

Vodacom Group Limited

Consolidated and separate financial statements



For the year ended
31 March 2024

Further together



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Directors' statement of responsibility

The directors are responsible for the preparation, integrity and fair presentation of the consolidated financial statements of Vodacom Group Limited, its subsidiaries, joint ventures, associates and special purpose entities (the Group) and the separate financial statements of Vodacom Group Limited (the Company).

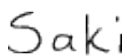
The consolidated and separate financial statements have been audited by the independent accounting firm Ernst & Young Inc. which was given unrestricted access to all financial records and related data, including minutes of meetings of shareholders, the Board and committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. The report of the auditors is presented on pages 2 to 6.

The consolidated and separate financial statements for the year ended 31 March 2024 presented on pages 18 to 110 have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IASB), the Financial Reporting Guides as issued by the South African Institute of Chartered Accountants (SAICA) Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008 ('the Companies Act'), as amended. They are based on appropriate accounting policies which have been consistently applied apart from adoption of new accounting standards and which are supported by reasonable and prudent judgements, including judgements involving estimations. The going concern basis has been adopted in preparing the consolidated and separate financial statements. The directors have no reason to believe that the Group and the Company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

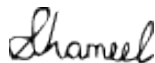
In terms of section 3.84(k) of the JSE Listings Requirements, the directors, whose names are stated below, hereby confirm that:

- the financial statements set out on pages 18 to 110 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

The consolidated and separate financial statements were approved by the Board on 7 June 2024 and are signed on its behalf by:



SJ Macozoma
Chairman



MS Aziz Joosub
Chief Executive Officer



RK Morathi
Chief Financial Officer

Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, as amended, I certify that, to the best of my knowledge and belief, Vodacom Group Limited has lodged with the Registrar of Companies for the financial year ended 31 March 2024, all such returns and notices as are required of a public company in terms of the Companies Act, and that all such returns and notices are true, correct and up to date.



KE Robinson
Company Secretary
7 June 2024

Independent auditor's report

To the shareholders of Vodacom Group Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Vodacom Group Limited and its subsidiaries, joint ventures, associates and special purpose entities (the Group) and Company set out on pages 18 to 110, which comprise the consolidated and separate statements of financial position as at 31 March 2024, and the consolidated and separate income statements, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 31 March 2024, and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

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 are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA code), and other independence requirements applicable to performing audits of financial statements of the Group and Company in South Africa. We have fulfilled our other ethical responsibilities, in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits of the Group and Company in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The key audit matters apply only to the audit of the Consolidated Financial Statements.

Assessment of key audit matters

Please Call Me matter – Pending litigation exposure

A former employee, Mr Makate, started legal proceedings in 2008 claiming compensation for a business idea that led to the development of a service known as “Please Call Me” (‘PCM’). In April 2016, the Constitutional Court of South Africa (‘the Constitutional Court’) ordered the parties to negotiate a reasonable compensation amount payable to Mr. Makate or, in the event of deadlock, for the matter to be referred to the Group’s Chief Executive Officer (‘the CEO’) for determination.

In accordance with this order, the CEO issued his determination on 9 January 2019. However, Mr Makate challenged the R47m award by bringing an application for judicial review against the CEO’s determination and award to the Gauteng High Court (‘the High Court’).

The High Court, in a judgement delivered on 8 February 2022, set aside the CEO’s determination, and ordered him to reassess the compensation amount. Vodacom appealed against the judgement and order of the High Court in the Supreme Court of Appeal (‘the SCA’). The SCA heard the appeal on 9 May 2023 and its judgement, in this regard, was handed down on 6 February 2024. A majority of three judges, with a minority of two judges dissenting, dismissed the Group’s appeal and ruled that Mr. Makate is entitled to be paid 5% – 7.5% of the total revenue of the PCM product from March 2001 for 18 years, plus interest.

The Group lodged an application for leave to appeal at the Constitutional Court of South Africa in response to this judgement handed down by the SCA.

Accordingly, management, in consultation with external and internal legal advisors applied judgement to the likelihood that the leave to appeal will be heard by the Constitutional Court and the Groups prospects of success, thereafter, should the matter be heard by the Constitutional Court. Management was required to update its understanding and re-evaluation of this judgement as a result of the legal progression of the unresolved matter.

We consider the evaluation of management’s judgement involved in estimating the probability and amount of the pending litigation exposure to be a matter of most significance to our current year audit. This is due to the significant amount of executive audit effort required and judgement involved in updating our understanding of the change in exposure of this existing matter and this involved extensive discussions with management, their external and internal legal advisors, and the involvement of our own external legal counsel.

Refer to page 34 – Critical accounting judgements including those involving estimations, page 68 - note 21, and page 72 – Note 26.2.

How the matters were addressed

Our procedures amongst others included the following:

- We obtained all judgements handed down by the SCA from management, including the Group's and Mr. Makate's notice of application for leave;
- We engaged our external legal counsel and senior counsel to understand the judgement and order handed down by the SCA, together with the notice of application for leave to appeal prepared by the Group and a legal opinion obtained by management on this matter;
- We assessed the competence, objectivity and capabilities of our external legal counsel we used in our assessment;
- We read and considered the arguments in the Group’s application for leave to appeal at the Constitutional court;
- We continued regular discussions with management and the Chief Legal and Compliance Officer in respect of any updates regarding this matter;
- We met with the chairman of the sub-committee of the board that was tasked with addressing all matters related to PCM to verify and confirm that all relevant facts and circumstances were shared with us and that management’s assessment and conclusion on the PCM matter was complete with respect to information from the sub-committee of the board;
- We met with the Group’s external legal counsel to confirm our understanding of the legal advice that they had provided the Group and confirmed the following:
 - Their view on the Group’s case and prospect of success with regards to the appeal to the Constitutional Court;
 - Their view on whether the CEO’s determination may be challenged, or a new determination handed down by the Constitutional Court;
 - Their guidance provided to the Group on whether they should follow the legal process to its logical conclusion, or whether settlement may be more advantageous route for the Board to pursue; and
 - Their view on timing of when the Group could expect feedback from the Constitutional Court.
- We met with the Audit, Risk and Compliance Committee, where management’s assessment and conclusion with respect to the accounting and disclosure of this matter was discussed and agreed;
- We obtained specific representations from the Board and management confirming that all relevant facts and circumstances related to the PCM matter, which could potentially influence and have a material impact on the consolidated financial statements, had been shared with us; and
- We assessed the overall adequacy of the Group’s disclosures in respect of this matter in terms of IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

Assessment of key audit matters

Revenue recognition – occurrence, completeness and accuracy of recorded revenue given the complexity of products, systems and IFRS 15: Revenue from contracts with customers

The occurrence, accuracy and completeness of amounts recorded as revenue is an inherent industry risk due to the complexity of billing systems, accounting for new products and plans – including multiple element arrangements – and the combination of products sold and tariff structure changes during the year.

The application of the revenue recognition accounting standard IFRS 15: Revenue from contracts with customers, requires the use of multiple complex accounting systems and tools which is compounded by the significant number of low monetary revenue transactions that is accounted for on an annual basis.

The Group uses various information technology ('IT') applications and an enterprise resource planning system ('ERP') to automate the accounting related to the revenue recognition. The various IT applications automate certain basic calculations for revenue recognition, such as the collection, rating and billing of revenue events, and the allocation of total transaction price to performance obligations based on the pre-determined standalