging between 2% and 5% and post-tax discount rates ranging between 11% and 21% in performing the impairment tests. The group uses up to 10-year projected cash flow models as many businesses have monetisation timelines longer than five years as further explained below.

Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units (CGUs). The recoverable amounts of these cash-generating units have been determined based on the higher of the value in use calculations and the fair value less costs of disposal. Fair value less costs of disposal of these cash generating units takes into account the transaction value for the group's recent acquisitions or upcoming disposal where applicable or is determined using option pricing methodology. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on 10-year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the group’s diverse range of business models and are closely linked to entity-specific key performance indicators.

Goodwill is tested annually as at 31 December or more frequently if there is a change in circumstance that indicates that it might be impaired. At 31 March 2020 the group reassessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts used as a result of the Covid-19 pandemic. For the CGUs that were recently acquired, management performed an assessment of whether there was any reason to adjust the transaction price as the basis for the fair value less costs of disposal and concluded that this was not the case. The updated value in use amounts used were considered appropriate based on the updated budgets and forecasts and the reasonable expectation that the businesses will recover from the impact of the pandemic. The group reassessed its 10-year budgets and forecasts by adjusting cash flow projections and budgets to include the effects of the Covid-19 pandemic. The group also updated its discount rates where required. These adjustments took into account the impact of the pandemic on revenue and margins as well as the periods of interruptions to business operations as a result of lockdown trading restrictions.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

Covid-19 has had a broad impact on the group, with the restrictions impacting some businesses negatively where they are unable to operate and on the other hand, having a positive impact on the group's major business operations where online services and sale of goods is the primary solution for social distancing measures imposed. The impairment loss recognised as at 31 March 2020, therefore, takes into account the impact of the pandemic on the group and its cash-generating units which is the group's best estimate amidst this current uncertain economic environment. The goodwill impairment relates to the group's ecommerce classifieds business. Estimating the future performance of the group's cash generating units is challenging during this pandemic. As circumstances change and/or information becomes available, the group may be required to recognise impairments in future periods.

The group's impairment testing of goodwill takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the group's ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. The forecast period is assessed annually to ensure it remains appropriate for the relevant businesses. Key assumptions in estimating these future cash flows over the forecast period include the cash generating unit's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale. The group uses look-back analysis to assess past performance of its cash generating units and uses it to validate past judgements and predict future performance. For certain cash generating units risk adjustments are made to the discount rates used (generally being the weighted average cost of capital) when calculating the value in use.

For certain cash generating units risk adjustments are made to discount rates used when calculating the value in use. Value in use calculations are performed using the appropriate operational cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

Where the group has committed to the sale of a cash generating unit or has determined that an impairment loss should be recognised on a cash generating unit based on its value in use, the group also calculates that cash generating unit's fair value less costs of disposal to ensure that the recognition of an impairment loss is appropriate.

Post-tax discount rates have been applied as value in use was determined using post-tax cash flows. Impairment testing is performed using the appropriate currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

The calculation of value in use is most sensitive to the following assumptions:

- projected revenue and EBITDA growth rates;
- growth rates used to extrapolate cash flows beyond the budget and forecast period, including the terminal growth rate applied in the final projection year; and
- discount rates.

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the group's diverse range of businesses.

The group's classifieds segment accounts for over 78% of the overall balance of goodwill and, accordingly, assumptions made in determining the cash flows of the classifieds cash generating units have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for cash generating units in the classifieds segment include the cash generating unit's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins assumed range between 30% and 63%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

If either the pre- or post-tax discount rate applied to cash flows were to increased relatively by 5% or the growth rate used to extrapolate cash flows were to decrease relatively by 5%, or if both the discount rate and the growth rate were to increase and decrease relatively by 5% respectively, there would be no further significant impairments that would have to be recognised.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

The group allocated goodwill to the following groups of cash-generating units:

	Carrying value of goodwill at 31 March 2020 US$'m	Basis of determi-nation of recoverable amount	Pre-tax discount rates at 31 March[1] 2020 %	Post-tax discount rate applied to cash flows at 31 March[1] 2020 %	Growth rate used to extrapolate cash flows at 31 March[1] 2020 %
Groups of cash-generating units[2]					
Avito AB	1 057	Value in use	19.2	16.5	3.5
Frontier Car Group Inc. (FCG)[2]	287	FVLCoD[3]			
Payment Solutions Private Limited (Citrus Pay)	90	Value in use	17.0	14.5	4.0
iyzi Ödeme ve Elektronik Para Hizmetleri Anonim irketi (Iyzico)[2]	88	FVLCoD[3]			
Paysense Private Limited[2]	85	FVLCoD[3]			
OLX B.V.	77	Value in use	15.6	13.4	4.0
Dubizzle Limited (BVI)	75	FVLCoD[3]			
Letgo Global B.V.	55	FVLCoD[3]			
Silver Indonesia JVCo B.V. (OLX Indonesia)	48	Value in use	17.7	17.5	4.0
Movile Internet Movel S.A.	46	Value in use	24.7	19.0	4.0
Dante International S.A. (eMAG)	46	Value in use	17.5	16.0	4.5
Zooz Mobile Limited	40	Value in use	12.0	11.0	4.0
Wibmo Inc.[2]	40	FVLCoD[3]			
Red Dot Payment Private Limited (RDP)[2]	36	FVLCoD[3]			
The Car Trader Proprietary Limited (AutoTrader)	20	Value in use	28.7	21.0	5.0
OLX Portugal S.A.	22	Value in use	33.6	18.0	2.0
Aasaanjobs Private Limited	13	FVLCoD[3]			
Takealot Online (RF) Proprietary Limited	52	Value in use	23.4	19.5	5.0
Various other units	60	Value in use	Various	Various	Various
	2 237				

[1] *Goodwill is tested annually as at 31 December or more frequently if a change in circumstance indicates that it might be impaired.*

[2] *These cash-generating units includes goodwill from acquisitions that were made during the current year based on the value of the recent transactions. Refer to note 3 for details.*

[3] *Recoverable amount was based on the fair value less costs of disposal of these cash generating units taking into account the transaction value for the group's recent acquisitions and in the case of Letgo Global B.V. and Dubizzle Limited (BVI) the group's recent transaction for disposal pending regulatory approval (Refer to note 45).The fair value for these cash-generating units are level 3 measurements.*

Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

6. **GOODWILL** (continued)

Impairment testing of goodwill (continued)

	Carrying value of goodwill at 31 March 2019 US$'m	Basis of determi-nation of recoverable amount	Pre-tax discount rates at 31 March[1] 2019 %	Post-tax discount rate applied to cash flows at 31 March[1] 2019	Growth rate used to extrapolate cash flows at 31 March[1] 2019
Groups of cash-generating units[2]					
Avito AB	1 262	Value in use	17.3	15.0	5.0
Letgo Global B.V. (previously Ambatana Holdings B.V.)	200	Value in use	20	17.5	5.0
Payment Solutions Private Limited (Citrus Pay)[2]	98	Value in use	16.6	14.0	4.0
OLX B.V.	77	Value in use	15.4	13.5	5.0
Dubizzle Limited (BVI)	75	Value in use	15.9	15.5	4.0
Takealot Online (RF) Proprietary Limited[2]	72	Value in use	21.2	18.0	5.0
Movile Internet Movel S.A.	69	Value in use	23.5	18.0	5.0
Silver Indonesia JVCo B.V. (OLX Indonesia)	59	Value in use	19.3	17.0	4.0
Dante International S.A. (eMAG)	48	Value in use	17.3	16.0	3.0
Zooz Mobile Limited	40	Value in use	13.1	12.0	4.0
The Car Trader Proprietary Limited (AutoTrader)	29	Value in use	26.5	21.0	4.0
OLX Portugal S.A.	22	Value in use	17.5	16.0	1.5
Aasaanjobs Private Limited[3]	14	FVLCoD[3]			
Various other units	55	Value in use	Various	Various	Various
	2 120				

[1] Goodwill is tested annually as at 31 December or more frequently if a change in circumstance indicates that it might be impaired.

[2] This cash-generating unit includes goodwill from acquisitions that were made during the prior year based on the value of the recent transactions.

[3] Recoverable amount was based on the fair value less costs of disposal of these cash generating units taking into account the transaction value of the group's acquisition. The fair value for these cash generating units is a level 3 measurement.

Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

7. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2019					
Cost	**6**	**543**	**760**	**122**	**1 431**
Accumulated amortisation and impairment	**(2)**	**(176)**	**(303)**	**(74)**	**(555)**
Carrying value at 1 April 2019	**4**	**367**	**457**	**48**	**876**
Foreign currency translation effects	**(1)**	**(40)**	**(82)**	**(5)**	**(128)**
Acquisitions of subsidiaries and businesses	-	**105**	**91**	**59**	**255**
Disposals of subsidiaries and businesses	**(1)**	**(3)**	-	**(2)**	**(6)**
Acquisitions	-	**8**	-	**7**	**15**
Disposals	**(1)**	-	-	-	**(1)**
Impairment	-	-	-	**(1)**	**(1)**
Amortisation	**(1)**	**(43)**	**(49)**	**(29)**	**(122)**
Carrying value at 31 March 2020					
Cost	-	**583**	**705**	**156**	**1 444**
Accumulated amortisation and impairment	-	**(189)**	**(288)**	**(79)**	**(556)**
Carrying value at 31 March 2020	-	**394**	**417**	**77**	**888**
Work in progress at 31 March 2020[(1)]					**10**
Total carrying value at 31 March 2020					**898**

[(1)] Includes acquisitions of US$10.0m.

7. OTHER INTANGIBLE ASSETS (continued)

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2018					
Cost	99	764	906	251	2 020
Accumulated amortisation and impairment	(84)	(328)	(315)	(155)	(882)
Carrying value at 1 April 2018	15	436	591	96	1 138
Foreign currency translation effects	(1)	(53)	(94)	(12)	(160)
Acquisitions of subsidiaries and businesses	1	24	9	24	58
Disposals of subsidiaries and businesses	(3)	-	(1)	-	(4)
Acquisitions	-	5	-	15	20
Transferred to assets classified as held for sale[1]	(5)	(6)	-	(36)	(47)
Disposals	-	-	-	-	-
Impairment[2]	(1)	-	-	(4)	(5)
Amortisation[3]	(2)	(39)	(48)	(35)	(124)
31 March 2019					
Cost	6	543	760	122	1 431
Accumulated amortisation and impairment	(2)	(176)	(303)	(74)	(555)
Carrying value at 31 March 2019	4	367	457	48	876
Work in progress at 31 March 2019					1
Total carrying value at 31 March 2019					877

[1] Assets classified as held for sale include those assets of the MultiChoice Group that were classified as held for sale in September 2018 and were subsequently distributed to shareholders (refer to note 3).

[2] Includes impairment of US$3.6m associated with discontinued operations (refer to note 4).

[3] Includes amortisation of US$13.2m associated with discontinued operations (refer to note 4).

The group recognised impairment losses on other intangible assets of US$1.1m (2019: US$4.9m). The recoverable amounts of the intangible assets impaired was US$nil in 2019. The intangible assets impaired were written off in full as no future cash inflows are associated with them.

The impairment losses have been included in “Other (losses)/gains – net” in the income statement, of which US$nil (2019: US$0.6m) has been included in the ecommerce segment and US$1.1m (2019: US$0.6m) has been included in the media segment.

8. INVESTMENTS IN SUBSIDIARIES

The following information relates to the group's interest in its significant subsidiaries at 31 March:

Name of subsidiary	Effective percentage interest[(1)] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency
Listed companies					
Corporate companies					
Prosus N.V.	**72.63**	100.00	Investment holding	Netherlands	US$
Unlisted companies					
Corporate companies					
MIH Holdings Proprietary Limited	**100.00**	100.00	Investment holding	South Africa	ZAR
MIH Internet Holdings Limited B.V.	**72.63**	100.00	Investment holding	The Netherlands	US$
MIH B2C Holdings B.V.	**72.63**	100.00	Investment holding	The Netherlands	US$
			Investment	The	
Classifieds					
Aasaanjobs Private Limited	**49.79**	68.55	Classifieds	India	IN
Avito AB	**72.63**	100.00	Classifieds	Sweden	SEK
Brocante Lab SAS (Selency)	**39.79**	54.79	Classifieds	France	EUR
Dubizzle Limited (BVI)[(2)]	**72.63**	100.00	Classifieds	UAE	AED
Frontier Car Group Inc (FCG)[(3)(4)]	**61.28**	-	Classifieds	Germany	EUR
Letgo Global B.V.	**58.06**	79.94	Classifieds	The Netherlands	US$
Letgo USA B.V. (merged with Letgo Global B.V.)	**-**	79.94	Classifieds	The Netherlands	US$
Netrepreneur Connections Enterprises Inc. (Sulit)[(5)]	**-**	100.00	Classifieds	Phillippines	PHP
OLX B.V.	**72.63**	100.00	Classifieds	The Netherlands	US$
OLX Portugal S.A.	**72.63**	100.00	Classifieds	Portugal	EUR
Silver Indonesia JVCo B.V. (OLX Indonesia)	**47.77**	65.78	Classifieds	The Netherlands	US$
The Car Trader Proprietary Limited (AutoTrader)	**72.63**	100.00	Classifieds	South Africa	ZAR
321sprzedane.pl Sp. z.o.o. (Poland Used Car)[(4)]	**61.28**	-	Classifieds	Poland	PLN

[(1)] The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.

[(2)] Refer to note 45 for the disposal of the group's interest subsequent to the current year.
[(3)] The group acquired an additional interest in the current year and now accounts for its interest as a subsidiary.
[(4)] Refer to note 3 for the acquisition of the group's interest during the current year.
[(5)] The subsidiary was contributed in exchange for an interest in Carousell Private Limited during the current reporting period (refer to note 3). The group classified Sulit as held for sale during the prior year.

8. INVESTMENTS IN SUBSIDIARIES (continued)

The following information relates to the group's interest in its significant subsidiaries as at 31 March:

Name of subsidiary	Effective percentage interest[1] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency
Etail					
Dante International S.A. (eMAG)	**58.16**	80.11	Retail and ecommerce	Romania	RON
Takealot Online (RF) Proprietary Limited	**96.39**	96.05	Retail and ecommerce	South Africa	ZAR
Extreme Digital Zrt[2]	**30.24**	-	Retail and ecommerce	Hungary	HUF
Payments and Fintech					
iyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico)[2]	**64.39**	-	Payments platform	Turkey	TRY
PayU Global B.V.	**71.74**	98.77	Payments platform	The Netherlands	US$
PayU Payments Private Limited	**71.74**	98.80	Payments platform	India	INR
PaySense Private Limited[3]	**57.52**	-	Credit platform	India	INR
Red Dot Payment Private Ltd[2]	**52.60**	-	Payments platform	Singapore	SGD
Wibmo Inc[2]	**71.74**	-	Payments platform	United States of America	US$
Zooz Mobile Limited	**71.74**	98.80	Payments platform	Israel	US$
Food Delivery					
iFood.com Agência de Restaurantes Online S.A. (iFood)	**39.71**	53.77	Food delivery	Brazil	BRL
Other Ecommerce					
Movile Internet Movel S.A.	**59.57**	80.65	Mobile value added	Brazil	BRL
Sympla Internet Soluções SA	**47.53**	62.84	Mobile value added	Brazil	BRL
Media					
Media24 Holdings Proprietary Limited	**85.00**	85.00	Investment holding	South Africa	ZAR
Media24 Proprietary Limited	**85.00**	85.00	Publishing	South Africa	ZAR

[1] The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.

[2] Refer to note 3 for the acquisition of the group's interest during the current year.

[3] The group acquired an additional interest in the current year and now accounts for its interest as a subsidiary.

8. INVESTMENTS IN SUBSIDIARIES (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests:

	Prosus N.V.		Media24 Holdings Proprietary Limited	
	31 March 2020 US$'m	31 March 2019 US$'m	**31 March 2020 US$'m**	31 March 2019 US$'m
Summarised statement of financial position				
Non-current assets	**26 655**	23 021	**42**	75
Current assets	**9 109**	9 970	**121**	154
Total assets	**35 764**	32 991	**163**	229
Non-current liabilities	**4 303**	4 034	**21**	27
Current liabilities	**2 147**	1 575	**66**	126
Total liabilities	**6 450**	5 609	**87**	153
Accumulated non-controlling interests	**8 178**	132	**(9)**	(14)
Summarised income statement				
Revenue	**3 330**	2 655	**321**	341
Net profit/(loss) for the year	**3 715**	3 510	**(9)**	(22)
Other comprehensive loss	**(1 440)**	(105)	**(13)**	-
Total comprehensive income/(loss)	**2 275**	3 405	**(22)**	(22)
Profit/(losses) attributable to non-controlling interests	**268**	(71)	**(1)**	(2)
Dividends paid to non-controlling interests	**-**	-	**3**	1
Summarised statement of cash flows				
Cash flows utilised in operating activities	**(209)**	(145)	**8**	(20)
Cash flows generated from/(utilised in) investing activities	**2 270**	(6 653)	**(4)**	(2)
Cash flows generated from/(utilised in) financing activities	**17**	(1 955)	**(5)**	15

9. CHANGES IN NON-CONTROLLING INTEREST

Pursuant to the listing of Prosus N.V.(Prosus), Naspers provided its existing shareholders an option to receive either a shareholding in Prosus N ordinary shares or additional Naspers N ordinary shares for no consideration. Subsequent to the listing in September 2019 and certain shareholders electing to receive Prosus shares for no consideration, 26.16% of the issued Prosus N ordinary shares were recognised as a non-controlling interest in the Prosus group. Naspers held the remaining 73.84% of Prosus.

In January 2020 Naspers sold 22 million N ordinary shares in Prosus, corresponding to a 1.35% effective interest in the issued Prosus N ordinary shares, at a price per share of EUR67.50, resulting in gross proceeds of US$1.64bn (EUR1.49bn) for Naspers. As at 31 March 2020 Naspers holds 72.63% of the issued Prosus N ordinary shares.

The Prosus group represents a significant portion of Naspers's net asset value as it comprises the international ecommerce and internet assets, including the investment in Tencent. The 27.37% interest in Prosus represents a significant non-controlling interest. This non-controlling interest will be entitled to its share of future earnings of the Prosus group.

The Prosus group prepares its own consolidated financial results, which are reported to its shareholders in accordance with its listing obligations on Euronext Amsterdam. In its results, Prosus discloses various related party balances and transactions with fellow subsidiaries in the Naspers group. More information on Prosus's results is available at https://www.prosus.com.

10. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates at 31 March:

Name of associated company	Effective percentage interest[1] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency	Year-end
Listed companies						
Delivery Hero SE	**15.37**	22.30	Food delivery	Germany	EUR	December
Mail.ru Group Limited	**20.26**	28.00	Internet-related services	British Virgin Islands	RUB	December
MakeMyTrip Limited[2]	**-**	42.60	Online travel	Mauritius	INR	March
Tencent Holdings Limited	**22.52**	31.10	Internet-related services	Cayman Islands	RMB	December
Unlisted companies						
Classifieds						
Frontier Car Group, Inc. (FCG)[3]	**-**	35.70	Classifieds	Germany	EUR	December
Payments and fintech						
Kreditech Holding SSL GmbH [4]	**-**	34.90	Consumer lending	Germany	EUR	December
Primrose Hill Ventures Private Limited (ZestMoney)[5]	**14.12**	21.40	Consumer lending	India	INR	December
PaySense Private Limited [3]	**-**	18.80	Consumer lending	India	INR	March
Remitly, Inc.	**15.22**	22.60	Digital money transfer	USA	US$	December
Food delivery						
Bundl Technologies Private Limited (Swiggy)[6]	**29.07**	38.80	Food delivery	India	INR	March
Other ecommerce						
Brainly, Inc.[6]	**31.82**	34.00	Educational technology	USA	US$	December
emTransit B.V.(Dott)[5]	**14.31**	13.00	Travel	The Netherlands	EUR	December

[1] *The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.*

[2] *The group exchanged its interest in MakeMyTrip for an investment in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com) during the current year. The group accounts for its investment in Trip.com as an investment at fair value through other comprehensive income (refer note 12).*

[3] *The group acquired an additional interest in the current year and accounts for its investment as a subsidiary (refer to note 3 and 8).*

[4] *During the current year the group's effective interest was diluted. The group accounts for its investment in Kreditech as an investment at fair value through other comprehensive income (refer note 12).*

[5] *The group accounts for its interest as an investment in an associate on account of its board representation.*

[6] *Refer to note 3 for the group's additional investment during the current year.*

10. INVESTMENTS IN ASSOCIATES (continued)

The following information relates to the group's financial interest in its significant associates at 31 March:

Name of associated company	Effective percentage interest[(1)] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies (continued)						
Other ecommerce (continued)						
Honor Technology Inc. (Honor)[(2)]	**11.96**	16.40	Home care	USA	US$	December
Meesho, Inc.[(2)(3)]	**8.83**	-	Online marketplace	USA	US$	December
NTEx Transportation Services Private Limited (ElasticRun)[(3)]	**14.94**	-	Logistics	India	INR	March
Ryzac, Inc. (Codecademy)	**15.27**	21.10	Educational technology	USA	US$	December
SimilarWeb Limited	**17.38**	24.50	Internet metrics	Israel	NIS	December
Sololearn, Inc.[(3)]	**11.07**	15.30	Educational technology	USA	US$	March
Think & Learn Private Limited (BYJU'S)[(2)]	**8.21**	12.20	Educational technology	India	INR	March
Udemy, Inc.[(2)]	**10.76**	11.80	Educational technology	USA	US$	March
Corporate						
Naspers Beleggings (RF) Limited[(4)]	**49.00**	49.00	Investment holding	South Africa	ZAR	March

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.

(2) The group accounts for its interest as an investment in an associate on account of its board representation.

(3) The group acquired its interest in these entities during the current period. Refer to note 3 for further information.

(4) The group has concluded that it does not control Naspers Beleggings (RF) Limited as it does not have the ability to unilaterally direct its substantive decisions.

Adjustments are made for significant transactions and events that take place where lag periods are applied. These adjustments routinely include impairments and fair-value adjustments related to the underlying financial instruments of associates measured at fair value through profit or loss or at fair value through other comprehensive income.

10. INVESTMENTS IN ASSOCIATES (continued)

The fair values of the group's investments in its listed associates are detailed below:

	31 March 2020 US$'m	31 March 2019 US$'m
Listed investments		
Tencent Holdings Limited	**145 249**	136 180
Mail.ru Group Limited	**985**	1 501
MakeMyTrip Limited	**-**	1 208
Delivery Hero SE	**3 134**	1 506

The above fair values have been measured using quoted prices in active markets and the disclosed amounts therefore represent level 1 fair-value measurements.

	31 March 2020 US$'m	31 March 2019 US$'m
Opening balance	**19 746**	16 666
Associates acquired - gross consideration[(1)]	**437**	1 279
net assets acquired	**132**	517
goodwill and other intangibles recognised	**328**	821
deferred taxation recognised	**(23)**	(59)
Associates disposed of[(2)]	**(575)**	(458)
Share of current year other reserve movements	**129**	482
other reserve movements recognised in other comprehensive income	**228**	919
direct equity movements	**(99)**	(437)
Share of equity-accounted results	**3 974**	3 418
Equity-accounted results due to purchase accounting	**(21)**	(11)
amortisation of other intangible assets	**(31)**	(19)
realisation of deferred taxation	**10**	8
Impairment	**(21)**	(88)
Dividends received	**(377)**	(342)
Foreign currency translation effects	**(999)**	(1 027)
Dilution losses	**(58)**	(173)
Closing balance	**22 235**	19 746
Investments in associates		
Listed	**20 728**	18 175
Unlisted	**1 507**	1 571
Total investments in associates	**22 235**	19 746

(1) Includes the contribution of Netrepreneur Connections Enterprises Inc. for an interest in Carousell Private Limited. Refer to note 3.

(2) This relates to the deemed disposal of Frontier Car Group (FCG), PaySense and Make My Trip.

10. INVESTMENTS IN ASSOCIATES (continued)

The group recognised US$3.9bn (2019: US$3.41bn) from associates as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to associates that have been fully impaired, amounted to US$nil (2019: US$4.6m) as at 31 March 2020.

The group recognised total dilution losses of US$52.2m (2019: US$181.7m) as part of "Dilution gains/(losses) on equity-accounted investments" in the income statement. The aggregate net dilution losses include US$57.8m (2019: US$173.8m) related to dilutions in the group's shareholding in Tencent, Delivery Hero, MakeMyTrip, Mail.ru and other unlisted investments.

The total dilution loss presented in the income statement also includes US$5.4m (2019: US$7.9m) relating to the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following shareholding dilutions.

Impairment losses related mainly to equity-accounted investments focussed on the provision of consumer goods in the other ecommerce business (March 2019: equity-accounted investment focussed on the provision of consumer lending and financial services in the payments business). The group impaired this investment as performance and the opportunity to leverage the investment in some of the group's core markets fell below expectations.

The group's share of equity-accounted investments' other comprehensive income and reserves relates mainly to the revaluation of the associates' investments at fair value through other comprehensive income.

The group recognised no deferred tax on its investments in associates.

10. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March[(1)] Tencent Holdings Limited		31 March[(1)] Mail.ru Group Limited	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Dividends received	**377**	342	**-**	-
Non-current assets	**98 321**	77 637	**2 853**	2 763
Current assets	**35 491**	32 341	**326**	381
Total assets	**133 812**	109 978	**3 179**	3 144
Non-current liabilities	**31 805**	24 564	**320**	228
Current liabilities	**33 908**	30 160	**562**	381
Total liabilities	**65 713**	54 724	**882**	609
Revenue	**54 045**	46 443	**1 464**	1 013
Net profit/(loss) from continuing operations	**13 454**	11 872	**172**	(125)
Other comprehensive income/(loss)	**310**	286	**6**	(5)
Total comprehensive income/(loss)	**13 764**	12 158	**178**	(130)

Reconciliation of summarised financial information to carrying value of investment

	31 March[(1)] Tencent Holdings Limited		31 March[(1)] Mail.ru Group Limited	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Opening net assets	**55 254**	43 961	**2 535**	2 939
Profit/(loss) for the year	**13 454**	11 872	**172**	(125)
Other comprehensive income/(loss)	**310**	286	**6**	(5)
Transactions with equity holders	**3 514**	2 515	**10**	111
Dividends	**(1 217)**	(1 100)	**-**	-
Foreign currency translation effects	**(3 216)**	(2 280)	**(440)**	(385)
Other	**-**	-	**14**	-
Closing net assets	**68 099**	55 254	**2 297**	2 535
Non-controlling interests	**(7 924)**	(4 871)	**(10)**	(6)
	60 175	50 383	**2 287**	2 529
Group's direct interest in associate (at year-end)	**18 654**	15 669	**638**	709
Goodwill	**11**	11	**101**	121
Carrying value of investment	**18 665**	15 680	**739**	830

[(1)] Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

10. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March[1] MakeMyTrip Limited[2]		31 March[1] Delivery Hero SE	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Non-current assets		187	1 456	746
Current assets		502	1 678	982
Total assets		689	3 134	1 728
Non-current liabilities		60	319	168
Current liabilities		183	682	367
Total liabilities		243	1 001	535
Revenue		481	1 372	769
Profit/(loss) from continuing operations for the year		(170)	78	(130)
Profit from discontinuing operations for the year		-	249	61
Other comprehensive loss		(94)	(31)	(107)
Total comprehensive income/(loss)		(264)	296	(176)

Reconciliation of summarised financial information to carrying value of investment

	31 March[1] MakeMyTrip Limited[2]		31 March[1] Delivery Hero SE	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Opening net assets		668	**1 193**	1 478
Profit/(loss) from for the year		(170)	**327**	(69)
Other comprehensive loss		(94)	**(31)**	(107)
Transactions with equity holders		42	**685**	20
Foreign currency translation effects		-	**(41)**	(130)
Other		-	**-**	1
Closing net assets		446	**2 133**	1 193
Non-controlling interests		-	**2**	3
		446	**2 135**	1 196
Group's direct interest in associate (at year-end)		190	**452**	267
Goodwill		274	**872**	934
Carrying value of investment		464	**1 324**	1 201

[1] Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

[2] The Group exchanged its interest in MakeMyTrip for an investment in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com) during the current year. The group accounts for its investment in Trip.com as an investment at fair value through other comprehensive income (refer to note 12).

10. INVESTMENTS IN ASSOCIATES (continued)

Other associates' summarised financial information

	31 March 2020 US$'m	31 March 2019 US$'m
Net loss from continuing operations	**(327)**	(166)
Other comprehensive income	**42**	32
Total comprehensive loss	**(285)**	(134)
Carrying value of investments	**1 507**	1 571
Total carrying value of investments in associates	**22 235**	19 746

The group had no capital commitments or contingent liabilities at 31 March 2020 or 2019 in respect of its investments in associates.

11. INVESTMENTS IN JOINT VENTURES

The following information relates to the group's financial interest in its significant joint ventures at 31 March:

Name of joint venture	Effective percentage interest[1] 2020 %	Effective percentage interest[1] 2019 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies						
Silver Brazil JVCo B.V. (OLX Brazil)	**36.32**	50.00	Classifieds	The Netherlands	US$	December
El Cocinero a Cuerda S.L. (SinDelantal)	**19.46**	26.35	Food delivery	Spain	EUR	December

[1] *The percentage interest shown is the financial effective interest, after disregarding for the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.*

Adjustments are made for significant transactions and events that take place where lag periods are applied.

11. INVESTMENTS IN JOINT VENTURES (continued)

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**96**	78
Joint ventures acquired - gross consideration	**23**	19
Joint ventures disposed of[1]	**-**	(5)
Share of equity-accounted results[2]	**(20)**	3
Equity-accounted results due to acquisition accounting	**(1)**	(1)
Dividends received	**(1)**	(2)
Foreign currency translation effects	**(23)**	4
Closing balance	**74**	96

[1] *During the prior year, the group increased its interest in Sympla Internet Soluções SA resulting in the entity becoming a subsidiary.*

[2] *Includes share of equity-accounted losses of US$nil (2019:US$1.2m) associated with discontinued operations (refer to note 4).*

The group recognised losses of US$20.3m (2019 profits of: US$2.8m) as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to joint ventures that have been fully impaired, amounted to US$nil (2019: US$nil) as at 31 March 2020.

No impairment losses (2019: US$nil) on investments in joint ventures have been recorded.

None of the group's interests in joint ventures are considered to be individually material.

In March 2020, Silver Brazil JVCo B.V. (OLX Brazil), the group's joint venture with Adevinta ASA, reached an agreement to acquire 100% of the shares of Grupo Zap for approximately US$650m. Grupo Zap is an online real estate market player. The transaction is subject to approval by the Brazilian competition authorities and other customary closing conditions. Closing is expected in the second half of 2020. The investment will be financed equally by the joint venture partners. Apart from the aforementioned transaction, the group had no other capital commitments or contingent liabilities in respect of its investments in joint ventures at 31 March 2020 and none for 31 March 2019.

The group recognised no deferred tax on its investments in joint ventures.

12. INVESTMENTS AND LOANS

	31 March 2020 US$'m	31 March 2019 US$'m
Investments at fair value through other comprehensive income	**804**	71
Investments at fair value through profit or loss	**13**	-
Other loans and receivables	**1**	3
Total investments and loans	**818**	74

Fair value gains or losses on investments held at fair value through other comprehensive income are not reclassified to the income statement. There is no current intention to dispose of these investments.

Significant equity investments at fair value through other comprehensive income include the following:

	31 March			
	Fair value		**Dividend income**	
	2020 US$'m	**2019 US$'m**	**2020 US$'m**	**2019 US$'m**
Listed investments				
Trip.com Group Limited (formerly Ctrip.com International Limited)[(1)]	**704**	-	**-**	-
Novus Holdings Limited	**6**	18	**1**	2
MultiChoice Group Limited[(2)]	**1**	4	**-**	-
	711	22	**1**	2
Unlisted investments				
Creditas Financial Solutions Limited	**24**	13	**-**	-
Carousell Private Limited (Carousell)	**23**	-	**-**	-
Grishin Robotics Fund, L.P.	**7**	8	**-**	-
SV Angel Funds	**6**	9	**1**	1
Bakkt Holdings LLC	**8**	5	**-**	-
Kreditech Holding SSL Gmbh	**7**	-	**-**	-
Other	**18**	14	**4**	-
	93	49	**5**	1
Total	**804**	71	**6**	3

[(1)] The group exchanged its interest in MakeMyTrip for an investment in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com) during the current year. (refer to note 3)
[(2)] Shares held in MultiChoice Group Limited (MCG) relate to MCG shares received by equity compensation plans and other group entities that held Naspers Limited N ordinary shares (as treasury shares) at the time of distribution of the group's interest in MCG to its shareholders (refer to note 3). These shares are held by the group's equity compensation plans and will be utilised when relevant awards are settled with participants.

13. DEFERRED TAXATION

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2019 US$'m	Charged to income US$'m	Charged to other compre-hensive income US$'m	Acquisition of subsi-diaries and businesses US$'m	Disposals of sub-sidiaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2020 US$'m
Deferred tax assets							
Provisions and other current liabilities	15	1	-	1	-	(2)	15
Capitalised lease liabilities	1	2	-	-	-	-	3
Tax losses carried forward	11	(11)	-	-	-	-	-
Other	78	(56)	-	1	1	(22)	2
Total deferred tax assets	105	(64)	-	2	1	(24)	20
Offsetting of deferred tax liabilities	(84)						-
Net deferred tax assets	21						20
Deferred tax liabilities							
Property, plant and equipment	1	-	-	-	-	-	1
Intangible assets	195	(34)	-	61	(1)	(28)	193
Receivables and other current assets	3	-	-	-	-	-	3
Translation reserve Other	15	(4)	-	-	-	(7)	4
Total deferred tax liabilities	214	(38)	-	61	(1)	(35)	201
Offsetting of deferred tax liabilities	(84)						-
Net deferred tax liabilities	130						201
Net deferred taxation	(109)	(26)	-	(59)	2	11	(181)

13. DEFERRED TAXATION (continued)

	1 April 2018 US$'m	Charged to income(1) US$'m	Charged to other comprehensive income US$'m	Acquisition of subsidiaries and businesses US$'m	Disposals of subsidiaries and businesses US$'m	Foreign exchange effects US$'m	Transferred to held for sale(2) US$'m	31 March 2019 US$'m
Deferred taxation assets								
Provisions and other current liabilities	48	6	-	-	-	(2)	(37)	15
Capitalised finance leases	213	22	-	-	-	(2)	(232)	1
Income received in advance	36	(1)	-	-	-	-	(35)	-
Tax losses carried forward	33	(10)	(1)	-	-	-	(11)	11
Other	57	4	30	1	-	(3)	(11)	78
Total deferred tax assets	387	21	29	1	-	(7)	(326)	105
Offsetting of deferred tax liabilities	(270)							(84)
Net deferred tax assets	117							21
Deferred taxation liabilities								
Property, plant and equipment	8	-	-	-	-	(1)	(6)	1
Intangible assets	234	(17)	(1)	9	(1)	(26)	(3)	195
Receivables and other current assets	33	20	-	-	-	-	(50)	3
Capitalised finance leases	192	(9)	-	-	-	13	(196)	-
Programme and film rights	28	(20)	-	-	-	(3)	(5)	-
Other	34	(20)	(14)	-	-	-	15	15
Total deferred tax liabilities	529	(46)	(15)	9	(1)	(17)	(245)	214
Offsetting of deferred tax liabilities	(270)							(84)
Net deferred tax liabilities	259							130
Net deferred taxation	(142)	67	44	(8)	1	10	(81)	(109)

(1) Includes taxation of US$26.4m associated with discontinued operations (refer to note 4).

(2) Relates to the MultiChoice Group which was distributed to shareholders .

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amounts accrued would not have a material adverse impact on the group's income statement and statement of financial position.

13. DEFERRED TAXATION (continued)

The group has tax losses carried forward of approximately US$2.9bn (2019: US$2.8bn). A summary of the tax losses carried forward at 31 March 2020 by tax jurisdiction and the expected expiry dates are set out below:

	South Africa US$'m	Asia US$'m	Europe US$'m	Latin America and USA US$'m	Other US$'m	Total US$'m
Expires in year one	-	19	147	-	-	166
Expires in year two	-	21	109	2	6	138
Expires in year three	-	24	121	-	6	151
Expires in year four	-	28	322	1	7	358
Expires in year five	-	46	244	1	8	299
Non-expiring/expires after year five	323	141	961	336	-	1 761
	323	279	1 904	340	27	2 873

The group recognised a deferred income tax expense of US$nil (2019: US$23.8m) in other comprehensive income as a result of changes in the fair value of derivative financial instruments that relate to cash flow hedges of foreign currency forecast transactions or firm commitments.

Total deferred taxation assets amount to US$19.6m (2019: US$20.8m), of which US$10.6m (2019: US$9.4m) are expected to be utilised within the next 12 months and US$9.0m (2019: US$11.4m) after 12 months. Total deferred taxation liabilities amount to US$201.4m (2019: US$129.9m), of which US$74.5m (2019: US$41.8m) are expected to be settled within the next 12 months and US$126.9m (2019: US$88.1m) after 12 months.

Included in the group's recognised deferred tax assets is an amount of US$nil (2019: US$nil), of which the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. These entities are expected to return to profitability in the foreseeable future.

14. INVENTORY

	31 March 2020 US$'m	31 March 2019 US$'m
Carrying value		
Finished products, trading inventory and consumables	**277**	223
Work in progress	**1**	1
Gross inventory	**278**	224
Allowance for slow-moving and obsolete inventories	**(18)**	(15)
Net inventory	**260**	209

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$6.7m (2019: US$30.7m), and reversals of these allowances amounted to US$1.3m (2019: US$2.6m). Net realisable value write-downs relate primarily to general inventory write-downs in the etail and media segment.

The group's inventory allowance takes into account the impact of trading restrictions as a result of the global Covid-19 pandemic. As at 31 March 2020, the impact of Covid-19 on the inventory allowance was not material as the inventory held had not aged significantly and it is expected that the inventory will be marketable and sold once trading restrictions are eased.

There were no net realisable value write-downs or reversals associated with discontinued operations (refer to note 4).

15. TRADE RECEIVABLES

	31 March 2020 US$'m	31 March 2019 US$'m
Carrying value		
Trade accounts receivable, gross	**166**	196
Less: Allowance for impairment of trade receivables	**(27)**	(24)
	139	172

The movement in the allowance for impairment of trade receivables during the year was as follows:

	2020 US$'m	2019 US$'m
Opening balance	**(24)**	(79)
Change in accounting policy[1]	-	(14)
Restated opening balance	**(24)**	(93)
Additional allowances charged to income statement	**(19)**	(14)
Allowances reversed through the income statement	**10**	21
Allowances utilised	-	5
Acquisition of subsidiaries	**(1)**	-
Disposal of subsidiaries	**2**	1
Transferred to assets classified as held for sale	**2**	46
Foreign currency translation effects	**3**	10
Closing balance	**(27)**	(24)

[1]*Represents the impact of adopting IFRS 9 in prior year.*

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 42 for the group's credit risk management.

15. TRADE RECEIVABLES (continued)

At 31 March 2020 and 2019 the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

In determining the group's allowance for the impairment of trade receivables the impact of the Covid-19 pandemic on the collectability of the trade receivables was considered. The impairment assessment considered trade restrictions imposed on the group's businesses and the resultant economic uncertainty that may impact the debtors' ability to settle the amounts owing. As at 31 March 2020 the impact of the Covid-19 pandemic was not material.

The ageing of trade receivables as well as the amount of the impairment allowance per age class is presented below:

	31 March 2020			31 March 2019	
	Carrying value US$'m	**Impair-ment US$'m**	**Expected loss rate**	Carrying value US$'m	Impair-ment US$'m
Current	**104**	**(1)**	**1%**	129	(1)
Past due 30 to 59 days	**22**	**(4)**	**18%**	25	(2)
Past due 60 to 89 days	**8**	**(2)**	**25%**	6	(1)
Past due 90 to 119 days	**7**	**(2)**	**29%**	7	(2)
Past due 120 days and older	**25**	**(18)**	**72%**	29	(18)
	166	**(27)**		196	(24)

16. OTHER RECEIVABLES

	31 March	
	2020 US$'m	2019 US$'m
Prepayments	93	98
Accrued income[(1)]	22	24
Staff debtors*	5	4
VAT and related taxes receivable	77	96
Merchant and bank receivables*[(2)]	188	156
Sundry deposits	8	8
Interest receivable on cross-currency interest rate swap*	8	8
Disposal proceeds receivable*	14	97
Other receivables**	33	31
Total other receivables	**448**	522
Less: non-current portion of other receivables[(3)]	**(5)**	(7)
Current portion of other receivables	**443**	515

[(1)] Relates to revenue from contracts with customers. Refer to note 28 for movements in accrued income balances.

[(2)] Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US$6.6m (2019:US$6.5m). Refer to note 42 for details of the group's credit risk management policy.

[(3)] Relates to non-current prepaid rental deposits and employment linked prepayments.

** Financial assets*

*** Includes financial assets of US$21.5m (2019: US$15.9m)*

17. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The group distributed its shareholding in the MultiChoice Group Limited to shareholders during the prior year (refer to note 3). As a consequence of this transaction, equity-compensation plans and other group entities that held Naspers Limited N-ordinary shares (as treasury shares) at the time of distribution received MultiChoice Group shares. The group classified a portion of these MultiChoice Group shares with a fair value of US$50.7m as held for sale as at 31 March 2019 as it had committed to dispose of these shares within 12 months from the end of the current reporting period. The portion of MultiChoice Group shares not classified as held for sale are presented in note 12.

In April 2019 the group concluded the contribution of its subsidiary Netrepreneur Connections Enterprises, Inc. (Sulit) to Carousell Private Limited (Carousell) for an equity interest in Carousell. Sulit was classified as held for sale as at 31 March 2019. Refer to note 3 for further details regarding the disposal.

In October 2019 the group concluded the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada (BuscaPé). The assets and liabilities of BuscaPé were classified as held for sale as at 30 September 2019. Refer to note 3 for further details regarding the disposal.

In March 2020 the assets and liabilities of the group’s subsidiary Wavy Global Holdings B.V. (Wavy) were classified as held for sale as the group signed an agreement to sell its investment to Stockholm-based customer engagement platform, Sinch AB (refer to note 45).

Further in March 2020, the group signed an agreement to contribute the assets and liabilities of the US letgo business in exchange for an equity interest in OfferUp Inc., a US online marketplace (refer to note 45).

The assets and liabilities classified as held for sale as at 31 March 2020 and 2019 are detailed in the table below:

	31 March	
	2020 US$'m	2019 US$'m
Assets classified as held for sale		
Property, plant and equipment	**10**	-
Goodwill and other intangible assets	**152**	13
Investments at fair value through other comprehensive income	**-**	51
Trade and other receivables	**27**	2
Cash and cash equivalents	**19**	1
	208	67
Liabilities classified as held for sale		
Long-term liabilities	**3**	-
Provisions	**1**	-
Trade payables	**4**	-
Accrued expenses and other current liabilities	**18**	2
	26	2

18. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including associates, joint ventures, directors (key management personnel), and shareholders. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

	31 March	
	2020 US$'m	2019 US$'m
Sale of goods and services to related parties[(1)]		
MakeMyTrip Limited[(2)]	**5**	12
Various other related parties	**1**	1
	6	13

[(1)] *The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships are that of associates and joint ventures.*

[(2)] *Revenue earned from MakeMyTrip Limited, relates to payment services provided by PayU, when MakeMyTrip was an associate of the group.*

The balances of advances, deposits, receivables and payables between the group and related parties are as follows:

	31 March	
	2020 US$'m	2019 US$'m
Receivables[(1)]		
Tencent Technology (Shenzhen) Co Ltd	**90**	-
Honor Technology, Inc	**8**	-
Zoop Tecnologia e Meios de Pagamento Ltda (Zoop)	**6**	-
Various other related parties	**3**	3
Total related party receivables	**107**	3
Less: non-current portion of related party receivables	**(8)**	-
Current portion of related party receivables	**99**	3

[(1)] *The group provides services and loan funding to a number of its related parties. The nature of these related party relationships are that of equity-accounted investments.*

Purchases of goods and services from related parties amounted to US$nil (2019: US$1.0m), amounts payable to related parties amounted to US$2.8m (2019: US$2.8m). These amounts are not considered significant and relate to various related parties, most of which are equity-accounted investments of the group.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration

	31 March	
	2020 US$'000	2019 US$'000
Non-executive directors		
fees for services as directors	2 967	4 557
fees for services as directors of subsidiary companies	2 285	508
	5 252	5 065

No executive director has a notice period of more than one year.

The company directors' service contracts do not include predetermined compensation as a result of termination that would exceed one year's salary and benefits and none are linked to any restraint payments.

The individual directors received the following remuneration and emoluments:

	Salary US$'000	**Annual short-term incentive payments US$'000**	**Pension contributions and other benefits paid on behalf of director US$'000**	**Total US$'000**
Executive directors				
2020				
V Sgourdos	**950**	**1 207**	**120**	**2 277**
Paid by other companies in the group				
B van Dijk	**1 362**	**1 180**	**151**	**2 693**
Paid by other companies in the group				
	2 312	**2 387**	**271**	**4 970**
2019				
V Sgourdos	897	1 006	112	2 015
Paid by other companies in the group				
B van Dijk				
Paid by other companies in the group	1 259	1 108	151	2 518
	2156	2114	263	4533

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration (continued)

Annual performance-related short-term incentive (STI) payments made in respect of the 2019/2020 performance year for Basil Sgourdos and Bob van Dijk were based on a combination of group financial, strategic and operational objectives, approved by the human resources and remuneration committee. These group financial objectives had a weighting of 50% of maximum annual STI.

The individual directors received the following remuneration and emoluments during the current financial year:

	2020[1]						
	Directors' fees		Committee and and trustee fees fees		Other fees[2]		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker[3]	370	241	-	8	-	-	619
E M Choi	180	103	39	25	-	-	347
H J du Toit[4]	-	-	-	-	-	-	-
C L Enenstein	185	102	64	40	-	50	441
D G Eriksson	160	92	159	100	-	-	511
M Girotra[5]	36	84	7	17	-	-	144
R C C Jafta	167	159	101	73	-	-	500
F L N Letele	150	92	16	10	-	-	268
D Meyer	164	92	16	10	-	-	282
R Oliveira de Lima	183	103	33	21	-	50	390
S J Z Pacak	162	87	18	11	-	-	278
T M F Phaswana[6]	171	99	33	21	-	-	324
M R Sorour[7]	167	242	-	-	-	120	529
J D T Stofberg	162	101	16	10	-	-	289
B J van der Ross	160	92	48	30	-	-	330
	2 417	1 689	550	376	-	220	5 252

[1] *In September 2019 Prosus listed on the Euronext Amsterdam. Non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming dual responsibilities the fees were split between Naspers and Prosus on a 30/70 basis, prorated from the date of listing of Prosus.*

[2] *Compensation for assignments.*

[3] *Koos Bekker elected to donate the Rand equivalent of his Naspers director's fees, being R2.1m, to education. This year the recipient was the high school Volkskool in Heidelberg, Mpumalanga, South Africa..*

[4] *Hendrik Du Toit elected not to receive directors' fees.*

[5] *Appointed 1 October 2019 as a director and member of the audit committee.*

[6] *Retired with effect from 1 April 2020.*

[7] *Mark Sorour received US$11.88 from MIH Holdings Proprietary Limited for the period 1 January 2020 to 31 March 2020. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the distribution to shareholders of the MultiChoice Group. The company will provide an annual allowance to cover the difference in cost for retired scheme members during FY20 and FY21 only. This is not disclosed in the above table.*

General notes

Directors' fees include fees for services as directors, where appropriate, of Media24 Proprietary Limited. An additional fee may be paid to directors for work done as directors with specific expertise.

Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nomination committee and social, ethics and sustainability committee. Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the Annual General Meeting on 21 August 2020 for services as trustees of the group's share-incentive schemes. Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration (continued)

	2019						
	Directors' fees		Committee and trustee fees		Other fees[4]		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker	552	23	-	-	-	-	575
E M Choi	260	-	61	-	-	-	321
H J du Toit[1]	-	-	-	-	-	-	-
C L Enenstein	260	-	100	-	-	50	410
D G Eriksson	235	-	247	-	-	-	482
G Liu[2]	235	-	-	-	-	-	235
R C C Jafta	239	69	157	10	-	-	475
F L N Letele	235	-	24	-	-	-	259
D Meyer	228	23	24	13	-	-	288
R Oliveira de Lima	253	-	51	-	-	50	354
S J Z Pacak	256	-	28	-	-	-	284
T M F Phaswana	253	-	51	-	-	-	304
M R Sorour[3]	232	150	-	-	-	120	502
J D T Stofberg	249	-	24	-	-	-	273
B J van der Ross	228	-	75	-	-	-	303
	3 715	265	842	23	-	220	5 065

(1) Hendrik du Toit elected not to receive directors' fees.

(2) Resigned 25 February 2019.

(3) Mark Sorour received US$3 800 from MIH Holdings Proprietary Limited for the period 1 January 2019 to 31 March 2019. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the distribution to shareholders of the MultiChoice Group. The company will provide an annual allowance to cover the difference in cost for retired scheme members during the 2020 and 2021 financial years only. This is not disclosed in the above table.

(4) Compensation for assignments.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's equity compensation plans

The executive directors of Naspers are allowed to participate in Naspers group share-based incentive schemes (including those of associate companies and joint ventures). Details as at 31 March 2020 in respect of the executive directors' participation in such scheme shares not yet released, are as follows:

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
V Sgourdos	MIH Services FZ LLC	18/09/2015	2 247	R1 634.84	18/09/2020	R913.19
	MIH Services FZ LLC	25/09/2015	460	R1 594.52	25/09/2020	R893.55
	MIH Services FZ LLC	29/08/2016	6 461	R2 323.52	29/08/2020 to 29/08/2021	R1 029.27 to R1 134.33
	MIH Services FZ LLC	08/09/2017	2 888	R2 755.72	08/09/2020 to 08/09/2021	R950.17 to R1 083.79
	MIH Services FZ LLC	25/06/2018	24 831	R3 100.99	26/06/2020 to 26/06/2022	R1 022.84 to R1 351.31
	MIH Services FZ LLC	16/07/2019	8 211	R3 494.00	16/07/2020 to 16/07/2023	R883.91 to R1 456.05
	Naspers Global Ecommerce SAR	17/09/2015	9 685	US$18.59	17/09/2020	US$6.84
	Naspers Global Ecommerce SAR	29/08/2016	65 202	US$20.45	29/08/2019 to 29/08/2021	US$6.70 to US$7.07
	Naspers Global Ecommerce SAR	15/08/2017	76 060	US$27.25	15/08/2019 to 15/08/2022	US$6.86 to US$7.91
	Naspers Global Ecommerce SAR	08/09/2017	63 054	US$27.60	08/09/2019 to 08/09/2022	US$6.77 to US$7.80
	Naspers Global Ecommerce SAR	25/06/2018	161 070	US$33.57	25/06/2019 to 25/06/2022	US$12.58 to US$14.61
	Naspers Global Ecommerce SAR	16/07/2019	226 505	US$36.70	07/16/2020 to 07/16/2023	US$12.11 to US$15.51
	Naspers PSU	09/09/2019	12 718	R3 528.34	30/06/2022	R3 528.34

[1] The value of the option represents the fair value on grant date in accordance with IFRS in the respective scheme currency.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's share incentive schemes (continued)

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[(1)]
B van Dijk	MIH Services FZ LLC	05/07/2016	98 604	R2 056.88	05/07/2020 to 05/07/2021	R947.48 to R1 040.60
	MIH Services FZ LLC	08/09/2017	25 864	R2 755.72	08/09/2020 to 08/09/2021	R950.17 to R1 083.79
	MIH Services FZ LLC	25/06/2018	45 857	R3 100.99	26/06/2020 to 26/06/2022	R1 022.84 to R1 351.31
	MIH Services FZ LLC	16/07/2019	15 835	R3 494.00	16/07/2020 to 16/07/2023	R883.91 to R1 456.05
	Naspers Global Ecommerce SAR	15/08/2017	440 367	US$27.25	15/08/2020 to 15/08/2022	US$6.86 to US$7.91
	Naspers Global Ecommerce SAR	08/09/2017	105 157	US$27.60	08/09/2020 to 08/09/2022	US$6.77 to US$7.80
	Naspers Global Ecommerce SAR	25/06/2018	313 826	US$33.57	25/06/2020 to 25/06/2022	US$12.58 to US$14.61
	Naspers Global Ecommerce SAR	16/07/2019	436 832	US$36.70	16/07/2020 to 16/07/2023	US$12.11 to US$15.51
	Naspers PSU	09/09/2019	24 527	R3 528.34	30/06/2022	R3 528.34

[(1)] *The value of the option represents the fair value on grant date in accordance with IFRS in the respective scheme currency.*

Directors' interests in Naspers shares

The directors of Naspers have the following interests in Naspers A ordinary shares at 31 March:

	2020			2019		
	Naspers A ordinary shares			Naspers A ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
J D T Stofberg[(1)]	**-**	**175**	**175**	-	166	166
S J Z Pacak[(1)]	**-**	**105**	**105**	-	83	83
	-	**280**	**280**	-	249	249

[(1)] *Additional Naspers A shares received as part of the Naspers A share capitalisation award approved by shareholders at the extraordinary general meeting on 23 August 2019.*

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Beperk ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Beperk ordinary shares and 133 350 Naspers A shares.

No other director of Naspers had any direct interest in Naspers A ordinary shares at 31 March 2020 or 31 March 2019.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers shares (continued)

The directors of Naspers (and their associates) had the following interests in Naspers N ordinary shares as at 31 March:

	2020			2019		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
J P Bekker	**-**	**4 688 691**	**4 688 691**	-	4 688 691	4 688 691
C L Enenstein	**-**	**415**	**415**	-	415	415
F L N Letele	**1 474**	**-**	**1 474**	1 474	-	1 474
S J Z Pacak[1]	**376 635**	**111 548**	**488 183**	376 635	291 548	668 183
T M F Phaswana[2]	**-**	**830**	**830**	-	3 530	3 530
V Sgourdos	**32 483**	**87 367**	**119 850**	32 483	64 239	96 722
M R Sorour[3]	**2 145**	**165 024**	**167 169**	2 145	101 713	103 858
J D T Stofberg[4]	**183 317**	**291 888**	**475 205**	183 317	291 888	475 205
B J van der Ross	**2 550**	**820**	**3 370**	2 550	820	3 370
B van Dijk[5]	**51 809**	**922 451**	**974 260**	51 809	844 932	896 741
	650 413	**6 269 034**	**6 919 447**	650 413	6 287 776	6 938 189

(1) *On 16 September 2019, a total of 180 000 Naspers N ordinary shares were sold by Steve Pacak and 20 000 Naspers N ordinary shares, 200 000 Prosus N.V. N ordinary shares and 200 000 MultiChoice Group Limited ordinary shares were delivered to Mr Pacak upon payment of the amount of R30 378 633.89 (being the listed market value on the date of the offers) from the proceeds of the sale of the 180 000 Naspers N ordinary shares (distributed to Steve), to settle the amount due to the Trust.*

(2) *On 27 September 2019, Fred Phaswana, through his family trust, disposed on market 2 700 Naspers N shares at an average price per share of R2 338.24. Fred retired from the board and committees on 1 April 2020.*

(3) *On 19 September 2019, Mark Sorour received 9 237 Naspers N ordinary shares in settlement of the MIH China/MIH TC 2008 share appreciation rights plan. Mark immediately sold these shares at an average price per share of R2 417.22. On 14 August 2019, Mark Sorour's spouse acquired 123 Naspers N ordinary shares at average market prices ranging between R3 402.85 and R3 405.99 per share.*

(4) *On the listing of Prosus and on interrogation of the Naspers certificated register, the direct holding has been restated. The comparative has also been restated.*

(5) *On 14 January 2020, Bob van Dijk received 414 932 Naspers N ordinary shares in settlement of the Naspers Global ecommerce share appreciation rights plan. Bob immediately disposed of these shares at an average price per share of R2 400.00.*

There have been no further changes to the directors' interests in the table above between the end of the financial year and 29 June 2020.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management remuneration

Comparatives have not been restated to account for the change in the composition of key management.

	2020 US$'000	2019 US$'000
Short-term employee benefits[(1)]	**16 000**	15 000
Post-employment benefits	**1 000**	1 000
Share-based payment expense	**37 000**	33 000
	54 000	49 000

[(1)] *Short-term employee benefits consist of base salary, short-term incentives and other short-term benefits.*

No other remuneration is paid to executive directors. Remuneration is earned for services rendered in conducting the business of the group.

19. SHARE CAPITAL AND PREMIUM

	31 March	
	2020 US$'m	2019 US$'m
Authorised		
1 250 000 A ordinary shares of R20 each	**2**	2
500 000 000 N ordinary shares of 2 SA cents each	**2**	2
	4	4
Issued		
961 193 A ordinary shares of R20 each (2019: 907 128)	**2**	2
435 511 058 N ordinary shares of 2 SA cents each (2019: 438 656 059)	**2**	2
	4	4
Share premium	**4 607**	6 154
	4 611	6 158
Cumulative effect of treasury shares used in equity compensation plans[(1)]	**(1 249)**	(1 213)
	3 362	4 945

[(1)] *Refers to the cumulative net effect on share premium of treasury shares held at cost and the gains and losses arising on vesting of equity compensation awards.*

19. SHARE CAPITAL AND PREMIUM (continued)

Treasury shares

The group holds a total of 7 533 095 N ordinary shares (2019: 6 455 824), or 1.7% (2019: 1.5%), of the gross number of N ordinary shares in issue at 31 March 2020 as treasury shares. Equity compensation plans hold 2 831 289 (2019: 3 023 498) of the ordinary shares and the remaining 4 701 806 (2019: 3 432 326) N ordinary shares are held by various group companies.

Share repurchase programme

In January 2020 Naspers sold 22 000 000 N ordinary shares in Prosus N.V. (1.35% effective interest) to institutional investors. The net proceeds from the sale of the Prosus shares were used to return capital to Naspers shareholders in terms of its share repurchase programme. The programme was completed on 24 March 2020. As at 31 March 2020, Naspers has repurchased 9 156 705 N ordinary shares (representing 2.06% of the issued Naspers N ordinary shares prior to the programme) for a total consideration of US$1.4bn (R 22.4bn) inclusive of transaction costs from share premium. These shares were cancelled on the repurchase date and delisted. As a result, Naspers now has 435 511 058 N ordinary shares in issue.

Voting and dividend rights

The company's issued share capital at 31 March 2020 consisted of 961 193 A ordinary shares and 435 511 058 N ordinary shares. The N ordinary shares are listed on the JSE, the A2X Exchange and has an ADR listing on the London stock exchange (LSE). The N ordinary shares on a poll carry one vote per share. The A ordinary shares are not listed on a stock exchange and on a poll carry 1 000 votes per share.

In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to dividends. However, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled.

Naspers Limited, through Heemstede Beleggings Proprietary Limited, a wholly owned subsidiary of the company, holds 49% of Naspers Beleggings (RF) Limited. Naspers Beleggings (RF) Limited, in turn, holds 472 411 (2019: 445 839) A ordinary shares (49.1% of the total A ordinary shares in issue), which carry approximately 33.82% of the total voting rights in respect of the company's ordinary shares. Keeromstraat 30 Beleggings (RF) Limited holds 296 058 (2019: 279 406) A ordinary shares (30.7% of the total A ordinary shares in issue), which represents 21.20% of the total voting rights in respect of the company's ordinary shares. Some of the company's directors are on the boards of Keeromstraat Beleggings (RF) Limited and Naspers Beleggings (RF) Limited, but do not represent the majority of board members. Each of these boards operates independently. Naspers Beleggings (RF) Limited and Keeromstraat Beleggings (RF) Limited collectively hold 55.02% of the voting rights in respect of the company, exercise their voting rights in consultation with one another in terms of a voting pool agreement and constitute the control structure of Naspers Limited. If they vote together, they can vote the majority of the total voting rights in the company, including in respect of any takeover offer. Under the voting pool agreement, if Naspers Beleggings (RF) Limited and Keeromstraat Beleggings (RF) Limited cannot agree on how to vote then they are required to vote against resolutions that would materially change the control, directorate or senior management of Naspers or the nature, scope or size of Naspers's businesses.

If the company is liquidated, holders of A ordinary shares will be paid the nominal value of such shares before any payment is made to holders of N ordinary shares. This amounted to approximately R19 223 860 as at 31 March 2020 (2019: R18 142 560).

Unissued share capital

The directors of the company have unrestricted authority, until the next annual general meeting, to allot and issue the unissued 288 807 A ordinary shares and 64 488 942 N ordinary shares of the company. This authority was granted subject to the provisions of the Companies Act No 71 of 2008, the JSE Limited Listings Requirements and any other exchange on which the shares of the company may be quoted or listed from time to time.

19. SHARE CAPITAL AND PREMIUM (continued)

	2020 Number of shares	2019 Number of shares
Movement in ordinary shares in issue during the year		
Ordinary shares in issue at 1 April	**439 563 187**	439 563 187
N ordinary shares issued[1]	**6 011 704**	-
A ordinary shares issued[1]	**54 065**	-
Shares issued to raise funds	**-**	-
Shares acquired as part of the share repurchase programme	**(9 156 705)**	-
Shares in issue at 31 March	**436 472 251**	439 563 187
Movement in ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**6 455 824**	6 530 202
Additional shares received persuant to the Prosus N.V. listing	**1 428 573**	-
Shares issued to share incentive trusts and companies[2]	**343 391**	338 114
Shares acquired by participants from equity compensation plans	**(694 693)**	(412 492)
Shares held as treasury shares at 31 March	**7 533 095**	6 455 824
Net number of ordinary shares in issue at 31 March	**428 939 156**	433 107 363

[1] Shares issued to shareholders holding Naspers N ordinary shares at the time of the Prosus N.V. listing who elected to receive additional Naspers ordinary shares. The Naspers N share capitalisation issue was accompanied by a pro rata capitalisation issue of 54 065 Naspers A ordinary shares to Naspers A shareholders.

[2] Includes shares issued to share incentive trusts and group companies as well as shares purchased on the open market by share incentive trusts and group companies. In line with the group's commitment to avoid shareholder dilution, shares required to settle equity-compensation benefits are purchased on the open market.

	31 March	
	2020 US$'m	2019 US$'m
Share premium		
Balance at 1 April	**6 154**	6 154
Share premium on share repurchase programme	**(1 547)**	-
Balance at 31 March	**4 607**	6 154

Capital management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

Naspers relies upon distributions, including dividends, from its subsidiaries, associates and joint ventures to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. The operations of the group have historically been funded in a number of ways. The internet development activities were primarily funded by cash generated from the video-entertainment businesses (refer to note 3 for details of the group's distribution of the MultiChoice Group to its shareholders during the prior year) as well as debt and equity financing. Recent acquisitions of ecommerce businesses were primarily funded by cash retained following disposals, including that of the group's interest in Flipkart during the prior year and the disposal of 6% of the group's investment in Tencent in March 2018.

The ecommerce businesses are also scaling and accordingly, they are expected to become cash generative over time and able to sustain their operating capital requirements. The group received US$377.3m (2019: US$342.0m) in dividends from Tencent during the year and US$458.0m after the year-end – an increase of 21% compared to the 2020 financial year.

19. SHARE CAPITAL AND PREMIUM (continued)

Capital management (continued)

The group's cash resources (including short-term cash investments) will be invested over time to accelerate growth in classifieds, online-food delivery services as well as in payments and fintech and to pursue growth opportunities when they arise.

The group's general business strategy is to acquire developing businesses and to provide funding to meet the cash needs of those businesses until they can, within a reasonable period of time, become self-funding. Funding is provided through a combination of loans and share capital, depending on the country-specific regulatory requirements. From a subsidiary's perspective, intergroup loan funding is generally considered to be part of the capital structure. The focus on increased profitability and cash flow generation will continue into the foreseeable future, although the group will continue to actively evaluate potential growth opportunities within its areas of expertise.

The group will also grow its business in the future by making equity investments in growth companies. The group anticipates that it may fund future acquisitions and investments through the issue of debt and equity instruments and utilisation of available cash resources.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group issued a seven-year US$1bn bond in July 2013. The bond had a maturity date of July 2020 and carried a fixed interest rate of 6% per annum. Following the issuance of a 10-year bond in January 2020 (refer below), the group repaid the principal and accrued interest up to the maturity date of the bond in February 2020.

The group issued a 10-year US$1.2bn bond in July 2015. The bond matures in July 2025 and carries a fixed interest rate of 5.5% per annum. The group issued a 10-year US$1.0bn bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum.

The group issued a 10-year US$1.2bn bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum.

The group issued a 10-year US$1.25bn bond in January 2020. The bond matures in January 2030 and carries a fixed interest rate of 3.68% per annum. The purpose of this offering was to raise proceeds to redeem the US$1.0bn bond that was redeemable in July 2020. The net proceeds of the offering of this bond was used by the group for the redemption of the 2020 bond in February of the current year and otherwise for general corporate purposes.

The group has an undrawn revolving credit facility (RCF) of US$2.5bn of which US$2.33bn matures in April 2025 and US$0.17bn in April 2023 and bears interest at one-month US LIBOR plus 1.25%, before commitment and utilisation fees.

The borrower under the bonds and the undrawn US$2.5bn (2019: undrawn balance of US$2.5bn) RCF (refer to the group's unutilised banking facilities disclosed in note 42) is Prosus N.V. (formerly Myriad International Holdings N.V.) and the facilities are guaranteed by Naspers Limited. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF. The undrawn balance of the RCF is available to fund future investments and development expenditure by the group as part of its growth strategy. From 2 April 2020 the RCF agreement was amended to remove Naspers Limited as the guarantor of the facility.

As of 31 March 2020, the group had total interest-bearing debt (including capitalised lease liabilities) of US$3.79bn (2019: US$3.25bn) and net cash balance including short-term cash investments of US$8.33bn (2019: US$9.57bn). The net interest-bearing debt-to-equity ratio was negative at 31 March 2020 and 31 March 2019 due to the group's net cash position. The group excludes capitalised lease liabilities from total interest-bearing debt when evaluating and managing capital. These items are considered to be operating in nature. The adjusted total interest-bearing debt (excluding capitalised lease liabilities) was US$3.52bn (2019: US$3.23bn) and the adjusted net interest-bearing debt-to-equity ratio was negative due to the group's net cash position of US$8.33bn (2019: US$9.57bn) at 31 March 2020.

19. SHARE CAPITAL AND PREMIUM (continued)

Capital management (continued)

The group does not have a formally targeted debt-equity ratio. The group has specific financial covenants in place with various financial institutions to govern its debt, all of which were complied with during the reporting period. These financial covenants are linked to various financial metrics including the net-debt-to-adjusted-EBITDA ratio and interest cover.

The group's listed bonds are rated by Moody's and Standard & Poor's (S&P) as Baa3 and BBB-, respectively, and both with a stable outlook.

South African exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of eSwatini (formerly Swaziland) and the Republic of Namibia, and restrict the export of capital from the common monetary area. Approval by the South African Reserve Bank is required for any acquisitions outside of the common monetary area if the acquisition is funded from within the common monetary area.

20. OTHER RESERVES

	31 March	
	2020 **US$'m**	2019 US$'m
Other reserves in the statement of financial position comprise:		
Foreign currency translation reserve	**(2 974)**	(2 070)
Valuation reserve	**281**	760
Existing control business combination reserve	**(7 691)**	(1 127)
Share-based compensation reserve	**1 876**	1 698
	(8 508)	(739)

The foreign currency translation reserve relates to exchange differences arising on the translation of foreign operations' income statements and statements of comprehensive income at average exchange rates for the year and their statements of financial position at the ruling exchange rates at the reporting date if the functional currency differs from the group's presentation currency. The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its subsidiaries.

The valuation reserve relates to fair-value changes in financial assets at fair value through other comprehensive income, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions as well as the group's share of equity-accounted investees' revaluations of their investments at fair value through other comprehensive income. No amounts contained in the valuation reserve will be reclassified to the income statement in future periods.

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, whereby the excess of the cost of the transactions over the acquirer's proportionate share of the net asset value acquired/sold is allocated to this reserve in equity. Written put option liabilities and other obligations that may require the group to purchase its own equity instruments by delivering cash or another financial asset are also initially recognised from this reserve. Similarly, written put option liabilities and other similar obligations are reclassified to this reserve in the event of cancellation or expiry. On disposal of a business, any amounts accumulated in the existing control business combination reserve in respect of that business are transferred to retained earnings.

The grant date fair value of share incentives issued to employees in equity-settled share-based payment transactions is accounted for in the share-based compensation reserve over the vesting period, if any. The reserve is adjusted at each reporting period when the entity revises its estimates of the number of share incentives that are expected to vest. The impact of revisions of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to this reserve in equity.

20. OTHER RESERVES (continued)

A significant proportion of the group's foreign currency translation, valuation and share-based compensation reserves relates to the group's interests in its equity-accounted investments, particularly Tencent.

Movements in the valuation reserve during the year, after the effects of non-controlling interests, are detailed below:

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**760**	1 679
Fair-value (losses)/gains on investments at fair value through other comprehensive income	**(266)**	11
Foreign currency translation reserve movements on equity reserves	**-**	3
Valuation reserve reclassified to retained earnings	**-**	(1 277)
Share of valuation reserve of equity-accounted investments	**(213)**	344
Closing balance	**281**	760

21. RETAINED EARNINGS

Distributions made by Naspers Limited to shareholders that are not exempt from dividend tax are subject to dividend tax at a rate of 20%. Although the group's presentation currency is the US dollar, dividends are declared and paid in South African rand, with the relevant exchange rate announced at the time of the dividend payment.

The board of directors has proposed that a dividend of 580 SA cents (2019: 715 SA cents) per N ordinary share and 116 SA cents (2019: 143 SA cents) per A ordinary share be paid to shareholders on 17 September 2020. In determining the proposed N ordinary share dividend, the board considered that shareholders who held listed N ordinary shares last year at the time of the listing of Prosus, would have received shares in Prosus or additional shares in Naspers Limited, which, if they continue to hold those shares would entitle them to receive either an additional Prosus dividend of 11 euro cents (South African rand equivalent to be determined at time of payments, currently 213 South African cents, based on exchange rate at 26 June 2020) per share, or dividends on their additional Naspers N ordinary shares received. The combined Naspers and Prosus dividend represents an increase of approximately 10% on the prior year Naspers dividend per share. If approved by the shareholders of the company at its annual general meeting, the company will pay a total dividend of approximately R2.53bn based on the number of shares in issue at 31 March 2020.

22. POST-EMPLOYMENT LIABILITIES

22.1 Medical liability

The group operates a number of post-employment medical benefit schemes. The obligation of the group to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employees remaining in service until retirement age and completing a minimum service period. The group determines its obligations for post-employment medical aid benefits by way of an annual valuation. The key assumptions and valuation method are described below.

Key assumptions and valuation method

The actuarial valuation method used to value the obligations is the projected unit credit method. Future benefits are projected using actuarial assumptions and the obligations for in-service members are accrued over the expected working lifetimes.

The significant actuarial assumptions used in the current and prior period valuations are outlined below:

22. POST-EMPLOYMENT LIABILITIES (continued)

22.1 Medical liability (continued)

	31 March	
	2020	2019
Discount rates	**11.6%**	10.0%
Healthcare cost inflation	**8.8%**	8.3%
Average retirement age	**60**	60
Membership discontinued at retirement	**0%**	0%

The group assumes that current in-service members would retire on their current medical scheme option and that there would be no change in medical scheme options at retirement.

Actuarial assumptions are generally more suited to the estimation of the future experience of larger groups of individuals. The overall experience of larger groups is less variable and is more likely to tend to the expected value of the underlying statistical distribution. The smaller the group size, the less likely it is that the actual future experience will be close to that which is expected. Furthermore, assumptions that are appropriate for the group overall, may not be appropriate at an individual entity level.

Post-employment medical liability

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**25**	34
Current service cost	**-**	-
Interest cost	**2**	2
Employer benefit payments	**(2)**	(2)
Remeasurements	**-**	(2)
Disposal of subsidiary	**-**	(1)
Transferred to liabilities classified as held for sale	**-**	(1)
Foreign currency translation effects	**(4)**	(5)
Total post-employment medical liability	**21**	25
Current portion of post-employment medical liability	**4**	4
Non-current portion of post-employment medical liability	**17**	21

22. POST-EMPLOYMENT LIABILITIES (continued)

22.1 Medical liability (continued)

As the value of the liability is based on a number of assumptions, a sensitivity analysis is presented below to show the effect of a one-percentage point decrease or increase in the rate of healthcare cost inflation:

Healthcare cost inflation	Assumption 8.8%	-1%	+1%
Accrued liability 31 March 2020 (US$'m)	21	20	23
% change		-8.4%	9.5%
Current service cost plus interest cost 2020 and 2021 (US$'m)	2	2	2
% change		-8.6%	9.7%

22.2 Pension and provident benefits

The group provides retirement benefits for its full-time employees by way of various separate defined contribution pension and provident funds. All full-time employees have access to these funds. Contributions to these funds are paid on a fixed scale. Substantially all the group's full-time employees are members of either one of the group's retirement benefit plans or a third-party plan. Certain of these funds are related parties to the group and as at 31 March 2020 and 2019 there were no outstanding amounts between the group and these funds. The group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

An amount of US$3.5m (2019: US$3.1m) was recognised as an expense during the period in relation to the group's defined contribution funds.

23. LONG-TERM LIABILITIES

	Long-term liabilities	**Current portion**	**Total liabilities**	Long-term liabilitities	Current portion	Total liabilities
	31 March					
	2020			2019		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
Interest-bearing	**3 739**	**53**	**3 792**	3 242	13	3 255
Capitalised lease liabilities	**231**	**46**	**277**	5	3	8
Loans and other liabilities	**3 508**	**7**	**3 515**	3 237	10	3 247
Non-interest-bearing	**20**	**14**	**34**	3	10	13
Loans and other liabilities	**20**	**14**	**34**	3	10	13
Total liabilities	**3 759**	**67**	**3 826**	3 245	23	3 268

23. LONG-TERM LIABILITIES (continued)

Interest-bearing: Capitalised leases liabilities

Type of lease	Currency of year-end balance	Year of final repayment	Weighted average interest rate	31 March 2020 US$'m	31 March 2019 US$'m
Buildings	Various	2020 - 2035	1.49% - 13.00%	**250**	-
Computers, furniture and office equipment	Various	2020 - 2026	3.08% - 13.50%	**19**	6
Vehicles	Various	2020 - 2024	1.54% - 10.25%	**8**	2
				277	**8**

Maturity profile		
Minimum instalments		
Payable within year one	**53**	3
Payable within year two	**58**	2
Payable within year three	**45**	2
Payable within year four	**34**	2
Payable within year five	**28**	-
Payable after year five	**105**	-
	323	9
Future finance costs on capitalised lease liabilities	**(46)**	(1)
Present value of capitalised lease liabilities	**277**	8
Present value		
Payable within year one	**46**	3
Payable within year two	**52**	2
Payable within year three	**40**	2
Payable within year four	**30**	1
Payable within year five	**24**	-
Payable after year five	**85**	-
Present value of capitalised lease liabilities	**277**	8

23. LONG-TERM LIABILITIES (continued)

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repay-ment	Weighted average year-end interest rate	31 March 2020 US$'m	31 March 2019 US$'m
Unsecured						
Publicly traded bond[1]		US$	2020	6.00%	**-**	1 000
Publicly traded bond[1]		US$	2025	5.50%	**1 200**	1 200
Publicly traded bond[1]		US$	2027	4.85%	**1 000**	1 000
Publicly traded bond[1]		US$	2030	3.68%	**1 250**	-
Various institutions		Various	Various	Various	**8**	22
Secured						
Exim Bank S.A.	Building	EUR	2021 -2029	Euribor 1M + (1.44% - 1.47%)	**37**	19
Raiffeisen Bank S.A.	Building	EUR	2021 -2028	Euribor 1M + 1.47%	**21**	19
Various institutions	Various	Vatious	Various	Various	**17**	-
Total facilities					**3 533**	3 260
Unamortised loan costs					**(18)**	(13)
					3 515	3 247

[1] The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin). Refer to note 19

23. LONG-TERM LIABILITIES (continued)

Non-interest-bearing: Loans and other liabilities (continued)

Loans	Asset secured	Currency of year-end balance	Year of final repayment	31 March 2020 US$'m	2019 US$'m
Secured					
Automotive Finance Corporation	Various	US$	2020	**8**	-
Unsecured					
Earn-out obligations		Various	Conditional	**22**	7
Other		Various	Various	**4**	6
				34	13

Total long-term liabilities

Repayment terms of long-term liabilities (excluding capitalised lease liabilities)

	2020 US$'m	2019 US$'m
Payable within year one	**21**	20
Payable within year two	**23**	1 011
Payable within year three	**15**	6
Payable within year four	**14**	4
Payable within year five	**10**	6
Payable after year five	**3 484**	2 226
	3 567	3 273
Unamortised loan costs	**(18)**	(13)
	3 549	3 260

Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised lease liabilities)

	2020 US$'m	2019 US$'m
Liabilities at fixed rates: 1 to 12 months	**53**	6
Liabilities at fixed rates: more than 12 months	**3 673**	3 201
Interest-free loans	**34**	13
Liabilities linked to variable rates	**66**	48
	3 826	3 268

23. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Capitalised lease liabilities[1]	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2020 US$'m	2020 US$'m	2020 US$'m
Balance at 1 April 2019	8	3 247	13
Change in accounting policy[1]	242	-	-
Additional liabilities recognised	58	1 285	13
Additional earnout obligations	-	-	2
Repayments of long- and short-term debt	(34)	(1 032)	(15)
Repayments of interest on capitalised lease liabilities	(15)	-	-
Interest accrued	14	1	-
Acquisition of subsidiary	12	33	20
Disposal of subsidiary	(2)	(5)	-
Disposal of a business	(1)	-	-
Amortisation of transaction costs	-	3	-
Capitalisation of transaction costs	-	(8)	-
Foreign exchange translation	(13)	(5)	-
Transfer to held for sale	(2)	(1)	-
Other	10	(3)	1
Balance at 31 March 2020	277	3 515	34
Less: Current portion	(46)	(7)	(14)
Non-current liabilities	231	3 508	20

(1) Capitalised lease liabilities relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during thereporting period.

23. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Finance lease liabilities[1]	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2019 US$'m	2019 US$'m	2019 US$'m
Balance at 1 April 2018	1 158	3 216	64
Additional liabilities recognised	-	60	2
Repayments of long- and short-term debt	(102)	(26)	(2)
Settlements of earnout obligations	-	-	(23)
Settlement of obligations relating to investing activities	-	-	(17)
Interest accrued	43	2	-
Remeasurement of contingent consideration	-	-	(3)
Acquisition of subsidiary	-	1	-
Disposal of subsidiary	-	(1)	-
Transferred to assets classified as held for sale[2]	(1 091)	(1)	(7)
Amortisation of transaction costs	-	2	-
Foreign exchange translation	-	(6)	(1)
Other	-	-	-
Balance at 31 March 2019	8	3 247	13
Less: Current portion	(3)	(10)	(10)
Non-current liabilities	5	3 237	3

[1] Relates to previously classified finance leases in terms of IAS 17.

[2] Relates to the group's video-entertainment business which was distributed to shareholders during the prior year (refer to note 3).

24. OTHER NON-CURRENT LIABILITIES

	31 March	
	2020 US$'m	2019 US$'m
Written put option liabilities[1]	**869**	827
Less: Current portion of other liabilities included in accrued expenses and other current liabilities (refer to note 26)	**(709)**	(289)
Non-current portion of other liabilities	**160**	538

[1] Relates to put options written over the non-controlling interests in the group's letgo classifieds business, Frontier Car Group, Dante International S.A. (eMAG), Extreme Digital KfT, Movile Internet Movel S.A (Movile)., PaySense and various other smaller ecommerce units.

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US$53.0m (2019: US$52.8m) as part of "Other finance (costs)/income - net" in the income statement (refer to note 31). The movement in the put option liability in the current year is predominantly as a result of the group's acquisition of Frontier Car Group, Extreme Digital and PaySense which increased the liability, as well the decrease in the put option liability related to letgo classifieds business. The group signed an agreement in March 2020 to contribute its US letgo classified business in exchange for an equity interest in OfferUp Inc., a US online marketplace. The put option liability related to this business was measured with reference to its transaction value as it will be settled upon closing of this transaction (refer to note 45). The net remeasurement gain recognised is predominantly as a result of the decrease in the put option liability arising from a decline in value of the letgo classifieds business and an increase in the put option liability from the increase in value of the eMag and Movile businesses.

The maturity profile of the group's written put option liabilities is detailed in the table below and reflects the first date on which the respective written put options can be contractually exercised:

	31 March	
	2020 US$'m	2019 US$'m
Exercisable within one year	**709**	289
Exercisable within one to two years	**29**	286
Exercisable after two to five years	**131**	252
Total other liabilities	**869**	827

The group has the contractual discretion to settle all written put option obligations either in cash or in Naspers N ordinary shares.

The majority of the group's written put option liabilities are exercisable when non-controlling shareholders request an initial public offering (IPO) of the relevant group subsidiary and the IPO is either declined by the group or is ultimately unsuccessful.

24. OTHER NON-CURRENT LIABILITIES (continued)

Sensitivity analysis

The measurement of written put option liabilities is based on the value of the underlying businesses, calculated either through a discounted cash flow analyses or through prices observed in orderly transactions. At 31 March 2020, 36% (2019: 27%) of the total balance of written put option liabilities has been measured using discounted cash flow analyses. The discounted cash flow analysis took into account adjusted cashflow projections and budgets as a result of Covid-19 pandemic. This adjustment took into account the impact of the pandemic on revenue and margins as well as the periods of interruptions to business operations as a result of lockdown restrictions. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty. The following analysis illustrates the sensitivity of written put option liabilities to reasonabe changes in the most significant underlying variables used in their measurement for put options valued using a discounted cash flow analyses:

	31 March	
	2020	2019
Increase/(decrease) in written put option liabilities and loss/(gain) in the income statement	**US$'m**	US$'m
1% increase in the discount rate and a 1% decrease in the terminal growth rate	**(53)**	(36)
1% decrease in the discount rate and a 1% increase the terminal growth rate	**62**	44

Other assumptions contained in the discounted cash flow analyses used by the group when valuing written put option liabilities vary widely between obligations due to the group's diverse range of business models and are closely linked to entity-specific key performance indicators.

For put options valued using orderly transactions, the group assessed whether the transaction value as at 31 March 2020 was appropriate in light of the Covid-19 pandemic. This took into account the current operational performance, adjusted budget forecasts as well as broader market expectations. On 31 March 2020, the impact of the Covid-19 pandemic on the written put option liabilities based on transaction value was not considered to be significant, and the transaction value was therefore still considered to be appropriate.

Movements during the year on the group's written put option liabilities are detailed below. Cash flows arising from the settlement of written put option liabilities are presented as part of financing activities in the statement of cash flows.

	31 March	
	2020	2019
	US$'m	US$'m
Opening balance	**827**	2 394
Additional obligations raised	**142**	83
Remeasurements recognised in the income statement	**(53)**	(53)
Settlements	**-**	(1 566)
Foreign currency translation effects	**(47)**	(31)
Closing balance	**869**	827

25. PROVISIONS

	31 March 2020 US$'m	31 March 2019 US$'m
Warranties	**-**	1
Pending litigation	**6**	10
Reorganisation	**1**	4
Long-service and retirement gratuity	**6**	9
Other	**2**	1
Total provisions	**15**	25
Less: Non-current portion of provisions	**(5)**	(6)
Current portion of provisions	**10**	19

Provisions relate to a variety of obligations for the group as follows:

The group is currently involved in various litigation matters. The litigation provision has been estimated based on management's assessment on likelihood of requirements on legal counsel and management's estimates of costs and possible claims relating to these after taking appropriate legal advice. Please refer to note 27(d) for contingent assets disclosed in respect of the group's litigation matters.

The provision for reorganisation relates to the relocation costs of certain of our operations.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

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

26. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March 2020 US$'m	31 March 2019 US$'m
Deferred income[(1)]	**62**	58
Accrued expenses*[(2)]	**262**	223
Amounts owing in respect of investments acquired*	**5**	47
Taxes and other statutory liabilities	**62**	78
Bonus accrual	**65**	56
Accrual for leave	**21**	16
Other personnel accruals	**31**	35
Payments received in advance	**25**	17
Cash-settled share-based payment liability (refer to note 44)	**18**	16
Payables from reverse factoring arrangements*	**58**	58
Merchant payable*	**359**	290
Written put option liabilities (refer to note 24)*	**709**	289
Other current liabilities**	**24**	36
	1 701	1 219

[(1)] Relates to revenue from contracts with customers. Refer to note 28 for movements in deferred income balances.

[(2)] Includes US$84.1m of Covid-19 related donations pledged by the group which is not a financial liability.

** Financial liabilities*

*** Includes financial liabilities of US$17.8m (2019: US$16.7m).*

27. COMMITMENTS AND CONTINGENCIES

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

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2020 amount to US$28.9m (2019: US$18.8m).

(b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$108.9m (2019: US$26.4m).

(c) Lease commitments

Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement date is after 31 March 2020. Short-term lease commitments relate to leasing arrangements with lease terms of 12 months or less that are not recognised on the statement of financial position. Lease commitments as at 31 March 2019 relate to lease agreements previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. The group has the following lease commitments at 31 March 2020:

	31 March	
	2020 US$'m	2019 US$'m
Minimum lease payments:[1]		
Payable in year one	**1**	48
Payable in year two	**1**	47
Payable in year three	**2**	42
Payable in year four	**2**	34
Payable in year five	**2**	25
Payable after five years	**5**	86
	13	282

[1] The significant decrease in the current year is due to the adoption of IFRS 16. Refer to note 2 for the adoption of new accounting pronouncements during the reporting period.

(d) Taxation matters

The group operates across a large number of jurisdictions and pays tax in the countries in which it operates. In certain jurisdictions uncertainty exists as to whether certain transactions or payments are subject to tax. In these countries the group continues to seek relevant advice and works with its advisers to identify and/or quantify tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to approximately US$30.3m (2019: US$22.0m).

Further, the group has an uncertain tax position of US$170.8m (2019: US$177.0m) related to amounts receivable from tax authorities.

(e) Assets pledged as collateral

The group pledged property, plant and equipment, investments, cash and cash equivalents, trade receivables and other working capital as collateral against its secured long-term liabilities with an outstanding balance of US$83.9m (2019: US$46.4m). Refer to note 23 for further details.

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Reportable segment(s) where revenue is included	31 March 2020 US$'m	31 March 2019 US$'m
Online sale of goods revenue	Classifieds and Etail	**1 868**	1 481
Classifieds listings revenue	Classifieds	**790**	623
Payment transaction commissions and fees	Payment and fintech	**380**	308
Mobile and other content revenue	Other ecommerce	**173**	159
Food delivery revenue	Food delivery	**310**	159
Travel package revenue and commissions	Travel	**-**	27
Advertising revenue	Various	**201**	229
Comparison shopping commissions and fees	Other ecommerce	**22**	45
Printing, distribution, circulation, publishing and subscription revenue	Media	**137**	145
Other revenue	Various	**120**	115
		4 001	3 291

Revenue is presented on an economic-interest basis (i.e. including a proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

The group has recognised the following assets and liabilities in the statement of financial position that relate to revenue from contracts with customers:

Accrued income (refer to note 16)

	31 March 2020 US$'m	31 March 2019 US$'m
Accrued income	**22**	24
Accrued income net of impairment allowance[1]	**22**	24

[1] Refer to note 42 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not significant.

Deferred income (refer to note 26)

	31 March 2020 US$'m	31 March 2019 US$'m
Deferred income	**62**	58

Revenue recognised in relation to deferred income liabilities

The following table depicts the amount of revenue recognised in each reporting period that related to amounts included within the opening balance of deferred income for that reporting period:

	31 March 2020 US$'m	31 March 2019 US$'m
Revenue recognised that was included in the deferred income balance at the beginning of the period	**36**	32

28. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

There were no significant changes in accrued income or deferred revenue during the current year. Accrued income and deferred income balances were significantly impacted by the distribution of the MultiChoice Group to shareholders during the prior year. At the date of distribution, the group derecognised accrued income of US$10.8m and deferred income of US$150.4m that was classified as held for sale. Refer to note 4 for further details.

Unsatisfied long-term contracts

The group has no unsatisfied long-term contracts as at 31 March 2020 (2019:US$nil).

29. EXPENSES BY NATURE

	31 March	
	2020 US$'m	2019 US$'m
Operating loss includes the following items:		
Depreciation classification		
Cost of providing services and sale of goods	**1**	1
Selling, general and administration expenses	**95**	34
	96	35
Amortisation classification		
Selling, general and administration expenses	**122**	111
Lease payments[1]		
Short-term lease payments	**3**	22
Auditor's remuneration		
Audit fees of the financial statements	**10**	6
Other non-audit services	**1**	1
	11	7
Staff costs		
As at 31 March 2020, the group had 25 527 (2019: 20 196) permanent employees.		
The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonuses	**967**	859
Retirement benefit costs	**7**	7
Medical aid fund contributions	**5**	7
Post-employment benefits	**3**	3
Cash settled share-based compensation expenses	**3**	6
Equity settled share-based compensation expenses	**119**	92
	1 104	974
Training costs	**9**	10
Retention option expense	**61**	11
Total staff costs	**1 174**	995
Advertising expenses	**325**	318
Cost of providing services and sale of goods	**2 359**	1 802
Other purchases and expenses	**562**	530
Total	**4 652**	3 820

[1] Lease expenses recognised during 31 March 2019 relate to previously classified operating leases in terms of IAS 17. Refer to note 2 for details of the adoption of new accounting pronouncements during the reporting period.

30. OTHER LOSSES - NET

	31 March	
	2020 US$'m	2019 US$'m
Loss on sale of assets	**-**	(2)
Fair-value adjustments on financial instruments	**4**	(27)
Impairment losses	**(13)**	(8)
impairment of goodwill and other intangible assets	**(13)**	(7)
impairment of property, plant and equipment and other assets	**-**	(1)
Dividends received on investments	**6**	4
Gains recognised on loss of significant influence	**13**	-
Covid-19 donation	**(84)**	-
Other	**5**	(5)
Total other losses - net	**(69)**	(38)

Refer to notes 5, 6 and 7 for further information on the above impairments.

31. FINANCE (COSTS)/INCOME

	31 March	
	2020 US$'m	2019 US$'m
Interest income		
Loans and bank accounts	**241**	283
Other	**4**	1
	245	284
Interest expense		
Loans and overdrafts	**(209)**	(201)
Capitalised lease liabilities	**(14)**	-
Other	**(6)**	(4)
	(229)	(205)
Net gain from foreign exchange translation and fair-value adjustments on derivative financial instruments		
On translation of assets and liabilities	**47**	45
On translation of forward exchange contracts and cross-currency interest rate swap	**29**	32
	76	77
Remeasurement of written put option liabilities	**53**	53
Other finance income - net	**129**	130
Total finance income/ (costs) - net	**145**	209

32. NET GAINS ON ACQUISITIONS AND DISPOSALS

	31 March 2020 US$'m	31 March 2019 US$'m
Gain on sale of investments - Net	**390**	1 618
Gains recognised on loss of control transactions	**17**	-
Remeasurement of contingent consideration	**-**	3
Transaction related costs[1]	**(113)**	(19)
Securities tax paid on internal restructuring	**(18)**	-
Remeasurement of previously held interest	**73**	7
Other gains	**2**	-
	351	1 609

[1] Includes transaction-related cost regarding the listing of the Prosus, as well as other acquisition and disposal transactions

33. TAXATION

	31 March 2020 US$'m	31 March 2019 US$'m
Current taxation	**205**	269
current year	**204**	266
prior year	**1**	3
Deferred taxation	**26**	(40)
current year	**26**	(49)
prior year	**-**	9
Total taxation per income statement	**231**	229
Reconciliation of taxation		
Taxation at statutory rates[1]	**1 018**	1 230
Adjusted for:		
non-deductible expenses[2]	**186**	94
non-taxable income[2]	**(210)**	(63)
temporary differences not provided for[3]	**292**	134
assessed losses unprovided	**(4)**	(1)
initial recognition of prior year tax losses	**1**	(33)
other taxes[4]	**97**	10
changes in taxation rates	**-**	-
tax attributable to equity-accounted earnings	**(1 101)**	(955)
tax adjustment for foreign taxation rates[5]	**(48)**	(187)
Taxation provided in income statement	**231**	229

[1] *The reconciliation of taxation has been performed using the statutory tax rate of Naspers Limited of 28% (2019: 28%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax adjustment for foreign taxation rates".*
[2] *Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates.*
[3] *Temporary differences not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.*
[4] *Other taxes include the taxation paid on the listing of Prosus N.V.*
[5] *Tax adjustment for foreign taxation rates relates mainly to a different capitals gain tax rate on disposal of associates.*

34. EARNINGS PER SHARE

	31 March 2020			
	Gross US$'m	**Taxation US$'m**	**Non-controlling interests US$'m**	**Net US$'m**
Earnings				
Basic earnings attributable to shareholders				**3 137**
Impact of dilutive instruments of subsidiaries, associates and joint ventures				**(71)**
Diluted earnings attributable to shareholders				**3 066**
Headline adjustments[1]				
Adjustments for:	**(1030)**	**11**	**88**	**(931)**
Impairment of goodwill and other intangible assets	**13**	**-**	**(2)**	**11**
Gain on loss on of control transactions	**(17)**	**-**	**-**	**(17)**
Gains on loss on of significant influence	**(13)**	**-**	**4**	**(9)**
Gains on acquisitions and disposals of investments	**(391)**	**4**	**-**	**(387)**
Remeasurement of previously held interest	**(73)**	**-**	**21**	**(52)**
Dilution losses on equity-accounted investments	**52**	**-**	**5**	**57**
Remeasurements included in equity-accounted earnings[2]	**(622)**	**7**	**60**	**(555)**
Impairment of equity-accounted investments	**21**	**-**	**-**	**21**
Basic headline earnings				**2 206**
Diluted headline earnings				**2 135**

[1] Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurments. The headline earnings measure is pursuant of the JSE Listing Requirements.

[2] Remeasurements included in equity-accounted earnings include US$841.9m (2019: US$126.4m) relating to gains arising on acquisitions and disposals by associates and US$226.7m (2019: US$799.4m) relating to impairments of assets recognised by associates.

34. EARNINGS PER SHARE (continued)

31 March 2019

	Continuing operations				Discontinued operations			
	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings								
Basic earnings attributable to shareholders (restated)				4 218				2 683
Impact of dilutive instruments of subsidiaries, associates and joint ventures				(47)				-
Diluted earnings attributable to shareholders (restated)				4 171				2 683
Headline adjustments[1]								
Adjustments for:	(653)	175	(21)	(499)	(2 465)	-	(2)	(2 467)
Impairment of property, plant and equipment and other assets	1	-	-	1	21	-	(1)	20
Impairment of goodwill and other intangible assets	7	-	(1)	6	-	-	-	-
(Gain)/loss on sale of assets	2	-	-	2	3	-	(1)	2
Losses/(gains) on acquisitions and disposals of investments	(1 621)	177	-	(1 444)	(2 489)	-	-	(2 489)
Remeasurement of previously held interest	(7)	-	2	(5)	-	-	-	-
Dilution gains on equity-accounted investments	182	-	-	182	-	-	-	-
Remeasurements included in equity-accounted earnings[2]	695	(2)	(22)	671	-	-	-	-
Impairment of equity-accounted investments	88	-	-	88	-	-	-	-
Basic headline earnings				3 719				216
Diluted headline earnings				3 672				216

[1] Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined sepprately identifieable remeasurments. The headline earnings measure is pusrsuant of the JSE Listing Requirements.
[2] Remeasurements included in equity-accounted earnings include US$126.4m relating to gains arising on acquisitions and disposals by associates and US$799.4m relating to impairments of assets recognised by associates.

34. EARNINGS PER SHARE (continued)

	2020 Number of shares	2019 Number of shares
Number of ordinary shares in issue at year-end (excluding treasury shares)[1]	**428 939 156**	436 975 604
Adjusted for movement in shares held by share trusts and share repurchase programme	**7 817 080**	1 277
Weighted average number of ordinary shares in issue during the year	**436 756 236**	436 976 881
Adjusted for effect of future share-based payment transactions	**1 725 158**	1 858 498
Diluted weighted average number of ordinary shares in issue during the year	**438 481 394**	438 835 379
Earnings per ordinary share (US cents) from continuing operations		
Basic	**718**	965
Diluted	**699**	950
Headline earnings per ordinary share (US cents) from continuing operations		
Basic	**505**	851
Diluted	**487**	837
Earnings per ordinary share (US cents) from discontinued operations		
Basic	**-**	614
Diluted	**-**	611
Headline earnings per ordinary share (US cents) from discontinued operations		
Basic	**-**	49
Diluted	**-**	49
Dividend paid per A ordinary share (SA cents)		
- South African	**143**	130
Dividend paid per N ordinary share (SA cents)		
- South African	**715**	650
Proposed dividend per A ordinary share (SA cents)		
- South African	**116**	143
Proposed dividend per N ordinary share (SA cents)		
- South African	**580**	715

[1] Weighted average number of shares for the year ended 31 March 2019 have been adjusted to include those shares issued for no consideration from the start of the earliest period presented i.e. 1 April 2018, to permit comparability in accordance with IAS 33 Earnings Per Share. *Per share data has accordingly been recalculated for all periods presented (Refer to note 1).*

35. CASH FROM OPERATIONS

	31 March 2020 US$'m	31 March 2019 US$'m
Profit before tax from continuing operations per income statement	**3 635**	4 391
Adjustments relating to continuing operations:		
Non-cash and other	**(3 997)**	(4 696)
Loss on sale of assets	**-**	2
Depreciation and amortisation	**218**	146
Retention option expense	**61**	11
Share-based compensation expenses	**122**	98
Net finance income	**(145)**	(209)
Share of equity-accounted results	**(3 932)**	(3 410)
Impairment of equity-accounted investments	**21**	88
Gains on acquisitions and disposals	**(464)**	(1 628)
Dilution losses on equity-accounted investments	**52**	182
Gains recognised on loss of significant influence	**(13)**	-
Net realisable value adjustments on inventory, net of reversals	**5**	7
Impairment losses	**13**	8
Covid-19 donation	**84**	-
Other	**(19)**	9
Operating cash flows of discontinued operations, net of adjustments for non-cash and other items	**-**	699
	(362)	394
Working capital	**(32)**	(72)
Cash movement in trade and other receivables	**14**	(16)
Cash movement in payables and accruals	**(20)**	52
Cash movement in programme and film rights	**-**	(24)
Cash movement in inventories	**(26)**	(84)
Total cash (utilised)/generated from operations	**(394)**	322

36. ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES

	31 March	
	2020 US$'m	2019 US$'m
Fair value of assets and liabilities:		
property, plant and equipment	**28**	3
other intangible assets	**255**	58
net current assets	**253**	48
deferred taxation	**(59)**	(8)
long-term liabilities	**(65)**	(1)
Total fair value of assets and liabilities	**412**	100
Non-controlling interests	**(53)**	(13)
Derecognition of equity-accounted investments	**(78)**	(15)
Remeasurement of previously held interest	**(73)**	(7)
Goodwill recognised	**566**	105
Purchase consideration	**774**	170
Contribution of subsidiary	**(24)**	-
Amount to be settled in future	**(3)**	-
Net cash in subsidiaries and businesses acquired	**(279)**	(66)
Net cash outflow from acquisitions of subsidiaries and businesses	**468**	104

37. DISPOSALS OF SUBSIDIARIES AND BUSINESSES

	31 March	
	2020 US$'m	2019 US$'m
Carrying values of assets and liabilities:		
property, plant and equipment	**4**	1
disposal groups classified as held for sale	**-**	874
goodwill	**7**	8
other intangible assets	**6**	4
net current (liabilities)/assets	**(22)**	28
deferred taxation	**(2)**	(1)
long-term liabilities	**-**	(9)
foreign currency translation reserve realised	**191**	594
	184	1 499
Distribution to owners[(1)]	**-**	(3 771)
Non-controlling interests	**10**	145
Existing control business combination reserve	**(21)**	(274)
Fair value of investments at fair value through other comprehensive income retained following distribution to owners[(1)]	**-**	(58)
(Loss)/gain on disposal - net	**(153)**	2 513
Selling price	**20**	54
Net cash in subsidiaries and businesses disposed of	**2**	(562)
Net cash inflow/(outflow) from disposals of subsidiaries and businesses	**22**	(508)

[(1)] *Relates to the group's video-entertainment business which was distributed to shareholders during the prior year (refer to note 3 and note 12).*

38. ACQUISITION OF AND ADDITIONAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Included in acquisition of and additional investments in associates of US$376.0m (2019: US$1 280.0m) are the following: Swiggy US$100.1m, Meesho Inc US$79.7m, Udemy US$43.0m, NTEx Transportation services (ElasticRun) US$30.2m, Brainly Inc US$25.0m and other acquisitions of US$98.0m (2019: Swiggy US$716.4m, BYJU'S US$383.2m, Frontier Car Group US$89.4m, Honor US$35.0m, PaySense US$11.5m and other acquisitions of US$44.5m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US$23.0m (2019: US$18.8m) is El Cochinero US$23.0m (2019: El Cochinero US$8.8m and THL MIH Limited US$7.8m and other additional investments of US$1.2m). These investments were classified as investments in joint ventures.

39. SHORT-TERM INVESTMENTS

The group holds investments in money-market investments and fixed deposits. The carrying values of these investments as at 31 March are shown below.

		31 March	
	Weighted average interest rate	**2020** **US$'m**	2019 US$'m
Money-market and long-term deposits	2.1%	**3 839**	6 967
Fixed deposits	7.4%	**183**	259
Accrued interest income		**38**	72
Total short-term investments		**4 060**	7 298

Included in short-term investments are money-market and long-term deposits of US$3.8bn (2019: US$6.9bn) denominated in US dollar and fixed deposits of US$183.0m (2019: US$ 258.7m) that are denominated in South African rand.

The above investments have maturity dates (from the date of acquisition) of between three and 12 months and have accordingly not been disclosed as part of cash and cash equivalents.

Short-term investments are classified as financial assets at amortised cost. Due to their short-term nature, the carrying values of these investments are considered to be a reasonable approximation of their fair values. None of the group's short-term investments were past due or subject to significant impairment allowances as at 31 March 2020.

Short-term investments are held by entities that have the same functional currencies as the currencies in which the investments are denominated and accordingly do not give rise to foreign currency risk. Due to the nature of short-term investments, there is an insignificant exposure to price risk.

Refer to note 42 for further information regarding the credit risk of short-term investments.

40. CASH AND CASH EQUIVALENTS

	31 March	
	2020 US$'m	2019 US$'m
Cash at bank and on hand	**929**	1 334
Short-term bank deposits[1]	**3 374**	950
Bank overdrafts and call loans	**(32)**	(8)
	4 271	2 276
Restricted cash		
The following cash balances are restricted from immediate use according to agreements with banks and other financial institutions:		
Classifieds	**5**	4
Payments and Fintech	**166**	128
Other Ecommerce	**2**	1
Total restricted cash	**173**	133

[1] Included in short-term bank deposits is an amount of US$650.0m (2019: US$410.0m) which represents money-market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

41. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors who make strategic decisions.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to be provide additional information on the economic reality of these investments and corresponds to the manner in which the CODM assesses segmental performance.

The group has identified its operating segments based on its business by service or product as follows: social and internet platforms, ecommerce, corporate and media. Below are the types of services and products from which each segment generates revenue:

Continuing operations

Ecommerce – the group operates internet platforms to provide various services and products. These platforms and communities offer ecommerce, communication, social networks, entertainment and mobile value-added services. The reportable segments within ecommerce include classifieds, payments and fintech, food delivery, etail, travel and other ecommerce.

- *Classifieds* – the group operates a number of leading online classifieds platforms comprising general classifieds (such as OLX and letgo) and verticals (automotive and real estate verticals) in more than 32 markets globally.
- *Payments and Fintech* – the group operates one of the largest mobile and online payment platforms in 20 markets through PayU, an online payment services provider. This segment also Includes the group' s fintech and credit interests via associates and subsidiaries.
- *Food Delivery* – the group invests in leading global online food ordering and delivery platforms operating in regions including India, Africa, Latin America and across Europe, Asia and the Middle East through its investments in Delivery Her, Swiggy and iFood.
- *Etail* – comprises the group's etail subsidiaries (including eMAG and Takealot) and, up to the first half of the financial year ended 31 March 2019, the group's associate Flipkart. The group's operations are spread across Central and Eastern Europe, South Africa and India.
- *Travel* – in the prior year, the group through its investment in MakeMyTrip in India operated a platform for online travel services including flight tickets and hotel reservations. The group included eight months of results for MakeMyTrip in our segmental results for the current period, representing our share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. After the Trip.com transaction, our travel segment will cease to exist and will not be reported on after this financial year.
- *Other Ecommerce* – this segment comprises the group's online comparison shopping interests as well as its mobile and other content businesses.

Social and internet platforms – the group holds listed investments in social and internet platforms through Tencent, China's largest and most used internet services platform and Mail.ru, the leading internet company in Russian speaking markets.

Media – through Media24 in Africa, the group publishes newspapers, magazines and books. Its activities also include printing and distribution.

Corporate – this segment comprises entities providing various corporate functions and activities. These services include, but are not limited to, executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations.

41. SEGMENT INFORMATION (continued)

Continuing operations *(continued)*

Sales between the segments are eliminated on consolidation and presented in the "Eliminations" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. EBITDA, as presented in the segmental report, refers to earnings before interest, tax, depreciation and amortisation.

The revenues from external customers for each major group of products and services are disclosed in note 28. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

Discontinued operations

Discontinued operations relate to the group's Video-Entertainment business which was distributed to its shareholders during the previous year (refer to note 3). This segment offered digital satellite and digital terrestrial television services to subscribers as well as mobile and internet services through MultiChoice South Africa in South Africa and through MultiChoice Africa in the rest of sub-Saharan Africa. Through Irdeto, the segment provided digital content management and protection systems to customers globally to protect, manage and monetise digital media on any platform. Through Showmax, the segment provided subscription video-on-demand services. These businesses represented a separate line of business and were classified as the Video-Entertainment segment.

41. SEGMENT INFORMATION (continued)

	Revenue Year ended 31 March					
	2020			2019		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
	External	**Inter-segmental**	**Total**	External	Inter-segmental	Total
Continuing operations						
Ecommerce	4 680	-	4 680	3 934	-	3 934
- Classifieds	1 299	-	1 299	875	-	875
- Payments and Fintech	422	6	428	354	6	360
- Food Delivery	751	-	751	377	-	377
- Etail	1 756	-	1 756	1 847	-	1 847
- Travel	146	-	146	233	1	234
- Other	306	(6)	300	248	(7)	241
Social and internet platforms	17 189	-	17 189	14 744	-	14 744
- Tencent	16 779	-	16 779	14 457	-	14 457
- Mail.ru	410	-	410	287	-	287
Media	267	5	272	312	14	326
Corporate	-	-	-	-	2	2
Eliminations	-	(5)	(5)	-	(16)	(16)
Total economic interest from continuing operations	22 136	-	22 136	18 990	-	18 990
Less: Equity-accounted investments	(18 135)	-	(18 135)	(15 699)	-	(15 699)
Total consolidated from continuing operations	4 001	-	4 001	3 291	-	3 291
Total consolidated from discontinued operations (refer to note 4)	-	-	-	3 321	-	3 321
Total consolidated[1]	4 001	-	4 001	6 612	-	6 612

[1] Includes the results of the video-entertainment segment which has been classified as a discontinued operation (refer to note 4).

41. SEGMENT INFORMATION (continued)

	Year ended 31 March 2020						
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	**COPS and SGA[1]**	**EBITDA**	**Deprecia-tion**	**Amorti--sation of software**	**Interest on finance leases**	**Trading profit/(loss)**
Ecommerce	4 680	(5 496)	(816)	(119)	(16)	(13)	(964)
- Classifieds	1 299	(1 207)	92	(40)	(3)	(5)	44
- Payments and Fintech	428	(488)	(60)	(6)	-	(1)	(67)
- Food Delivery	751	(1 347)	(596)	(24)	(3)	(1)	(624)
- Etail	1 756	(1 778)	(22)	(35)	(1)	(5)	(63)
- Travel	146	(165)	(19)	(3)	-	-	(22)
- Other	300	(511)	(211)	(11)	(9)	(1)	(232)
Social and internet platforms	17 189	(11 734)	5 455	(705)	(25)	(26)	4 699
- Tencent	16 779	(11 451)	5 328	(692)	(11)	(24)	4 601
- Mail.ru	410	(283)	127	(13)	(14)	(2)	98
Media	272	(257)	15	(6)	(1)	-	8
Corporate	-	(16)	(16)	-	(1)	(1)	(18)
Eliminations	(5)	5	-	-	-	-	-
Total economic interest	22 136	(17 498)	4 638	(830)	(43)	(40)	3 725
Less: Equity-accounted investments	(18 135)	13 148	(4 987)	734	27	26	(4 200)
Total consolidated	4 001	(4 350)	(349)	(96)	(16)	(14)	(475)

[1] *Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.*

41. SEGMENT INFORMATION (continued)

	Year ended 31 March 2019						
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[(1)]	EBITDA	Deprecia-tion	Amorti- -sation of software	Interest on finance leases	Trading (loss)/profit
Continuing operations							
Ecommerce	3 934	(4 490)	(556)	(40)	(17)		(613)
- Classifieds	875	(856)	19	(14)	(3)	-	2
- Payments and Fintech	360	(399)	(39)	(4)	-	-	(43)
- Food Delivery	377	(539)	(162)	(4)	(5)	-	(171)
- Etail	1 847	(1 980)	(133)	(16)	(1)	-	(150)
- Travel	234	(270)	(36)	(1)	-	-	(37)
- Other	241	(446)	(205)	(1)	(8)	-	(214)
Social and internet platforms	14 744	(10 375)	4 369	(400)	(17)	-	3 952
- Tencent	14 457	(10 133)	4 324	(388)	(7)	-	3 929
- Mail.ru	287	(242)	45	(12)	(10)	-	23
Media	326	(333)	(7)	(5)	(2)	-	(14)
Corporate	2	(19)	(17)	(4)	-	-	(21)
Eliminations	(16)	16	-	-	-	-	-
Total economic interest from continuing operations	18 990	(15 201)	3 789	(449)	(36)	-	3 304
Less: Equity-accounted investments	(15 699)	11 579	(4 120)	413	21	-	(3 686)
Total consolidated from continuing operations	3 291	(3 622)	(331)	(36)	(15)	-	(382)
Total consolidated from discontinued operations (refer	3 321	(2 666)	655	(90)	(10)	(43)	512
Total consolidated[(2)]	6 612	(6 288)	324	(126)	(25)	(43)	130

[(1)] Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.
[(2)] Includes the results of the video-entertainment segment which has been classified as a discontinued operation (refer to note 4).

41. SEGMENT INFORMATION (continued)

Additional disclosure

	Year ended 31 March 2020			Year ended 31 March 2019		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
	Impairment of assets	**Remeasurement of written put option liabilities**	**Share of equity-accounted results**	Impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results
Ecommerce	**-**	**53**	**(294)**	(7)	53	(252)
- Classifieds	**-**	**239**	**(22)**	-	86	5
- Payments and Fintech	**-**	**-**	**(23)**	-	3	(29)
- Food Delivery	**-**	**-**	**(166)**	-	-	(66)
- Etail	**-**	**(59)**	**-**	(2)	7	(43)
- Travel	**-**	**-**	**(27)**	(1)	-	(73)
- Other	**-**	**(127)**	**(56)**	(4)	(43)	(46)
Social and internet	**(201)**	**-**	**4 226**	(806)	-	3 661
- Tencent	**(175)**	**-**	**4 178**	(799)	-	3 696
- Mail.ru	**(26)**	**-**	**48**	(7)	-	(35)
Media	**(3)**	**-**	**1**	(1)	-	1
Total reportable	**(204)**	**53**	**3 933**	(814)	53	3 410
Less: Equity-accounted investments[(1)]	**201**	**-**	**-**	806	-	-
Continuing operations	**(3)**	**53**	**3 933**	(8)	53	3 410
Discontinued operations	**-**	**-**	**-**	(26)	-	(1)
Total	**(3)**	**53**	**3 933**	(34)	53	3 409

[(1)] *All associates' and joint ventures' results are accounted for using the equity accounting method.*

41. SEGMENT INFORMATION (continued)

Trading profit as presented in the segment disclosure is the CODM and management's measure of each segment's operational performance. A reconciliation of the segmental trading profit to operating profit and profit before tax as reported in the income statement is provided below:

	31 March	
	2020	2019 Restated
	US$'m	US$'m
Trading profit from continuing operations[1]	**(475)**	(398)
Interest on capitalised finance leases	**14**	1
Amortisation of other intangible assets	**(104)**	(94)
Other losses - net	**(69)**	(38)
Retention option expense	**(61)**	(11)
Share-based incentives settled in treasury shares	**(25)**	(27)
Operating loss per the income statement	**(720)**	(567)
Interest income	**245**	284
Interest expense	**(229)**	(205)
Other finance income/(costs) - net	**129**	130
Share of equity-accounted results	**3 932**	3 410
Impairment of equity-accounted investments	**(21)**	(88)
Dilution losses on equity-accounted investments	**(52)**	(182)
Net gains on acquisitions and disposals	**351**	1 609
Profit before taxation per the income statement	**3 635**	4 391

(1) Includes the net profit impact of trading between continuing and discontinued operations of US$nil (2019: US$15.7m).

41. SEGMENT INFORMATION (continued)

Geographical information

The group operates in five main geographical areas:

Africa - The group derives revenues from media activities, internet services (including payments and fintech and classifieds services and products) and technology products and services. In the prior period the revenues included Video-Entertainment platform services (refer note 3 for details of the distribution of the group's Video-Entertainment business)."

Asia - The group's activities comprise its interest in internet activities based in China, India, Thailand and Singapore.

Europe - The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from technology products and services provided by subsidiaries based in the Netherlands.

Latin America - The group's activities comprise its interest in internet activities based in Brazil and other Latin American countries.

Other - Includes the group's provision of various products through internet and technology activities located mainly in Australia and the United States of America.

	Africa						
	South Africa US$'m	Rest of Africa US$'m	Latin America US$'m	Asia US$'m	Europe US$'m	Other US$'m	Total US$'m
March 2020							
External consolidated revenue from continuing operations	**694**	**15**	**624**	**341**	**2 187**	**140**	**4 001**
External proportionately consolidated revenue from continuing operations[1]	**704**	**15**	**677**	**17 453**	**3069**	**218**	**22 136**
March 2019							
External consolidated revenue from continuing operations	663	4	423	215	1 896	90	3 291
External proportionately consolidated revenue from continuing operations[1]	677	4	469	15 270	2 431	139	18 990

[1] *Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.*

Revenue is allocated to a country based on the location of subscribers or users/customers.

42. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies, in line with the overall group policies, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

42.1 Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk as a substantial portion of its revenue and expenses is denominated in the currencies of the countries in which it operates. A significant portion of cash obligations, including satellite transponder leases and contracts for video-entertainment programming, were denominated in US dollar prior to the group's distribution of its video-entertainment business to shareholders (refer to note 3). Where the group's revenue is denominated in local currency, depreciation of the local currency against the US dollar adversely affects the group's earnings and its ability to meet cash obligations. Some entities in the group use forward exchange contracts to hedge their exposure to foreign currency risk in connection with their obligations. Management may hedge the net position in the major foreign currencies by using forward exchange contracts. However, in many territories, forward cover is not available and accordingly, such exposures are not hedged. The group also uses forward exchange contracts to hedge foreign currency exposure in its media business where cover is generally taken for 50% to 100% of firm commitments in foreign currency for up to one year.

The group classified its forward exchange contracts relating to forecast transactions and firm commitments as either cash flow or fair value hedges and measures them at fair value. Hedged transactions historically related mainly to programming costs, transponder lease instalments and the acquisition of inventory items in the video-entertainment segment which has been presented as a discontinued operation in the prior year (refer to note 4).

In the current year the group entered into foreign exchange contracts at a notional value of US$1.56bn that were designated as cash flow hedge instruments for foreign currency cash and cash equivalents. Only the spot elements were designated as a hedge and the remaining portion was recognised in finance income. The purpose of this hedge was to manage the foreign currency risk associated with holding foreign currency cash and cash equivalents. The hedge ratio was 1:1. Cumulative losses of US$107.2m (2019:nil) have been recognised in other comprehensive income relating to this cash flow hedge since the inception of the hedging relationship and were reclassified to the income statement as the underlying cash and cash equivalent balances were revalued was recognised in the income statement. Net gains of US$6.5m (2019: nil) were recognised as part of "Other finance (costs)/income – net" in the income statement. This is the forward element of the forward exchange contract not designated as part of the hedging relationship. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Movements in the hedging reserve for the year are detailed below:

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**-**	(107)
Net fair value (losses)/gains	**-**	77
Foreign exchange movement	**(107)**	1
Derecognised and added to asset	**-**	4
Derecognised and reported in revenue	**-**	(1)
Derecognised and reported in cost of sales	**-**	38
Derecognised and reported in finance (income)/cost	**107**	(5)
Derecognised and reported in income when recognition criteria failed	**-**	1
Tax effects	**-**	(24)
Non-controlling interest in hedging reserve	**-**	(14)
Transfer to foreign currency translation reserve	**-**	(24)
Hedging reserve reclassified to the income statement on distribution of subsidiary [(1)]	**-**	54
Closing balance	**-**	-

[(1)]Relates to the MultiChoice Group which was distributed to shareholders during the current year (refer to note 3).

There were no forward exchange contracts designated as cash flow hedges at 31 March 2020 (2019: US$nil).

During the year ended 31 March 2020 the group recognised losses on cash flow hedging instruments of US$107.2m (2019: gains of US$4.9m) and gains of US$124.7m (2019: gains of US$101.6m) on the hedged items attributable to the hedged risks.

Following the distribution of its video-entertainment business to shareholders during the prior year (refer to note 3) the group is no longer party to significant forward exchange contracts. Forward exchange contracts in the statement of financial position as at 31 March 2019 related to agreements entered into by the group on behalf of its former subsidiary Irdeto B.V. (Irdeto). The group had offsetting buy and sell positions with respect to all forward exchange contracts entered into on behalf of Irdeto and accordingly, on a gross basis, the contractual cash flows arising under these agreements were zero.

In March 2020 the group entered into an agreement, maturing within the next 12 months, to exchange US$457.2m (2019: US$180m) for HKD3.55bn (2019: HKD1.41bn) (Hong Kong dollars) at an average exchange rate US$/HKD 7.76 (2019: 7.82).

The group does not apply hedge accounting with respect to any of its forward exchange contracts outstanding as at 31 March 2020.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

In certain instances, the group will hedge its foreign currency risks associated with certain of its net investments in foreign operations. The group will determine which investments to hedge based on the foreign currency risk arising on translation of its foreign operations.

Following the acquisition of the group's interests in Delivery Hero SE during the 2018 financial year, the group elected to hedge the foreign exchange risk resulting from the difference between the functional currency of Delivery Hero (Euro) and the currency of the funding incurred to acquire the investment (USD). The Group therefore entered into a cross-currency interest rate swap, and in order to best reflect the result of this risk management strategy, designated it as a hedge of its net investment in Delivery Hero.

The cross-currency interest rate swap matures in July 2025 and on maturity the group will exchange €700m for US$783.7m. As the investment in Delivery Hero SE is translated at the spot rate, the group has designated only the spot exchange rate element of the cross-currency interest rate swap as forming part of the hedging relationship. The hedge ratio is 1:1.

Cumulative gains of US$24.8m (2019: gains of US$11.7m) have been recognised in the foreign currency translation reserve relating to the net investment hedge since the inception of the hedging relationship. The increase in the value of the net investment in Delivery Hero used to determine hedge ineffectiveness for the period is US$123.0m (2019: decrease in value of US$173.2m).

During the current year, total gains of US$82.3m (2019: gain of US$89.9m) were recognised on the cross-currency interest rate swap. Gains of US$13.1m (2019: gains of US$77.3m) for the year have been recognised in the foreign currency translation reserve relating to the net investment hedge (and comprise the fair value movements used as a basis for recognising hedge effectiveness). Gains of US$69.2m (2019: gains of US$12.6m) were recognised as part of "Other finance (costs)/income – net" in the income statement. This is the element of the cross-currency interest rate swap not designated as part of the hedging relationship. Ineffectiveness may arise from credit risk on the cross-currency interest rate swap. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2020 the group had a net cash balance including short-term cash investments, of US$8.33bn (2019: US$9.57bn), of which US$302.1m (2019: US$421.0m) was held in South Africa. The US$8.03bn (2019: US$9.15bn) held offshore was largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held.

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro, Indian rupee, Russian rouble and South African rand is the most significant. The group is also exposed to the British pound, Chinese yuan renminbi, Polish zloty and Brazil real, albeit to a lesser extent. For purposes of the below analysis, financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument.

The sensitivity analysis details the group's sensitivity to a 10% decrease (2019: 10% decrease) in the South African rand, Indian rupee and Russian rouble against the US dollar, as well as a 10% increase of the US dollar against the euro (2019: 10% increase of the US dollar against the euro). These movements would result in a US$67.9m decrease in net profit after tax for the year (2019: US$52.2m decrease). Total equity would increase by US$59.7m (2019: US$89.0m decrease).

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Foreign currency sensitivity analysis

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (i.e. those monetary assets and liabilities denominated in a currency that differs from the relevant group company's functional currency) and adjusts their translation at the period-end for the above percentage changes in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes translation differences due to translating from functional currency to presentation currency. The analysis has been adjusted for the effect of hedge accounting.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements, statements of comprehensive income and statements of financial position are as follows:

	31 March 2020		31 March 2019	
	Average rate	**Closing rate**	Average rate	Closing rate
Currency (1FC = US$)				
South African rand (ZAR)	**0.0667**	**0.0560**	0.0723	0.0690
Euro (EUR)	**1.1103**	**1.1031**	1.1537	1.1218
Chinese yuan renminbi (CNY)	**0.1433**	**0.1412**	0.1485	0.1490
Brazilian real (BRL)	**0.2398**	**0.1921**	0.2622	0.2548
Indian rupee (INR)	**0.0141**	**0.0133**	0.0143	0.0145
Polish zloty (PLN)	**0.2569**	**0.2420**	0.2684	0.2606
Russian rouble (RUB)	**0.0152**	**0.0127**	0.0153	0.0152
British pound sterling (GBP)	**1.2702**	**1.2419**	1.3084	1.3033

The average rates listed above are only approximate average rates for the year. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

Uncovered liabilities

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2020		31 March 2019	
	Currency amount of liabilities 'm	**US$'m**	Currency amount of liabilities 'm	US$'m
Uncovered liabilities				
British pound	**9**	**13**	1	1
South African rand	**84**	**6**	-	-
US dollar	**9**	**9**	32	32
Euro	**6**	**6**	8	9
Nigerian naira	**-**	**-**	6	-
Other	**-**	**7**	-	-

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2020		31 March 2019	
	Assets US$'m	**Liabilities US$'m**	Assets US$'m	Liabilities US$'m
Current portion				
Forward exchange contracts	**-**	**38**	4	3
	-	**38**	4	3
Non-current portion				
Derivatives embedded in leases	**6**	**2**	1	-
Cross-currency interest rate swap	**49**	**-**	-	33
	55	**2**	1	33
Total	**55**	**40**	5	36

The group’s forward exchange contracts and cross-currency interest rate swap are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group’s forward exchange contracts and cross-currency interest rate swap agreement have been offset in the statement of financial position. At 31 March there were no contracts that could be offset under the master netting arrangement. In the prior year had forward exchange contracts been offset, the net asset presented in the statement of financial position would amount to US$1.0m.

42. FINANCIAL RISK MANAGEMENT (continued)

42.2 Credit risk

The group is exposed to credit risk relating to the following assets:

Trade receivables and accrued income balances

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a diversified customer base across various geographical areas. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

The group's trade receivables arise mainly in its etail, classifieds, media and online content businesses as well as, but to a lesser extent, from its online comparison shopping and payments businesses. Average payment terms vary considerably between the group's businesses, given the diverse nature of their operations. Average payment terms, however, generally do not exceed 60 days from date of invoice.

Accrued income balances relate to unbilled revenue that has been earned and have substantially similar risk characteristics as trade receivables. Accrued income balances arise mainly in the group's etail, classifieds and payments businesses and are included within "Other receivables" in the statement of financial position.

The group applies the simplified approach mandated by IFRS 9 *Financial Instruments* when measuring impairment loss allowances related to trade receivables and accrued income balances and accordingly the group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

In measuring credit losses expected to arise over the lifetime of trade receivables and accrued income balances, financial assets are grouped according to their shared credit characteristics and aging profile.

The quantification of credit losses expected to arise over the lifetime of trade receivables and accrued income balances is based on (i) the group's actual observed historical loss experience/rates within each business and (ii) forward-looking information that is considered predictive of future credit losses within each business.

The historical loss experience/rates that are taken into account when determining impairment allowances is determined with reference to representative sales periods within each business (typically not shorter than 12 months) and the credit losses incurred over that period.

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. These significant factors further took into account the impact of the Covid-19 pandemic. Due to the group's diverse operations, the forward-looking information considered that the values assigned when calculating impairment allowances vary by business type and country in which the customer is located.

Related party loans and receivables

Related party loans and receivables consist primarily of balances with certain associates of the group. These financial assets are considered, by nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS9. As the amounts owing are due by group companies, the impairment assessment takes into account the existence of collateral, letters of support by group companies and re-adjusted budgets and forecasts of group companies as a result of the Covid-19 pandemic's impact on operations. Budget forecasts consider the businesses remaining operational amidst lock-down restrictions. As at 31 March 2020, impairment allowances on related party loans and receivables were not significant.

42. FINANCIAL RISK MANAGEMENT (continued)

42.2 Credit risk *(continued)*

Other receivables

Credit risk related to other receivables arises mainly from accrued income balances, merchant and bank receivables and disposal proceeds receivable.

Accrued income

The credit risk profile and impairment methodology applied to accrued income balance that are included within "Other receivables" in the statement of financial position is outlined above.

Merchant and bank receivables

Merchant and bank receivables balances relate to transactions, primarily in the group's payments and fintech and food delivery segments, where the group facilitates the payment process between the end consumer and the provider of goods and services (i.e. the merchant).

Impairment allowances are established on merchant and bank receivables by considering the group's historical loss experience/rates as well as forward-looking information which also considered the impact of the Covid-19 pandemic. The group also considers whether the underlying counterparty is a new or recurring customer. The credit risk inherent in merchant and bank receivables is also reduced by the group's right to offset amounts receivable from counterparties against the corresponding amounts payable to banks and other merchants (refer to note 26) in the event of default. An average payment terms of 30 days generally apply to merchant and bank receivables.

As at 31 March 2020, an impairment allowance of US$6.6m (2019: US$6.5m) has been recognised with respect to merchant and bank receivables.

Disposal proceeds receivable

Disposal proceeds receivable relate to amounts held in escrow following disposals of group businesses to external parties. These amounts are generally held in escrow by the relevant purchaser as security for the group's warranty and indemnity obligations in terms of disposal agreements.

The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2020, impairment allowances related to disposal proceeds receivable were not significant.

Cash and cash equivalents, short-term investments and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents, short-term investments and derivative assets. There are no significant concentrations of credit risk relating to these financial assets. The group places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2020 the group held the majority of its cash and cash equivalents, short-term investments and derivative assets with local and international banks with a 'Baa1' credit rating or higher. The majority of the group's short-term investments are placed with international banks with an 'A1' credit rating (Moody's International's long-term deposit rating). The credit standings of counterparties that are used by the group are evaluated on a continuous basis.

Total impairment losses on financial assets at amortised cost

Total impairment losses (net of reversals) recorded on financial assets measured at amortised cost amounted to US$9.6m as at 31 March 2020 (2019: US$17.5m). This impairment loss takes into account the impact of the Covid-19 pandemic. The group assessed the impact on recoverability of financial assets (mainly trade receivables) due to Covid-19. Factors considered were the trading restrictions imposed (if any) and changes to consumer behaviour and spending as a result of this pandemic. As at 31 March 2020, the impact of Covid-19 on the group's impairment allowances was not significant as the lockdown measures related to Covid-19 have not significantly impacted the recoverability of our financial assets and it is expected that the businesses will maintain a sufficient share of the consumer market in the foreseeable future.

42. FINANCIAL RISK MANAGEMENT (continued)

42.3 Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2020 and 2019:

	31 March	
	2020 US$'m	2019 US$'m
On call	**30**	53
Expiring within one year	**41**	25
Expiring beyond one year	**2 500**	2 510
	2 571	2 588

The following analysis details the remaining contractual maturity of the group's non-derivative liabilities and derivative financial assets and liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

	31 March 2020				
	Carrying value US$'m	**Contractual cash flows US$'m**	**0 - 12 months US$'m**	**1 - 5 years US$'m**	**5 years + US$'m**
Non-derivative financial liabilities					
Interest-bearing: Capitalised lease liabilities[1]	**(277)**	**(323)**	**(53)**	**(165)**	**(105)**
Interest-bearing: Loans and other liabilities	**(3 515)**	**(4 723)**	**(168)**	**(683)**	**(3 872)**
Non-interest-bearing: Loans and other liabilities	**(34)**	**(34)**	**(14)**	**(18)**	**(2)**
Other non-current liabilities	**(160)**	**(160)**	**-**	**(160)**	**-**
Trade payables	**(322)**	**(322)**	**(322)**	**-**	**-**
Accrued expenses and other current liabilities[2]	**(1 327)**	**(1 327)**	**(1 327)**	**-**	**-**
Related party loans and payables	**(3)**	**(3)**	**(3)**	**-**	**-**
Dividends payable	**(1)**	**(1)**	**(1)**	**-**	**-**
Bank overdrafts	**(32)**	**(32)**	**(32)**	**-**	**-**
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	**-**	**1 105**	**1 105**	**-**	**-**
Forward exchange contracts - outflow	**(38)**	**(1 138)**	**(1 138)**	**-**	**-**
Derivatives contained in lease agreements - inflow	**6**	**6**	**-**	**6**	**-**
Derivatives contained in lease agreements - outflow	**(2)**	**(2)**	**-**	**(2)**	**-**
Cross-currency interest rate swap - inflow	**49**	**1 021**	**43**	**173**	**805**
Cross-currency interest rate swap - outflow	**-**	**(976)**	**(29)**	**(114)**	**(833)**

[1] *The increase in capitalised lease labilities is as a result of the groups adoption of IFRS 16 - refer to note 2 for the group's adoption of new accounting pronouncements during the reporting period .*

[2] *Excludes US$84.1m of Covid-19 related donations pledged by the group and includes written put option liabilities - refer to note 24.*

42. FINANCIAL RISK MANAGEMENT (continued)

42.3 Liquidity risk (continued)

	31 March 2019				
	Carrying value Restated US$'m	Contractual cash flows Restated US$'m	0 - 12 months Restated US$'m	1 - 5 years Restated US$'m	5 years + Restated US$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases[1]	(8)	(9)	(3)	(6)	-
Interest-bearing: Loans and other liabilities	(3 247)	(4 198)	(185)	(1 632)	(2 381)
Non-interest-bearing: Loans and other liabilities	(13)	(13)	(10)	(3)	-
Other non-current liabilities	(538)	(538)	-	(538)	-
Trade payables	(287)	(287)	(287)	-	-
Accrued expenses and other current liabilities	(924)	(924)	(924)	-	-
Related party payables	(6)	(6)	(6)	-	-
Dividends payable	(1)	(1)	(1)	-	-
Bank overdrafts	(8)	(8)	(8)	-	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	1	204	204	-	-
Forward exchange contracts - outflow	-	(202)	(202)	-	-
Cross-currency interest rate swap - inflow	-	1 063	43	172	848
Cross-currency interest rate swap - outflow	(33)	(1 115)	(29)	(125)	(961)

[1] These relate to lease arrangements previously classified as finance leases in terms of IAS 17.

42.4 Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

Refer to note 23 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2020 and 2019.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the South African, American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2019: 100 basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax and total equity for the year ended 31 March 2020 would increase by US$69.9m as at 31 March 2020 (2019: increase by US$77.5m).

Price risk sensitivity analysis

The group has an investment in Trip.com Group Limited (Trip.com) measured at fair value through other comprehensive income. The group's sensitivity to a 10% decrease in the share price of this investment will result in a US$70.4m decrease in other comprehensive income (2019: nil).

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2020			
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest income US$'m	Impairment US$'m
Assets				
Investments and loans	818	-	-	-
Financial assets at fair value through profit or loss[(1)]	13	-	-	-
Financial assets at fair value through other comprehensive income[(2)]	804	-	-	-
Other loans and receivables[(3)]	1	-	-	-
Receivables and loans[(3)]	483	20	32	16
Trade receivables	139	3	1	9
Other receivables	237	(1)	31	7
Foreign currency intergroup receivables	-	18	-	-
Related party receivables	107	-	-	-
Derivative financial instruments[(1)]	55	75	-	-
Forward exchange contracts	-	-	-	-
Cross-currency interest rate swap	49	69	-	-
Derivatives embedded in leases	6	6	-	-
Short-term investments[(3)]	4 060	7	38	-
Cash and cash equivalents[(3)]	4 303	126	175	-
Total	9 719	228	245	16

(1) *Measured at fair value through profit or loss.*
(2) *During the period a loss of US$291.8m (2019: a gain of US$10.8m) was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.*
(3) *Measured at amortised cost.*

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2020		
	Carrying value US$'m	Net gains/ (losses) recog- nised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	3 919	-	211
Interest-bearing: Capitalised lease liabilities	231	-	11
Interest-bearing: Loans and other liabilities	3 508	-	200
Non-interest-bearing: Loans and other liabilities	20	-	-
Other non-current liabilities	160	-	-
Short-term payables and loans[1]	1 720	50	11
Interest-bearing: Capitalised lease liabilities	46	(1)	3
Interest-bearing: Loans and other liabilities	7	(1)	2
Non-interest-bearing: Loans and other liabilities	14	-	-
Trade payables	322	(13)	-
Accrued expenses and other current liabilities[2]	1 327	85	6
Related party payables	3	-	-
Foreign currency intergroup payables	-	(20)	-
Dividends payable	1	-	-
Derivative financial instruments[3]	40	(149)	-
Forward exchange contracts	38	(147)	-
Derivatives embedded in leases	2	(2)	-
Bank overdrafts	32	-	7
Total	**5 711**	**(99)**	**229**

(1) Measured at amortised cost.
(2) Includes written put option liabilities (Refer to note 24)
(3) Measured at fair value through profit or loss

The carrying values of all financial instruments, apart from those disclosed below are considered to be a reasonable approximation of their fair values.

The fair values of the following instruments that are not measured at fair value have been disclosed as their carrying values are not a reasonable approximation of fair value:

Financial liabilities	Carrying value US$'m	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2020					
Publicly traded bonds	**3 450**	**3 183**	**-**	**3 183**	**-**
31 March 2019					
Publicly traded bonds	3 200	3 350	-	3 350	-

The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2019			
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss[1] US$'m	Total interest income[1] US$'m	Impairment[1] US$'m
Assets				
Investments and loans	125	(27)	-	-
Investments in preference shares and convertible notes of associates[1]	-	(27)	-	-
Financial assets at fair value through other comprehensive income [2]	122	-	-	-
Other loans and receivables	3	-	-	-
Receivables and loans[1]	456	(16)	-	18
Trade receivables	172	(3)	-	11
Other receivables	281	(1)	-	7
Foreign currency intergroup receivables	-	(12)	-	-
Related party receivables	3	-	-	-
Derivative financial instruments[3]	5	17	-	-
Forward exchange contracts	4	17	-	-
Derivatives embedded in leases	1	-	-	-
Short-term investments[1]	7 298	-	72	-
Cash and cash equivalents[1]	2 284	17	211	-
Total	10 168	(9)	283	18

[1] *Measured at amortised cost.*

[2] *Measured at fair value through other comprehensive income. During the year a gain of US$10.8m was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income. The carrying value disclosed includes financial assets at fair value through other comprehensive income that are classified as held for sale.*

[3] *Measured at fair value through profit or loss.*

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2019		
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss[2] US$'m	Total interest expense[2] US$'m
Liabilities			
Long-term liabilities[1]	3 783	113	189
Interest-bearing: Capitalised finance leases[3]	5	-	-
Interest-bearing: Loans and other liabilities	3 237	-	189
Non-interest-bearing: Loans and other liabilities	3	-	-
Other non-current liabilities	538	113	-
Short-term payables and loans[1]	1 241	(24)	2
Interest-bearing: Capitalised finance leases[3]	3	-	-
Interest-bearing: Loans and other liabilities	10	(1)	1
Non-interest-bearing: Loans and other liabilities	10	3	-
Trade payables	287	(2)	-
Accrued expenses and other current liabilities	924	(27)	1
Related party payables	6	-	-
Foreign currency intergroup payables	-	3	-
Dividends payable	1	-	-
Derivative financial instruments[2]	36	15	-
Forward exchange contracts	3	2	-
Cross-currency interest rate swap	33	13	-
Bank overdrafts[1]	8	-	11
Total	5 068	104	202

[1] Measured at amortised cost.

[2] Measured at fair value through profit or loss.

[3] Relates to previously classified finance leases in terms of IAS 17.

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

- Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair-value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.
- Level 3 fair-value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values

Level 2 fair-value measurements

- *Forward exchange contracts* – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.

- *Cross-currency Interest rate swap* – the fair value of the group's cross-currency interest rate swap is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of cross-currency interest rate swaps include: spot market interest rates, contractually fixed interest rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate swap arrangement.

Level 3 fair-value measurements

- *Shareholders' liabilities* – relate predominantly to derivative financial instruments contained in shareholders' agreements to which the group is a party. Where relevant, such derivative financial instruments are valued using option pricing models as well as discounted cash flow analyses. Significant inputs vary between agreements but include the current fair value of the underlying share over which the instrument is written, the strike price of the option, risk-free interest rates, calculated volatilities and the period to exercise.

- *Earn-out obligations* – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

Instruments not measured at fair value for which fair value is disclosed

- *Level 2* – the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.

- *Level 3* – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair values of the group's financial instruments that are measured at fair value at each reporting period are categorised as follows:

	31 March 2020			
	Fair value US$'m	**Level 1 US$'m**	**Level 2 US$'m**	**Level 3 US$'m**
Assets				
Financial assets at fair value through other comprehensive income	**804**	**711**	**3**	**90**
Financial assets at fair value through profit or loss	**13**	**-**	**-**	**13**
Derivatives embedded in leases	**6**	**-**	**-**	**6**
Cross-currency interest rate swap	**49**	**-**	**49**	**-**
Total	**872**	**711**	**52**	**109**
Liabilities				
Forward exchange contracts	**38**	**-**	**38**	**-**
Derivatives embedded in leases	**2**	**-**	**-**	**2**
Earn-out obligations	**22**	**-**	**-**	**22**
Total	**62**	**-**	**38**	**24**

	31 March 2019			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Financial assets at fair value through other comprehensive income	122	73	3	46
Forward exchange contracts	4	-	4	-
Derivatives embedded in leases	1	-	-	1
Total	127	73	7	47
Liabilities				
Forward exchange contracts	3	-	3	-
Earn-out obligations	7	-	-	7
Cross-currency interest rate swaps	33	-	33	-
Total	43	-	36	7

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows a reconciliation of the group's level 3 financial instruments:

	31 March 2020			
	Earn-out obli-gations US$'m	Financial assets at FVOCI[1] US$'m	Derivatives embedded in leases US$'m	Financial assets at FVPL[2] US$'m
Balance at 1 April 2019	**7**	**46**	**1**	**-**
Additions	**20**	**79**	**3**	**13**
Total losses recognised in other comprehensive income	**-**	**(14)**	**-**	**-**
Settlements/disposals	**(5)**	**(21)**	**-**	**-**
Foreign currency translation effects	**-**	**-**	**-**	**-**
Total	**22**	**90**	**4**	**13**

	31 March 2019			
	Earn-out obli-gations US$'m	Financial assets at FVOCI[1] US$'m	Derivatives embedded in leases US$'m	Currency devaluation features US$'m
Balance at 1 April 2018	58	37	1	2
Additions	-	9	-	-
Total losses recognised in the income statement	(3)	-	-	-
Total losses recognised in other comprehensive income	-	11	-	2
Settlements/disposals	(40)	(2)	-	-
Transfer to held for sale	-	(9)	-	(3)
Foreign currency translation effects	(8)	-	-	(1)
Total	7	46	1	-

[1] *Financial assets at fair value through other comprehensive income*

[2] *Financial assets at fair value through profit or loss*

There were no transfers between level 1 and level 2 during any period presented.

44. EQUITY COMPENSATION BENEFITS

The group had various equity compensation plans in operation during the financial year, the majority of which are classified as equity settled. In terms of these plans, employees are offered awards in the form of either share options, performance stock units (PSUs), restricted stock units (RSUs) or share appreciation rights (SARs).

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of Naspers Limited or its subsidiaries for equity-settled plans and in cash or other assets for cash-settled plans, where applicable. In respect of RSUs, awards are automatically settled in Naspers Limited equity instruments on the vesting date.

The group share trusts hold Naspers shares (as shareholders) to settle awards held by employees of the Naspers and Prosus group. These share trusts were founded by Naspers to administer the Naspers group share schemes for all employees. On listing of Prosus, these trusts received Prosus shares via the capitalisation issue of Naspers M ordinary shares that converted into Prosus N ordinary shares on listing date. These Prosus shares are linked to the respective Naspers shares and accordingly on settlement of the awards employees will receive the Naspers shares as stipulated on grant date and the linked Prosus shares. There was no adjustment to the original strike price. With the exception of these share schemes with linked Prosus shares on settlement, there are no share options, RSUs, PSUs or SARS that are settled solely in Prosus shares.

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. RSUs are granted with an exercise price of zero. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All cancelled options/RSUs/SARs are cancelled by mutual agreement between the employer and employee.

Although the group has various equity compensation plans in operation, disclosure is provided only for those plans that had the most significant impact on the group’s income statement during the current year.

44. EQUITY COMPENSATION BENEFITS (continued)

The following share option and RSU plans were in operation during the financial year:

Share option plan/RSU plan	Maximum awards permissible[1]	Vesting period[2]	Period to expiry from date of offer	IFRS 2 classification
Group				
Naspers Share Incentive Trust (Naspers)	Note 3	a[3]	10 years	Equity-settled
MIH Holdings Share Trust (MIH Holdings)	Note 3	a[3]	10 years	Equity-settled
MIH Services FZ LLC Share Trust (MIH Services)	Note 3	a[3]	10 years	Equity-settled
Naspers Restricted Stock Plan Trust (Naspers RSU)[4]	Note 4	a	Note 5	Equity-settled
Social and internet platforms				
MIH Russia Internet B.V. Share Trust	10%	c	10 years	Equity-settled
Ecommerce				
OLX B.V. Share Trust	15%	b	7 years and 3 months	Equity-settled
Letgo Global B.V. 2016 Stock Option Plan	5%	a	10 years	Equity-settled
Frontier Car Group (FCG) Share Trust Option Scheme	15%	e	10 years	Equity-settled
iFood.com Share Option Scheme	10%	c	10 years	Equity-settled
Movile Internet Movel S.A. 2013 Share Trust	10%	a[6]	10 years	Equity-settled
Dante International S.A. (eMAG) Share Option Scheme	12.5%	a[6]	10 years	Equity-settled
MMC PlayKids Holding B.V. Share Option Scheme	15%	a[6]	10 years	Equity-settled
Red Dot Payment Pte Ltd Options Scheme	20%	a	10 years	Equity-settled

The group provides detailed disclosure for those share option and RSU plans that are considered significant to the consolidated annual financial statements.

Notes in relation to the group's share option and RSU plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies' issued share capital that is available for the plan.

(2) Vesting period:
- a One quarter vests after years one, two, three and four.
- b One third vests after years three, four and five.
- c One fifth vests after years one, two, three, four and five.
- d One third vests after years one, two and three.
- e One quarter vests after year one and monthly thereafter over 3 years.

(3) At the Naspers annual general meeting held on 25 August 2017 a resolution was adopted by shareholders whereby the vesting period for options granted after 25 August 2017 would be one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest over three, four and five years respectively. In addition, shareholders approved that up to 40 588 541 Naspers N ordinary shares may be issued for the group's share-based incentive schemes at the Naspers annual general meeting in August 2011. During the financial year ended 31 March 2020, no new N ordinary shares had been so issued.

(4) The Naspers Restricted Stock Plan Trust may issue no more than 200 000 awards in aggregate during any one financial year. The number of PSUs that may be offered is at the discretion of the board.

(5) Awards are automatically settled with participants on the vesting date.

(6) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

44. EQUITY COMPENSATION BENEFITS (continued)

The following share appreciation rights plans were in operation during the financial year:

Share appreciation rights plans	Maximum awards permissible[(1)]	Vesting period[(2)]	Period to expiry from date of offer	IFRS 2 classification
Media				
Media24 SAR Scheme	10%	a	5 years and 14 days	Equity-settled
Social and internet platforms				
MIH China/MIH TC 2008 SAR Scheme	10%	a[(3)]	5 years and 14 days	Equity-settled
Ecommerce				
MIH Internet SEA Private Limited SAR Scheme	15%	a[(3)]	10 years	Equity-settled
MIH Food Holdings B.V. SAR Scheme	7.5%	b	10 years	Equity-settled
MIH India Food Holdings B.V. SAR Scheme	10%	b	10 years	Equity-settled
MIH Ventures B.V. SAR Scheme	10%	b	10 years	Equity-settled
Avito AB SAR Scheme (Avito)	15%	b	10 years	Equity-settled
CEE Classifieds SAR Scheme	10%	c	10 years	Equity-settled
FixeAds B.V. SAR Scheme	10%	c	10 years	Equity-settled
Tokobagus Exploitatie B.V. SAR Scheme	15%	c	10 years	Equity-settled
Dubizzle Limited SAR Scheme	15%	c	10 years	Equity-settled
Naspers Fintech B.V. SAR Scheme (Naspers Fintech)	15%	a[(3)]	10 years	Equity-settled
Naspers Global Classifieds SAR Scheme (Naspers Global Classifieds)	Note 4	a[(3)]	10 years	Equity-settled
Naspers Global Ecommerce SAR Scheme (Naspers Global Ecommerce)	Note 4	a[(3)]	10 years	Equity-settled
Naspers Global Online Services SAR Scheme	Note 4	c	10 years	Equity-settled
Naspers Ventures B.V. SAR Scheme	10%	d	10 years	Equity-settled
Red Dot Payment Pte Ltd SAR Scheme	20%	b	10 years	Equity-settled
SimilarWeb Limited SAR Scheme	5%	c	10 years	Equity-settled
Property24 SAR Scheme	15%	a[(3]	10 years	Equity-settled
Takealot Online Proprietary Limited SAR Scheme	15%	b	10 years	Equity-settled
Dante International S.A. SAR Scheme	12.5%	b	10 years	Equity-settled

The group provides detailed disclosure for those share appreciation rights plans that are considered significant to the financial statements.

Notes in relation to the group's share appreciation rights plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that is available for the plan.

(2) Vesting period:
- a One third vests after years three, four and five.
- b One quarter vests after years one, two, three and four.
- c One fifth vests after years one, two, three, four and five.
- d One quarter vests after years two, three, four and five.

(3) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

(4) Collectively, the Naspers Global Classifieds, Naspers Global Ecommerce and Naspers Global Online Services SAR schemes may generally issue no more than 5% of the then total notional shares of all the underlying assets as recorded in the most recent pro forma capitalisation tables.

44. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2020			
	Naspers	**Naspers RSU**	**MIH Holdings**	**MIH Services**
Shares				
Outstanding at 1 April	**216 694**	**100 520**	**365 684**	**2 276 571**
Granted	**-**	**121 761**	**69 349**	**146 541**
Exercised	**(85 704)**	**(67 192)**	**(148 459)**	**(385 250)**
Forfeited	**(8 106)**	**(35 714)**	**(1 088)**	**(15 242)**
Expired	**-**	**-**	**-**	**-**
Cancelled	**-**	**-**	**(3 473)**	**(3 136)**
Outstanding at 31 March	**122 884**	**119 375**	**282 013**	**2 019 484**
Available to be implemented at 31 March	**108 329**	**-**	**216 377**	**1 373 192**
Weighted average exercise price	**(SA rand)**	**(SA rand)**	**(SA rand)**	**(SA rand)**
Outstanding at 1 April	**1 505.43**	**-**	**1 616.39**	**1 492.14**
Granted	**-**	**-**	**3 217.92**	**3 330.59**
Excercised	**876.84**	**-**	**1 728.12**	**698.73**
Forfeited	**2 749.35**	**-**	**3 291.45**	**2 760.69**
Expired	**-**	**-**	**-**	**-**
Cancelled	**-**	**-**	**3 409.97**	**2 909.37**
Outstanding at 31 March	**1 861.78**	**-**	**1 922.85**	**1 765.13**
Available to be implemented at 31 March	**1 031.27**	**-**	**828.19**	**1 283.36**
Weighted average share price of options taken up during the year				
Shares	**85 704**	**67 192**	**148 459**	**385 250**
Weighted average share price	**3 286.15**	**2 986.27**	**3 396.85**	**2 813.40**
	31 March 2019			
Shares				
Outstanding at 1 April	204 848	108 407	500 499	2 185 008
Granted	33 808	82 721	71 234	326 880
Exercised	(16 133)	(43 693)	(152 169)	(200 183)
Forfeited	(5 829)	(46 915)	(53 853)	(35 134)
Expired	-	-	(27)	-
Outstanding at 31 March	216 694	100 520	365 684	2 276 571
Available to be implemented at	125 745	-	270 439	1 498 368
Weighted average exercise price	(SA rand)	(SA rand)	(SA rand)	(SA rand)
Outstanding at 1 April	1 292.92	-	1 480.18	1 332.29
Granted	3 132.04	-	3 089.45	3 082.67
Exercised	931.45	-	1 720.33	1 242.04
Forfeited	3 150.01	-	1 361.46	2 619.97
Expired	-	-	174.79	-
Outstanding at 31 March	1 505.43	-	1 616.39	1 492.14
Available to be implemented at	846.91	-	1 354.67	948.08
Weighted average share price of options taken up during the year				
Shares	16 133	43 693	152 169	200 183
Weighted average share price	2 587.02	3 094.60	3 182.62	3 099.02

44. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2020			
	Avito	**Naspers Global Classifieds**	**Naspers Global Ecommerce**	**Naspers Fintech**
SARs				
Outstanding at 1 April	**676 269**	**20 085 382**	**12 579 747**	**1 270 943**
Granted	**618 150**	**10 287 847**	**1 494 974**	**472 381**
Exercised	**(66 204)**	**(5 950 584)**	**(4 341 498)**	**(345 655)**
Forfeited	**(158 777)**	**(2 271 649)**	**(49 890)**	**(176 186)**
Cancelled	**-**	**-**	**-**	**(14 029)**
Outstanding at 31 March	**1 069 438**	**22 150 996**	**9 683 333**	**1 207 454**
Available to be implemented at 31 March	**183 001**	**4 150 750**	**5 934 221**	**324 649**
Weighted average exercise price	**(US$)**	**(US$)**	**(US$)**	**(US$)**
Outstanding at 1 April	**75.58**	**6.87**	**19.21**	**53.34**
Granted	**90.63**	**9.62**	**36.75**	**95.18**
Exercised	**70.23**	**5.97**	**16.74**	**44.25**
Forfeited	**83.00**	**8.22**	**26.12**	**58.30**
Outstanding at 31 March	**83.51**	**8.25**	**22.99**	**71.10**
Available to be implemented at 31 March	**73.78**	**6.20**	**17.54**	**50.97**
Weighted average share price of options taken up during the year				
Shares	**66 204**	**5 950 584**	**4 341 498**	**345 655**
Weighted average share price	**90.63**	**9.62**	**38.40**	**95.05**

44. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2019			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	500 883	17 157 432	11 881 092	1 292 869
Granted	326 407	7 486 846	1 365 536	350 713
Exercised	(37 789)	(2 701 047)	(398 763)	(230 250)
Forfeited	(113 232)	(1857 849)	(268 118)	(142 389)
Outstanding at 31 March	676 269	20 085 382	12 579 747	1 270 943
Available to be implemented at 31 March	93 874	5 534 311	7 649 628	360 394
Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	69.13	5.99	17.73	44.69
Granted	82.03	8.50	33.43	75.16
Exercised	61.62	5.44	18.66	42.11
Forfeited	70.30	7.39	26.67	46.74
Outstanding at 31 March	75.58	6.87	19.21	53.34
Available to be implemented at 31 March	69.11	5.37	16.40	43.00
Weighted average share price of options taken up during the year				
Shares	37 789	2 701 047	398 763	230 250
Weighted average share price	82.03	8.50	32.38	75.16

44. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2020 by exercise price for the group's significant share incentive plans:

	Share options outstanding			Share options currently available	
Exercise prices	Number outstanding at 31 March 2020	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2020	Weighted average exercise price
Naspers (SA rand)					
241.86 to 347.87	**6 223**	**1.47**	**294.14**	**35 440**	**51.65**
376.56 to 767.87	**11 784**	**2.63**	**545.77**	**11 784**	**545.77**
780.66 to 1272.64	**9 647**	**3.69**	**938.66**	**9 647**	**938.66**
1371.85 to 1477.86	**26 585**	**4.61**	**1 377.13**	**26 585**	**1 377.13**
1594.50 to 1700.51	**9 502**	**5.48**	**1 640.47**	**6 215**	**1 639.45**
1740.83 to 1962.86	**9 245**	**5.72**	**1 781.67**	**4 984**	**1 766.05**
2323.50 to 2839.86	**20 663**	**6.72**	**2 526.23**	**6 312**	**2 566.54**
2945.87 to 3100.99	**21 806**	**8.08**	**3 062.05**	**6 301**	**3 046.22**
3207.00 to 3207.00	**7 429**	**8.24**	**3 207.00**	**1 061**	**3 207.00**
	122 884			**108 329**	
MIH Holdings (SA rand)					
0 to 197.88	**1 833**	**0.44**	**197.88**	**60 200**	**6.03**
241.88 to 271.30	**9 182**	**0.81**	**266.27**	**9 182**	**266.27**
328.71 to 376.58	**21 668**	**2.28**	**335.63**	**21 668**	**335.63**
440.88 to 482.59	**2 108**	**2.65**	**444.44**	**2 108**	**444.44**
661.88 to 1 046.88	**59 463**	**3.65**	**861.68**	**59 463**	**861.68**
1 272.66 to 1 634.84	**47 610**	**4.80**	**1402.07**	**40 589**	**1 362.68**
1 700.53 to 2 037.86	**3 458**	**5.62**	**1778.99**	**1 897**	**1 758.68**
2 068.89 to 2 380.94	**25 271**	**7.50**	**2314.02**	**4 681**	**2 323.09**
2 429.53 to 2 839.88	**40 041**	**8.00**	**2741.39**	**13 079**	**2 799.58**
2 888.51 to 3 179.88	**12 120**	**8.16**	**3070.89**	**3 004**	**3 058.13**
3 207.00 to 3 420.55	**59 259**	**9.22**	**3402.78**	**506**	**3 207.00**
	282 013			**216 377**	
MIH Services (SA rand)					
197.88 to 241.88	**14 544**	**0.89**	**217.14**	**14 544**	**217.14**
256.23 to 303.89	**14 084**	**1.09**	**278.79**	**14 084**	**278.79**
328.71 to 376.58	**45 025**	**2.39**	**364.76**	**45 025**	**364.76**
440.88 to 780.68	**94 881**	**2.75**	**554.00**	**94 881**	**554.00**
864.76 to 1 196.88	**862 486**	**3.99**	**1 046.78**	**862 486**	**1 046.78**
1 196.88 to 1 371.87	**53 881**	**4.45**	**1 284.94**	**53 881**	**1 284.94**
1 378.67 to 1 594.52	**15 511**	**5.19**	**1 565.57**	**11 834**	**1 556.57**
1 634.84 to 1 740.85	**52 156**	**5.47**	**1 652.91**	**30 693**	**1 654.78**
1 741.27 to 1 992.88	**42 505**	**6.28**	**1 856.54**	**18 942**	**1 852.55**
2 056.88 to 2 438.37	**440 239**	**7.06**	**2 473.00**	**166 526**	**2 530.47**
2 945.89 to 3 380.00	**356 198**	**8.55**	**3 199.95**	**58 334**	**3 106.22**
3 494.00 to 3 809.00	**27 974**	**9.07**	**3 524.05**	**1 962**	**3 707.96**
	2 019 484			**1 373 192**	

44. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2020 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	**Number outstanding at 31 March 2020**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Exercisable at 31 March 2020**	**Weighted average exercise price**
Avito (US$)					
54.86 to 90.63	**1 069 438**	8.65	83.51	**183 001**	73.78
Naspers Global Classifieds (US$)					
3.54 to 6.15	**4 336 093**	5.73	21.37	**2 427 052**	4.87
7.64 to 8.50	**8 059 022**	7.96	61.69	**1 723 698**	8.08
9.62	**9 755 881**	9.34	87.76	**-**	-
	22 150 996			**4 150 750**	
Naspers Global Ecommerce (US$)					
15.58 to 20.45	**5 661 617**	4.72	16.25	**5 211 002**	15.95
23.61 to 31.42	**1 464 865**	7.44	27.40	**524 831**	27.26
31.84 to 33.78	**1 067 619**	8.25	33.56	**198 388**	33.56
36.31 to 39.01	**1 489 232**	9.28	36.75	**-**	-
	9 683 333			**5 934 221**	
Naspers Fintech (US$)					
39.10 to 43.51	**312 834**	5.84	11.92	**197 684**	40.75
58.44 to 95.18	**894 620**	8.63	68.35	**126 965**	66.89
	1 207 454			**324 649**	

44. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2020			
	Naspers (SA rand)	Naspers RSU (SA rand)	MIH Holdings (SA rand)	MIH Services (SA rand)
Weighted average fair value at measurement date	-	3 251.25	1 177.73	1 148.79
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	-	3 252	3 217	3 329
Weighted average exercise price	-	-	3 217	3 329
Weighted average expected volatility (%)*	-	-	32.9%	32.9%
Weighted average option life (years)	-	2.50	10.00	10.00
Weighted average dividend yield (%)	-	-	0.2%	0.2%
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	-	-	8.1%	8.0%
Weighted average annual suboptimal rate (%)	-	-	223.0%	340.0%
Weighted average vesting period (years)	-	2.5	2.5	2.5

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

44. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2019			
	Naspers (SA rand)	Naspers RSU (SA rand)	MIH Holdings (SA rand)	MIH Services (SA rand)
Weighted average fair value at measurement date	1 128.97	3 140.09	1 122.86	1 111.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	3 160	-	3 078	3 113
Weighted average exercise price	3 160	-	3 078	3 113
Weighted average expected volatility (%)*	34.0%	-	35.8%	34.0%
Weighted average option life (years)	10.0	2.5	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	0.2%	0.2%
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8.4%	-	8.4%	8.4%
Weighted average annual suboptimal rate (%)	340.0%	-	340.0%	340.0%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

44. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US$)	Naspers Global Classifieds (US$)	Naspers Global Ecommerce (US$)	Naspers Fintech (US$)
31 March 2020				
Weighted average fair value at measurement date	**24.19**	**2.56**	**13.93**	**36.70**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	**90.63**	**9.62**	**36.75**	**95.18**
Weighted average exercise price	**90.63**	**9.62**	**36.75**	**95.18**
Weighted average expected volatility (%)*	**24.9%**	**24.7%**	**37.9%**	**38.9%**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**	**10.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**1.9%**	**1.9%**	**2.0%**	**1.9%**
Weighted average annual suboptimal rate (%)	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Weighted average vesting period (years)	**2.5**	**2.5**	**2.5**	**2.5**
Share price at measurement date	**90.63**	**9.62**	**36.75**	**95.18**
31 March 2019				
Weighted average fair value at measurement date	26.61	2.72	13.07	27.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	82.03	8.50	33.63	75.16
Weighted average exercise price	82.03	8.50	33.63	75.16
Weighted average expected volatility (%)*	29.9%	29.2%	38.0%	35.3%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.8%	2.8%	2.9%	2.9%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5
Share price at measurement date	82.0	8.5	33.6	75.2

* *The weighted average expected volatility of all share options listed above is determined using historical daily share price.*

Various early exercise expectations were calculated based on historical exercise behaviours.

44. EQUITY COMPENSATION BENEFITS (continued)

Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the statement of financial position relating to the group's cash-settled share-based payment obligations:

	31 March	
	2020 US$'m	2019 US$'m
Share-based payment liability		
Total carrying amount of cash-settled share-based payment liability	**58**	16
Current portion of share-based payment liability	**(18)**	(16)
Non-current portion of share-based payment liability	**40**	-

Reconciliation of the cash-settled share based payment liability

	31 March	
	2020 US$'m	2019 US$'m
Opening carrying amount of cash settled liability	**16**	40
Charge as per the income statement	**3**	7
Additions	**41**	-
Settlement	**(2)**	(31)
Closing carrying amount of cash-settled share based payment liability	**58**	16

As at 31 March 2020 100% of the share-based payment liability relates to vested share-based compensation plans that have not been exercised. Included in the share-based payment liability and the current year cash-settled share-based payment expense is an amount of US$34.9m that arose upon acquisition of FCG, Extreme Digital, PaySense, and Iyzico (Refer to note 3 for further details). The share-based payment liability is recognised as a result of the written put option included in the acquisition agreement that is linked to a committed employment period of Founders of the respective subsidiaries. The value on settlement of the put options will be dependent on the completion of the respective employment period and accordingly impacts the non-controlling interest recognised for these subsidiaries.

45. SUBSEQUENT EVENTS

In March 2020 it was announced that OfferUp and letgo US, two of America's most popular apps to buy and sell locally, intend to combine their businesses in the United States. The OLX group will therefore contribute its US letgo business plus cash of US$100m. The OLX group will own 40% of the newly combined entity. The transaction received regulatory approval and is expected to close on 1 July 2020. The group expects to account for its interest in OfferUp as an equity accounted associate (refer to note 17).

In March 2020 MIH Movile Holding B.V. (Movile) signed an agreement to sell its subsidiary Wavy Global Holdings B.V. (Wavy) to Stockholm-based customer engagement platform, Sinch AB, in exchange for cash of approximately US$68m (approximately BRL 355m) and a 2.70% equity investment in Sinch AB. The transaction is subject to regulatory approval. The group expects to account for its interest in Sinch AB as an investment at fair value through other comprehensive income.

On 26 April 2020, OLX Global B.V. (OLX) merged its subsidiary, Dubizzle Ltd (B.V.I.) the leading classifieds platform for users in the United Arab Emirates (UAE), with Emerging Markets Property Group (EMPG). EMPG owns and operates bespoke classifieds portals in different emerging markets across the world including Bayut in Dubai, Zameen in Pakistan, and Mubawab in Morocco North Africa. The group also contributed cash of approximately US$75m. Following the transaction, the group will hold a 39% interest in EMPG. The group will account for its interest in EMPG as an investment in associate.

The group has various equity compensation plans in operation, the majority of which are classified as equity settled. In terms of these plans, employees are offered awards in the form of either share options, restricted stock units (RSUs) or share appreciation rights (SARs). The details of these plans are set out in note 45 "Equity compensation plans".

Currently, gains on SAR plans are settled in Naspers N ordinary shares, although plan rules also allow for cash settlement. The Naspers N ordinary shares are purchased on market at the time of settlement, when the participants exercise their SAR awards. Naspers N ordinary shares required for all the various equity compensation plans are purchased on the open market in order to prevent dilution of other shareholders interests. Accordingly, based on this, these SAR plans have been classified as equity-settled share-based payment plans.

On 24 April 2020 the Naspers board approved a prospective change in the settlement mechanism for the group's SAR plans from settlement in Naspers N ordinary shares to using cash resources for settlement. Going forward, gains made by participants on exercise of their SAR awards will now be settled in cash, rather than in Naspers N ordinary shares. All other features of the awards including strike price, vesting and expiry periods remain unchanged. Further the settlement for share options and RSUs also remain unchanged and they will continue to be classified as equity-settled share-based payments expenses.

The fair value of the SAR awards on the effective date of the change, of 24 April 2020, is approximately US$322m and will be recognised as a share-based payment liability. The share-based payment reserve related to these SAR awards is US$80m. The change in settlement will be accounted for as a modification, with the difference between the existing share-based payment reserve and the share-based payment liability being recognised through retained earnings in equity. The SAR plans will be accounted for in terms of the group's accounting policy in respect of cash-settled share-based payments. At the end of each reporting period, the group remeasures the fair value of the recognised liability and at the date of settlement, with any changes in fair value recognised in the income statement.

NASPERS

Company annual financial statements

for the year ended 31 March 2020

These company annual financial statements are presented in SA rand which is the company's functional and presentation currency

Cape Town, South Africa

Company statement of financial position

for the year ended 31 March 2020

	Notes	31 March 2020 R'm	31 March 2019 R'm
ASSETS			
Non-current assets		**1 296 767**	65 110
Investments in subsidiaries	2	**1 295 686**	6 953
Loans to subsidiaries	3	**1 074**	58 144
Property, plant and equipment	4	**2**	2
Investment at fair value through other comprehensive income	5	**5**	11
Current assets		**4 247**	3 783
Other receivables	6	**8**	5
Related party receivables	7	**4 142**	3 424
Cash and cash equivalents	20	**97**	338
		4 247	3 767
Assets classified as held for sale	8	**-**	16
TOTAL ASSETS		**1 301 014**	68 893
EQUITY AND LIABILITIES			
Shareholders' equity		**1 299 434**	68 477
Share capital and premium	9	**44 414**	66 686
Other reserves		**1 300**	1 309
Retained earnings		**1 253 720**	482
Non-current liabilities		**4**	4
Post-employment medical liability	10	**3**	3
Other non-current liabilities		**1**	1
Current liabilities		**1 576**	412
Amounts owing in respect of investments acquired	11	**9**	9
Accrued expenses and other current liabilities	12	**1 519**	361
Related party payables	7	**25**	23
Dividends payable		**23**	19
TOTAL EQUITY AND LIABILITIES		**1 301 014**	68 893

The accompanying notes are an integral part of these company annual financial statements.

Company statement of comprehensive income

for the year ended 31 March 2020

	Notes	31 March 2020 R'm	31 March 2019 R'm
Revenue	13	**1 260 346**	53 300
Selling, general and administration expenses	14	**(254)**	(280)
Other losses - net	15	**(2 034)**	-
Operating profit		**1 258 058**	53 020
Interest income	16	**447**	117
Interest expense	16	**-**	(63)
Other finance income/(costs) - net	16	**137**	2
Loss on acquisitions and disposals	17	**(616)**	(355)
Profit before taxation		**1 258 026**	52 721
Taxation	18	**(1 464)**	2
Profit for the year		**1 256 562**	52 723
Other comprehensive income[1]		**(2)**	-
Total comprehensive income for the year		**1 256 560**	52 723

[1] All components of other comprehensive income will not subsequently be reclassified to profit or loss.

The accompanying notes are an integral part of these company annual financial statements.

Company statement of changes in equity

for the year ended 31 March 2020

	Share capital and premium		Share-based compen-sation reserve	Valuation reserve	Retained earnings	Total
	A shares R'm	N shares R'm	R'm	R'm	R'm	R'm
Balance at 1 April 2018	18	66 727	9	1 296	3 839	71 889
Total comprehensive income for the year	-	-	-	-	52 723	52 723
Treasury share movement	-	(59)	-	-	-	(59)
Share-based compensation reserve movement	-	-	7	-	-	7
Transfers to non-distributable reserves	-	-	(3)	-	3	-
Dividends[(1)]	-	-	-	-	(2 834)	(2 834)
Distribution in specie[(2)]	-	-	-	-	(53 249)	(53 249)
Balance at 31 March 2019	18	66 668	13	1 296	482	68 477
Balance at 1 April 2019	**18**	**66 668**	**13**	**1 296**	**482**	**68 477**
Total comprehensive income for the year	**-**	**-**	**-**	**(2)**	**1 256 562**	**1 256 560**
Profit for the year	**-**	**-**	**-**	**-**	**1 256 562**	**1 256 562**
Total other comprehensive income for the year	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Treasury share movement	**-**	**134**	**-**	**-**	**-**	**134**
Share-based compensation reserve movement	**-**	**-**	**1**	**-**	**-**	**1**
Transfers to non-distributable reserves	**-**	**-**	**(8)**	**-**	**8**	**-**
Share repurchase[(3)]	**-**	**(22 407)**	**-**	**-**	**-**	**(22 407)**
Dividends[(1)]	**-**	**-**	**-**	**-**	**(3 134)**	**(3 134)**
Capitalisation issue[(4)]	**1**	**-**	**-**	**-**	**(198)**	**(197)**
Balance at 31 March 2020	**19**	**44 395**	**6**	**1 294**	**1 253 720**	**1 299 434**

[(1)] The company declared a dividend per share of 715 SA cents (2019: 650 SA cents) per listed N ordinary share and 143 SA cents (2019: 130 SA cents) per unlisted A ordinary share. The dividend was approved on 23 August 2019 (2019: 24 August 2018). A cash amount of R3.1bn (2019: R2.8bn) was paid on 16 September 2019 (2019: 17 September 2018).

[(2)] In the prior year, MultiChoice Group Limited was distributed to shareholders.

[(3)] Refer to note 9 for further details relating to the share repurchase programme.

[(4)] Relates to the additional shares issued pursuant to the Prosus N.V. listing during the current year.

The accompanying notes are an integral part of these company annual financial statements.

Company statement of cash flows

for the year ended 31 March 2020

	Notes	31 March 2020 R'm	2019 R'm
Cash flows from operating activities			
Cash utilised in operations	19	**(1 017)**	(290)
Interest income received		**344**	117
Interest expense paid		**-**	(63)
Dividends received		**3 177**	-
Taxation (paid)/refunded	18	**(1 464)**	12
Net cash generated from/(utilised in) operating activities		**1 040**	(224)
Cash flows from investing activities			
Short-term marketable equity instruments acquired		**-**	(74)
Cash received from other investments and loans		**17**	-
Additional investment in subsidiary[(1)]		**(563)**	-
Proceeds received from sale of Prosus N.V. shares[(2)]		**23 543**	-
Loans repaid by subsidiaries		**947**	3 433
Net cash generated from investing activities		**23 944**	3 359
Cash flows from financing activities			
Proceeds from issue of share capital [(3)]		**75**	14
Payments to shareholders in respect of the share repurchase programme[(4)]		**(22 407)**	-
Dividends paid[(5)]		**(3 131)**	(2 848)
Net cash utilised in financing activities		**(25 463)**	(2 834)
Net (decrease)/increase in cash and cash equivalents		**(479)**	301
Foreign exchange translation adjustments on cash and cash equivalents		**238**	5
Cash and cash equivalents at the beginning of the year		**338**	32
Cash and cash equivalents at the end of the year	20	**97**	338

[(1)] In September 2019 the company purchased an additional share in its subsidiary MIH Holdings for R563.4m cash, refer to note 2 for further details.

[(2)] Refer to note 2 for further details on the investment in Prosus N.V.

[(3)] Relates to shares acquired by participants from the Naspers equity compensation plan upon the vesting of their equity compensation awards. Once shares are acquired by participants they are no longer accounted for as treasury shares and result in an increase in N ordinary share capital and premium. This together with gains and losses arising from the vesting of compensation awards is reflected as a net movement in the statement of changes in equity.

[(4)] Refer to note 9 for further details relating to the share repurchase programme.

[(5)] Refer to the statement of changes in equity for further details relating to the dividends paid.

The accompanying notes are an integral part of these company annual financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The company annual financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act No 71 of 2008.

Accounting policies

The accounting policies of the company are the same as those of the group, where applicable (refer to note 2 of the consolidated annual financial statements), specifically as regards:

- Investments at fair value through other comprehensive income; and
- Financial assets measured at amortised cost.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the company annual financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements and includes the directly attributable costs of acquiring investments. Loans receivable which are forgiven are recognised as a capital contribution to the subsidiary and are measured at cost (represented by the carrying amount of the loan) at the date of the contribution.

IFRS 9 *Financial Instruments*

Classification of loans to subsidiaries

Loans to subsidiaries, related party receivables and cash and cash equivalents are classified as financial assets at amortised cost as these items are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the company considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

In terms of IFRS 9, an intercompany loan may only be accounted for in terms of IAS 27 if it meets the definition of an equity instrument from the perspective of the subsidiary to which the loan has been granted.

Accordingly, as all loans extended to subsidiaries of the company are accounted for as debt instruments by the relevant subsidiaries, the company has applied the recognition and measurement provisions of IFRS 9 to these loans.

Measurement of financial assets at amortised cost

The company applied the measurement provisions of IFRS 9, including those relating to impairment allowances on financial assets at amortised cost, to all financial instruments within the measurement scope of IFRS 9. The company's impairment methodology related to financial assets at amortised cost is detailed in note 3 of the company annual financial statements.

Accounting judgements and sources of estimation uncertainty

The preparation of the company financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates, assumptions and judgements affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Accounting judgements and sources of estimation uncertainty (continued)

Following the listing of the company's subsidiary, Prosus N.V. on the Euronext Amsterdam, MIH Holdings (Proprietary) Limited ("MIHH"), a wholly owned subsidiary of Naspers Limited, distributed its 73.84% interest in Prosus N.V. to Naspers Limited on 13 September 2019 as a dividend in specie.

This dividend in specie (investment in Prosus N.V.) was recognised in Naspers Limited's annual financial statements at the fair value of the Prosus N.V. investment. In calculating the fair value, the company determined that the share price of Prosus N.V. for the first 15 days of trading did not represent an orderly transaction on account of the trading volumes during this period. Consequently, the volume-weighted average share price (VWAP) determined over the following 15 days of trading was considered more representative of the fair value of Prosus N.V. in an orderly transaction. Please refer to note 2 for the details of this investment.

The portion of the distribution of Prosus N.V. from MIHH that represents a return of capital, was accounted for as a reduction of its investment in MIHH. The remainder of the distribution received from MIHH was recognised as dividend income. As a result of the dividend received from MIHH, Naspers assessed the remaining carrying amount of its investment in MIHH for impairment.

Equity compensation benefits

The significant judgements and estimates related to equity compensation benefits are the same as those of the group where applicable. Refer to note 2 of the consolidated financial statements.

Dividends distributed to shareholders

Dividends are accounted for in the period that they have been declared by the company and are directly charged to equity.

Impairment of investments

The company periodically evaluates the carrying value of assets when events and circumstances indicate that the carrying value may not be recoverable. Factors that the company considers important, which could trigger an impairment review include, but are not limited to, significant under-performance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the company's overall business, significant negative industry or economic trends that are likely to prevail into the long-term and the market capitalisation of listed investments relative to its net book value. The carrying value of an asset is considered impaired when the recoverable amount of such an asset is separately identifiable and is less than its carrying value. In that event, a loss is recognised based on the amount by which the carrying value exceeds the fair value of the asset. Impairments that are recognised, are recognised in the profit or loss account. An impairment loss is directly recognised in the profit or loss account while the carrying amount of the asset concerned is concurrently reduced.

The recoverable amount is determined primarily using anticipated cash flows discounted at a rate commensurate with the risk involved or the last traded price for listed investments. The revenue growth rates and profit margins (EBITDA margins) used to estimate future performance are based on past performance and our expectations for growth rates and profit margins achievable in the markets and businesses the companies are active in. In addition to the forecasts used in the impairment assessments, sensitivity analyses have been prepared.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Accounting judgements and sources of estimation uncertainty (continued)

Impairment of investments (continued)

Assets to be disposed of are recorded at the lower of their cost and fair value, reduced by the estimated costs to dispose of the asset. The realisable value is determined based on the active market, whereby the prevailing bid price is taken as market price. The costs deducted in determining net realisable value are based on the estimated costs that are directly attributable to the sale and are necessary to realise the sale.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

2. INVESTMENTS IN SUBSIDIARIES

The following information relates to Naspers Limited's direct interest in its significant subsidiaries:

Name of subsidiary	Functional currency	Effective percentage interest*		Direct investment in shares		Nature of business	Country of incorporation
		2020 %	2019 %	**2020 R'm**	2019 R'm		
Listed companies							
Prosus N.V.[1]	US$	**72.5**		**1 273 705**		Investment holding	The Netherlands
Unlisted companies							
MIH Holdings Proprietary Limited[2]	ZAR	**100.0**	100.0	**20 455**	5 452	Investment holding	South Africa
Media24 Holdings Proprietary Limited[3]	ZAR	**85.0**	85.0	**1 526**	1 501	Investment holding	South Africa
Heemstede Beleggings Proprietary Limited	ZAR	**100.0**	100.0	**-**	-	Investment holding	South Africa
Naspers Properties Proprietary Limited	ZAR	**100.0**	100.0	**-**	-	Property holding	South Africa
				1 295 686	6 953		

* *The percentage interest shown is the effective financial interest, after disregarding the interest of any equity compensation plans treated as treasury shares.*

[1] *In September 2019 the company received the Prosus N.V. investment through a distribution by its subsidiary MIH Holdings Proprietary Limited. This investment was initially recognised at a fair value of R1 297.4bn as at the date of distribution. In January 2020 the company sold 22 million N ordinary shares in Prosus N.V. at a price per share of €67.50, resulting in gross proceeds of approximately R23.5bn. As a result of the sale the investment was reduced to R1 273.7bn. The company recognised a loss on disposal of R199.0m as part of "Loss on acquisitions and disposals" in the statement of comprehensive income.*

[2] *In September 2019 the company purchased two additional shares in MIH Holdings Proprietary Limited, one was in full and final settlement of the full debt to the value of R55.0bn owed to it by MIH Holdings Proprietary Limited for no consideration, the other was for a cash consideration of R563.4m. The investment was subsequently reduced to R20.5bn when MIH Holdings Proprietary Limited distributed its investment in Prosus N.V. (as noted above) as a dividend in specie to the company.*

[3] *In March 2020, the loan to the Media24 Holdings Proprietary Limited group was restructured. The company ceded its rights and contributed its claims of R558.5m to Media24 Proprietary Limited for no consideration. The investment in Media24 was subsequently assessed to be impaired by R533.6m as at 31 March 2020.*

2. INVESTMENTS IN SUBSIDIARIES (continued)

Impairment assessment

At the end of each year, the company assesses whether there is an indication that the company's investments in subsidiaries are impaired. The impairment assessment is performed at the level of Prosus N.V., MIH Holdings Proprietary Limited and Media24 Holdings Proprietary Limited. The recoverable amounts of these investments have been determined based on the higher of the value in use and the fair value less costs of disposal.

The recoverable amount of Prosus N.V. is based on its listed market price. As part of our impairment testing, we also compared the market value of Prosus N.V. shares held by the company to the carrying value of the investment recognised on the statement of financial position. The market capitalisation of €102.81bn (or US$112.80bn) of Prosus N.V. shows a discount to the amount of its underlying investments. We considered that it is common that investment holding companies trade at a discount to the fair value on a controlling basis of their underlying assets. Holding company discounts vary significantly but are normally in the 10-40% range although, in some cases, this can extend to over 50%. The reasons for holding company discounts can vary according to each company’s specific circumstances, but can include management costs, tax leakage, governance and shareholder structure, information asymmetry and perceived reinvestment risk. Since listing on 11 September 2019, Prosus has mostly been trading between a 15% and 35% discount to its equity value. Based on our analysis we conclude that this discount does not as such – result in an additional reduction of the value used in the impairment assessment of Prosus subsidiaries and associates. The total market value of the listed marketable securities held by Prosus NV at 31 March 2020 was approximately US$150bn. As the market value of the Prosus N.V shares held by the company exceeds the carrying value recognised on the statement of financial position, no impairment was recognised for this investment.

The recoverability of the carrying amounts of MIH Holdings Proprietary Limited and Media24 Holdings Proprietary Limited were tested through a sum of the recoverable amounts of their underlying investments using a combination of value in use calculations and quoted prices for listed investments.

The value in use is based on discounted cash flow calculations. The company based its cash flow calculations on up to ten-year budget and forecast information of the underlying entities. Forecasts are approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the entity, were used to extrapolate cash flows into the future. Terminal growth rates used in the calculation range between 0% and 5% and post-tax discount rates range between 14% and 17%.

The company's impairment assessment takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. Key assumptions in estimating these future cash flows over the forecast period include the entity's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale.

Value in use calculations are performed using the appropriate operational cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate. Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

The calculation of value in use is most sensitive to the following assumptions:

- revenue growth rates;
- expected EBITDA margins
- growth rates used to extrapolate cash flows beyond the budget and forecast period, including the terminal growth rate applied
  in the final projection year; and
- discount rates.

2. INVESTMENTS IN SUBSIDIARIES (continued)

Impairment assessment (continued)

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the diverse range of businesses. The aggregate carrying amount pertaining to the investment in MIH Holdings Proprietary Limited and Media24 Holdings Proprietary Limited, amounting to R20.5bn and R1.5bn respectively, is especially sensitive to changes in the underlying assumptions.

Key assumptions underlying revenue forecasts for the ecommerce businesses include the entities' anticipated market share. The ecommerce assets are at various life stages and the early stage investments are more sensitive to changes in assumptions.

The company adjusted cash flow projections and budgets to include the effects of the Covid-19 pandemic. This adjustment took into account the impact of the pandemic on revenue and margins as well as the periods of interruptions to business operations as a result of lock-down trading restrictions. The company also updated its discount rates where required. Covid-19 has had a broad impact, with the restrictions impacting some businesses negatively where they are unable to operate and on the other hand, having a positive impact on other major business operations where online services and sale of goods is the primary solution for social distancing measures imposed. At 31 March an impairment of R533.6m was recognised for the company’s investment in Media24 Holdings Proprietary Limited as the business was not performing in line with expectations. The adjusted forecasts and budgets of the underlying businesses of Media24 based on the best estimate post the Covid-19 pandemic resulted in the recognition of impairment. The impairment loss primarily related to Media24’s print media businesses which was negatively impacted by the Covid-19 pandemic.

We performed sensitivity analyses on the underlying discounted cash flow calculations. These analyses reveal that the values are highly sensitive and adjustments to the expected future cashflows, or higher discount rates, could result in an impairment. The main inputs for the expected future cashflows are revenue growth, profit margins, discount rates and long-term growth rates on which sensitivity analyses have been prepared. Reasonable possible changes on the revenue growth rates, profit margins and discount rates used to estimate future performance have been assessed as to whether it impacts the recoverable amounts of the company’s investments in subsidiaries. It has been determined that some investments are more sensitive to changes than others.

For MIH Holdings Proprietary Limited, If either the pre- or post-tax discount rate applied to cash flows were to increase relatively by 5% or the growth rate used to extrapolate cash flows were to decrease relatively by 5%, or if both the discount rate and the growth rate were to increase and decrease relatively by 5% respectively, there would be no impairments that would have to be recognised.

For Media24 Holdings Proprietary Limited a 2% change in the discount rate would have the following impact on the value in use calculations used in determining the recoverable amount of the investment:

- an increase in the discount rate by 2% would result in a decrease in the valuation by R182.2m which would increase the impairment;
- a decrease in the discount rate by 2% increases the valuation by R273.0m which would decrease the impairment.

A 1% change in the growth rate used in the value in use calculations of Media24 Holdings Proprietary Limited would have the following impact on the value in use calculations used in determining the recoverable amount of the investment:

- an increase in the growth rate by 1% would result in an increase in the valuation by R65.4m which would decrease the impairment;
- a decrease in the growth rate by 1% decreases the valuation by R53.2m which would increase the impairment.

3. LOANS TO SUBSIDIARIES

	31 March	
	2020	2019
	R'm	R'm
Loans to subsidiaries		
Media24 Holdings Proprietary Limited[1]	**-**	523
MIH Holdings Proprietary Limited[1]	**720**	54 637
Naspers Properties Proprietary Limited	**354**	365
MIH Services FZ LLC Share Trust[2]	**-**	2 619
	1 074	58 144

[1] *Refer to note 2 for details on the decrease in loan balances.*

[2] *In April 2020 the loan was fully repaid and therefore reclassified to related party receivables balances (refer to note 7) in the current reporting period.*

Loans to subsidiary companies do not have any fixed repayment terms and are interest free, except for R180.0m (2019: R180.0m) of the Naspers Properties Proprietary Limited loan account which bears interest at a rate of prime less 2% (2019: prime less 2%).

As a result of loans to subsidiary companies having no fixed repayment terms, these loans are considered to be repayable on demand by the company and accordingly the effect of discounting these loans is insignificant.

The company establishes allowances for credit losses (impairment allowances) on loans to subsidiaries equal to the 12-month expected credit losses on these items unless there has been a significant increase in credit risk since initial recognition of these loans. Where there has been a significant increase in credit risk since initial recognition, impairment allowances are adjusted to equal the lifetime expected credit losses on these loans.

At 31 March 2020 the impairment allowances related to loans to subsidiaries were not significant on account of the loan counterparties' holdings of substantial highly liquid marketable securities, cash/short-term cash investment balances and fixed commercial property. These holdings by the counterparties significantly exceed their obligations, including their liabilities towards the company, and accordingly mitigate the credit risk arising from these loans significantly.

4. PROPERTY, PLANT AND EQUIPMENT

	31 March		
	Office equipment R'm	**Total 2020 R'm**	Total 2019 R'm
Cost			
Opening balance	**4**	**4**	4
Acquisitions	**-**	**-**	-
Closing balance	**4**	**4**	4
Accumulated depreciation			
Opening balance	**(2)**	**(2)**	(2)
Depreciation	**-**	**-**	-
Closing balance	**(2)**	**(2)**	(2)
Cost	**4**	**4**	4
Accumulated depreciation and impairment	**(2)**	**(2)**	(2)
Carrying value	**2**	**2**	2

5. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 March	
	2020 R'm	2019 R'm
Investment in the MultiChoice Group Limited shares	**5**	11
	5	11

The investment in the MultiChoice Group Limited (the MultiChoice Group) relates to shares received by share-incentive trusts and other Naspers group companies that held Naspers Limited N-ordinary shares (as treasury shares) at the time of distribution of the group's interest in the MultiChoice Group to its shareholders in 2019. In 2019 the company classified the MultiChoice Group shares with a fair value of R16.0m as held for sale (refer to note 8), as these shares were disposed of on 21 July 2019. The remaining MultiChoice Group shares, with a fair value of R4.5m (2019: R11.0m) are held by the Naspers Share Incentive Trust and will be utilised when relevant awards are settled with participants on exercise. To this extent, a cash-settled share-based payment liability of R4.5m (2019: R11.0m) has been raised (refer to note 12).

6. OTHER RECEIVABLES

	31 March	
	2020 R'm	2019 R'm
Prepaid expenses	**6**	5
Other	**2**	-
	8	5

7. RELATED PARTY TRANSACTIONS AND BALANCES

For details on related party loans, interest and dividends received refer to notes 3 and 13.

	31 March	
	2020 R'm	2019 R'm
Related party receivables		
MIH Treasury Services Proprietary Limited	**2 221**	3 422
Prosus N.V. (formerly Myriad International Holdings N.V.)	**2**	2
Prosus Services B.V.	**10**	-
MIH Services FZ LLC Share Trust	**1 909**	-
	4 142	3 424
Related party payables		
MIH Holdings Proprietary Limited	**(13)**	(16)
Prosus N.V. (formerly Myriad International Holdings N.V.)	**-**	(6)
Prosus Services B.V.	**(11)**	-
Media24 Proprietary Limited	**(1)**	(1)
	(25)	(23)

Related party receivables are due within 30 days from statement date and are interest free. These financial assets are considered, by nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS 9. As the amounts owing are due by group companies, the impairment assessment takes into account the default of the Naspers group on external debt as well as the existence of collateral, letters of support by group companies and re-adjusted budgets and forecasts of group companies as a result of the Covid-19 pandemic's impact on operations. Budget forecasts consider the businesses remaining operational amidst lock-down restrictions. As at 31 March 2020, impairment allowances on related party receivables were not significant.

	2020 R'000	2019 R'000
Directors' emoluments		
Executive directors		
Paid by other companies in the group	**81 351**	64 090
Non-executive directors		
Fees for services as directors	**44 480**	62 988
Fees for services as directors of subsidiary companies	**34 233**	7 022
	160 064	134 100

Based on the principal activities of the company as holding company, the transactions disclosed in the notes are related party transactions. The financial statement impact and nature of the transactions are disclosed in the respective notes. Refer to note 18 of the consolidated annual financial statements for disclosure on executive and non-executive directors' remuneration.

8. ASSETS CLASSIFIED AS HELD FOR SALE

At 31 March 2019 the company classified MultiChoice Group shares with a fair value of R16.0m as held for sale as these shares were to be disposed of within 12 months after the end of the reporting period. These MultiChoice Group shares were disposed of on 21 July 2019.

	31 March	
	2020 R'm	2019 R'm
Assets classified as held for sale		
Investments at fair value through other comprehensive income	**-**	16
	-	16

9. SHARE CAPITAL AND PREMIUM

	31 March	
	2020 R'm	2019 R'm
Authorised		
1 250 000 A ordinary shares of R20 each	**25**	25
500 000 000 N ordinary shares of 2 cents each	**10**	10
	35	35
Issued		
961 193 A ordinary shares of R20 each (2019: 907 128)	**19**	18
435 511 058 N ordinary shares of 2 cents each (2019: 438 656 059)	**9**	9
Share capital	**28**	27
Share premium	**44 130**	66 537
Share capital and premium	**44 158**	66 564
Cumulative effect of treasury shares used in equity compensation plans[1]	**256**	122
	44 414	66 686

[1] Refers to the cumulative net effect on share premium of treasury shares held at cost and gains and losses arising on vesting of equity compensation awards.

Share repurchase programme

In January 2020 the company sold 22 million N ordinary shares in Prosus N.V. (a 1.35% effective interest in the Prosus N.V. investment) to institutional investors. The net proceeds from the sale of the Prosus N.V. shares were used over time to return capital to Naspers shareholders in the form of a share repurchase programme. The share repurchase programme was completed in March 2020. As at 31 March 2020, Naspers has repurchased 9 156 705 N ordinary shares. These shares were cancelled on the repurchase date. The repurchase programme resulted in a decrease in share capital and premium of R22.4bn.

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share. In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to nominal dividends, however, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled. In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.

Refer to note 19 of the consolidated annual financial statements for further details on voting and dividend rights, treasury shares and unissued share capital.

Capital management, unissued shares and valuation reserve

Refer to notes 19 and 20 of the consolidated annual financial statements for the group’s capital management policy and more details regarding the nature of the valuation reserve.

9. SHARE CAPITAL AND PREMIUM (continued)

	2020 Number of shares	2019 Number of shares
Movement in ordinary shares in issue during the year		
Ordinary shares in issue at 1 April	**439 563 187**	439 563 187
N ordinary shares issued[1]	**6 011 704**	-
A ordinary shares issued[1]	**54 065**	-
Shares acquired as part of the share repurchase programme	**(9 156 705)**	-
Shares in issue at 31 March	**436 472 251**	439 563 187
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**225 523**	218 864
Shares purchased by the Naspers equity compensation plan[2]	**-**	22 792
Additional shares received pursuant to the Prosus N.V. listing[1]	**55 431**	-
Shares transferred to other group equity compensation plans	**(23 256)**	-
Shares acquired by participants from the Naspers equity compensation plan	**(89 416)**	(16 133)
Shares held as treasury shares at 31 March	**168 282**	225 523

[1] Shares issued to shareholders holding Naspers N ordinary shares at the time of the Prosus N.V. listing who elected to receive additional Naspers ordinary shares. The Naspers N share capitalisation issue was accompanied by a pro rata capitalisation issue of 54 065 Naspers A ordinary shares to Naspers A shareholders.

[2] Includes shares purchased on the open market by share incentive trusts. In line with the company's commitment to avoid shareholder dilution, shares required to settle equity-compensation benefits are purchased on the open market.

	31 March 2020 R'm	2019 R'm
Share premium		
Balance at 1 April	**66 537**	66 537
Shares acquired as part of the share repurchase programme	**(22 407)**	-
Balance at 31 March	**44 130**	66 537

10. POST-EMPLOYMENT MEDICAL LIABILITY

The company operates a post-employment medical benefit scheme. The obligation of the company to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners, however, remain entitled to this benefit. The company provides for post-employment medical aid benefits on the accrual basis determined each year by an independent actuary.

	31 March 2020 R'm	2019 R'm
Balance at 1 April	**3**	4
Provisions charged to statement of comprehensive income	**-**	(1)
Balance at 31 March	**3**	3

Refer to note 22 of the consolidated annual financial statement for additional information, including the actuarial assumptions.

11. AMOUNTS OWING IN RESPECT OF INVESTMENTS ACQUIRED

On 24 March 2004 the last conditions precedent relating to schemes of arrangement under section 311 of the old South African Companies Act, 1973, were satisfied, in terms of which Naspers Limited acquired an additional 19,62% financial interest in Electronic Media Network Proprietary Limited and SuperSport International Holdings Proprietary Limited respectively (which was sold to MultiChoice Africa Proprietary Limited during 2005). An amount of R815.6m was due to the non-controlling shareholders on 31 March 2004. Some of these non-controlling shareholders have not surrendered their share certificates and claimed payment for their shares, therefore an amount of R9.0m was still outstanding as at 31 March 2020 (2019: R9.5m).

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2020 R'm	2019 R'm
Accrued expenses[1]	**1 511**	336
Bonus accrual	**2**	5
Cash-settled share-based payment liability	**6**	13
Other current liabilities	**-**	7
	1 519	361

[1] In March 2020 the company committed R1.5bn (2019: nil) in emergency aid to the South African government's response to the Covid-19 pandemic in the country.

13. REVENUE

	31 March	
	2020 R'm	2019 R'm
Dividends received		
Media24 Holdings Proprietary Limited	**36**	36
MIH Holdings Proprietary Limited[1]	**1 260 296**	53 249
Interest received		
Naspers Properties Proprietary Limited	**14**	15
	1 260 346	53 300

The revenue disclosed above are related-party transactions with the respective group entities.

[1] Relates to the dividend income recognised by the company on receipt of the distribution of the Prosus N.V. investment to the company by its subsidiary MIH Holdings Proprietary Limited, refer to note 2 for details, (2019: relates to the dividend income recognised by the company on receipt of the distribution of the MultiChoice Group to the company by its subsidiary MIH Holdings Proprietary Limited prior to the company distributing its investment in the MultiChoice Group to its shareholders).

14. EXPENSES BY NATURE

Selling, general and administrative expenses include the following items:

	31 March 2020 R'm	31 March 2019 R'm
Staff costs		
The total cost of employment of all employees, was as follows:		
Salaries, wages and bonuses, retirement benefit costs, medical aid fund contributions, post-employment benefits, UIF, SDL and training costs	**25**	35
Share-based compensation expenses	**(2)**	8
Total staff costs	**23**	43
Fees paid to non-employees for administration, management and technical services	**25**	33
Auditor's remuneration		
Audit fees	**1**	1
Other purchases and expenses	**205**	203
	254	280

15. OTHER LOSSES - NET

	31 March 2020 R'm	31 March 2019 R'm
Covid-19 donation[1]	**(1 500)**	-
Impairment of Media24 Holdings (Pty) Ltd investment[2]	**(534)**	-
Total other losses - net	**(2 034)**	-

[1] In March 2020 the company committed R1.5bn (2019: nil) in emergency aid to the South African government's response to the COVID-19 pandemic in the country.

[2] Refer to note 2 for further details on the impairment

16. FINANCE (INCOME)/COSTS

	31 March 2020 R'm	31 March 2019 R'm
Interest expense		
Loans and overdrafts	**-**	63
	-	63
Interest income		
Loans and bank accounts	**(445)**	(116)
Other	**(2)**	(1)
	(447)	(117)
Net gain from foreign exchange translation of derivative financial instruments		
On translation of assets and liabilities	**(137)**	(2)
Other finance (income)/costs - net	**(137)**	(2)
Finance (income)/costs - net	**(584)**	(56)

17. LOSS ON ACQUISITIONS AND DISPOSALS

	31 March 2020 R'm	31 March 2019 R'm
Loss on sale of investments[1]	**(199)**	-
Transaction-related costs[2]	**(417)**	(355)
	(616)	(355)

[1] The loss on sale resulted from the sale of Prosus N.V. shares to institutional investors. Refer to note 2 for further details.

[2] The transaction-related costs resulted primarily for the sale of Prosus N.V. shares (2019: transaction-related costs primarily for the MultiChoice Group Limited unbundling transaction).

18. TAXATION

	31 March 2020 R'm	31 March 2019 R'm
Normal taxation	**203**	(2)
current year	**203**	(2)
Securities transfer and dividend withholding tax[1]	**1 261**	-
Taxation per statement of comprehensive income	**1 464**	(2)
Reconciliation of taxation		
Taxation at statutory rate of 28% (2019: 28%)	**352 247**	14 762
Adjusted for:		
non-deductible expenses[2]	**731**	156
unprovided timing differences	**-**	3
non-taxable income[2]	**(352 892)**	(14 921)
prior year adjustments	**-**	(2)
securities transfer tax	**1 258**	-
other taxes	**120**	-
Taxation per statement of comprehensive income	**1 464**	(2)

[1] Securities transfer tax and dividend withholding tax paid in South Africa in respect of the Prosus N.V. listing transaction.

[2] Non-deductible expenses relate primarily to donations made and expenses incurred that are not in the production of taxable income. Non-taxable income relates to dividend income.

19. CASH UTILISED IN OPERATIONS

	31 March 2020 R'm	31 March 2019 R'm
Profit before tax per statement of comprehensive income	**1 258 026**	52 721
Adjustments:		
Non-cash and other	**(1 258 699)**	(53 348)
Finance (income)/costs - net	**(598)**	(71)
Dividends received	**(1 260 332)**	(53 285)
Share-based compensation expenses	**(2)**	8
Impairment of investment	**534**	-
Loss on sale of investment	**199**	-
Covid-19 donation accrual	**1 500**	-
Working capital	**(344)**	337
Cash movement in accrued expenses and payables	**(344)**	337
Cash utilised in operations	**(1 017)**	(290)

20. CASH AND CASH EQUIVALENTS

	31 March 2020 R'm	31 March 2019 R'm
Cash at bank and on hand	**97**	338
	97	338

21. FINANCIAL RISK MANAGEMENT

Foreign exchange risk

Refer to note 42 of the consolidated annual financial statements for the group's foreign exchange risks policy.

In the current year the company entered into foreign exchange contracts at a notional value of R 22 452 047 776 that were designated as cash flow hedge instruments for foreign currency cash and cash equivalents. Only the spot elements were designated as a hedge and the remaining portion was recognised in finance income. The purpose of this hedge was to manage the foreign currency risk associated with holding foreign currency cash and cash equivalents. The hedge ratio was 1:1. Cumulative losses of R1 771m (2019:nil) have been recognised in other comprehensive income relating to this cash flow hedge since the inception of the hedging relationship and were reclassified to the income statement as the underlying cash and cash equivalent balances were revalued was recognised in the income statement. Gains of R1 971m (2019: nil) were recognised on the hedged items attributable to the hedged risks. Net gains of R101m (2019: nil) were recognised as part of "Other finance (income)/costs – net" in the income statement. This is the forward element of the forward exchange contract not designated as part of the hedging relationship. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

Movements in the hedging reserve for the year are detailed below:

	31 March	
	2020 **R'm**	2019 R'm
Opening balance	**-**	-
Net fair value (losses)/gains	**(1 771)**	-
Derecognised and reported in finance (costs)/income	**1 771**	-
Closing balance	**-**	-

Foreign currency sensitivity analysis

The company's functional currency is the South African rand, but as it operates internationally, it is exposed to the US dollar and the euro.

The sensitivity analysis below details the company's sensitivity to a 10% decrease (2019: 10% decrease) in the rand against the US dollar and the euro. These percentage decreases represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for the above percentage change in foreign currency rates.

A 10% decrease (2019: 10% decrease) of the rand against the US dollar and the euro would result in an increase in net profit after tax of R2.5m (2019: R2.2m increase in net profit after tax).

Credit risk

Refer to note 42 of the consolidated annual financial statements for the group's credit risks and credit risk management policy regarding related party receivables and cash and cash equivalents (which are the same as those of the company) and to note 3 for the company's credit risk management policy regarding loans to subsidiaries.

Guarantees

The company has guaranteed various revolving credit facilities of R44.6bn (2019: R36.7bn) and offshore bonds of R39.3bn (2019: R46.4bn) in Prosus N.V. of which the undrawn balance is available to fund future investments. The guarantees have also been disclosed as part of the company's liquidity risk below. The maximum potential exposure to credit risk under financial guarantee contracts amounts to R83.9bn (2019: R83.1bn). Refer to note 19 for details regarding the group's capital management policies. On 2 April 2020 the company was released as guarantor from the various revolving credit facilities of R44.6bn.

21. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Refer to note 42 of the consolidated annual financial statements for the group's liquidity risks. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity.

The following analysis details the remaining contractual maturity of the company's non-derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date at which the company can be required to settle the liabilities. The analysis includes both interest and principal cash flows.

	Carrying value R'm	Contractual cash flows R'm	0 - 12 months R'm
31 March 2020			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	**(9)**	**(9)**	**(9)**
Accrued expenses and other current liabilities	**(17)**	**(17)**	**(17)**
Related party payables	**(25)**	**(25)**	**(25)**
Dividends payable	**(23)**	**(23)**	**(23)**
Financial guarantees	**-**	**(83 919)**	**(83 919)**
31 March 2019			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	(9)	(9)	(9)
Accrued expenses and other current liabilities	(355)	(355)	(355)
Related party payables	(23)	(23)	(23)
Dividends payable	(19)	(19)	(19)
Financial guarantees	-	(83 074)	(83 074)

Interest rate risk

Refer to note 42 of the consolidated annual financial statements for the group's interest rate risks policy.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The company is mainly exposed to interest rate fluctuations of the South African, American and European repo rates through cash balances held in bank accounts. The following changes in the repo rates represent management's assessment of the possible change in interest rates at the respective year-ends:

South African repo rate increases by 100 basis points (2019: increases by 100 basis points)

American, European and London Interbank rates: increases by 100 basis points each (2019: increases by 100 basis points each).

Interest sensitivity analysis

If interest rates change as stipulated above and all other variables were held constant, specifically foreign exchange rates, the company's profit after tax for the year ended 31 March 2020 would increase by R17.6m (2019: increase by R28.3m).

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains or losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2020		
	Carrying value R'm	Net gains/(losses) recog-nised in profit or loss R'm	Total interest/ finance income/ (cost) R'm
Assets			
Loans to subsidiaries	1 074	-	14
Investment at fair value through other comprehensive income[(1)]	5	-	-
Other receivables	2	-	-
Related party receivables	4 142	-	300
Cash and cash equivalents[(2)]	97	168	145
Total	5 320	168	459
Liabilities			
Amounts owing in respect of investments acquired	9	-	-
Accrued expenses and other current liabilities	17	(31)	-
Related party payables	25	-	-
Dividends payable	23	-	-
Total	74	(31)	-

(1) *Represents a level 1 fair-value measurement. Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.*

(2) *The net foreign exchange gain of R168.0m is attributable to the Euro proceeds from the sale of the Prosus N.V. investment (refer to note 2) and foreign currency revaluations on interest earned over the period of the repurchase programme (refer to note 3).*

The carrying values of all financial instruments disclosed above are considered to be a reasonable approximation of their fair values.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying values, net gains or losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2019		
	Carrying value R'm	Net gains/(losses) recog-nised in profit or loss R'm	Total interest/ finance income/ (cost) R'm
Assets			
Loans to subsidiaries	58 144	-	15
Investment at fair value through other comprehensive income[(1)]	11	-	-
Related party receivables	3 424	-	114
Cash and cash equivalents	338	5	2
Total	61 917	5	131
Liabilities			
Amounts owing in respect of investments acquired	9	-	-
Accrued expenses and other current liabilities	355	(3)	-
Related party payables	23	-	(63)
Dividends payable	19	-	-
Total	406	(3)	(63)

(1) *Represents a level 1 fair-value measurement. Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.*

The carrying values of all financial instruments disclosed above are considered to be a reasonable approximation of their fair values.

Refer to note 43 of the consolidated annual financial statements for details regarding the calculation of the fair values of financial instruments.

23. EQUITY COMPENSATION BENEFITS

Refer to note 44 of the consolidated annual financial statements for details regarding the Naspers Limited share incentive plan.

24. SUBSEQUENT EVENT

On 2 April 2020 the company was released as guarantor from the various revolving credit facilities of R44.6bn. There have been no other events between 31 March 2020 and the date of this report requiring adjustment or disclosure.

Administration and corporate information

GROUP SECRETARY
G Kisbey-Green
WeWork the Link
173 Oxford Road,
Rosebank,2196
South Africa

REGISTERED OFFICE
40 Heerengracht
Cape Town 8001
South Africa
PO Box 2271
Cape Town 8000
South Africa
Tel: +27 (0)21 406 2121
Fax: +27 (0)21 406 3753

REGISTRATION NUMBER
1925/001431/06
Incorporated in South Africa

AUDITOR
PricewaterhouseCoopers Inc

TRANSFER SECRETARIES
Link Market Services South Africa Proprietary Limited
(Registration number: 2000/007239/07)
PO Box 4844, Johannesburg 2000
South Africa
Tel: +27 (0)11 630 0800
Fax: +27 (0)11 834 4398

ADR PROGRAMME
Bank of New York Mellon maintains a Global BuyDIRECT^{SM} plan for Naspers Limited
For additional information, please visit
Bank of New York Mellon's website at
www.globalbuydirect.com
or call Shareholder Relations at
1-888-BNY-ADRS
or 1-800-345-1612 or write to:
Bank of New York Mellon
Shareholder Relations Department –
Global BuyDIRECT^{SM}
Church Street Station
PO Box 11258, New York, NY 10286-1258, USA

SPONSOR
Investec Bank Limited
(Registration number: 1969/004763/06)
PO Box 785700, Sandton 2146
South Africa
Tel: +27 (0)11 286 7326
Fax: +27 (0)11 286 9986

ATTORNEYS
Werksmans
PO Box 1474, Cape Town 8000
South Africa

Webber Wentzel (in alliance with Linklaters)
PO Box 61771
Marshalltown
Johannesburg 2107
South Africa

INVESTOR RELATIONS
Eoin Ryan
investorrelations@naspers.com
Tel: +1 347 210 4305

Analysis of shareholders and shareholder's diary

for the year ended 31 March 2020

ANALYSIS OF SHAREHOLDERS

Size of holdings	Number of shareholders	Number of shares owned
1 – 100 shares	56 626	1 885 032
101 – 1 000 shares	22 244	6 724 889
1 001 – 5 000 shares	3 270	7 103 898
5 001 – 10 000 shares	666	4 837 379
More than 10 000 shares	1 629	414 959 860

The following shareholders hold 5% and more of the N ordinary issued share capital of the company:

Name	% held	Number of N ordinary shares owned
Public Investment Corporation of South Africa	13.84%	60 257 921

PUBLIC SHAREHOLDER SPREAD

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2020 was 96.68%, represented by 84 423 shareholders holding 421 058 516 N ordinary shares in the company. The non-public shareholders of the company, comprising 12 shareholders representing 14 452 542 N ordinary shares, are analysed as follows:

Category	Number of N ordinary shares	% of N ordinary issued share capital
Naspers share-based incentive schemes	2 831 289	0.65%
Directors	6 919 447	1.59%
Group companies	4 701 806	1.08%

SHAREHOLDERS' DIARY

Annual general meeting	August
Reports	
Interim for half-year to September	November
Announcement of annual results	June
Annual financial statements	June
Dividend	
Declaration	August
Payment	September
Financial year-end	March

NASPERS

www.naspers.com

NASPERS HEAD OFFICE
+27 (0)21 406 2121

Street address
40 Heerengracht
Cape Town
8001
South Africa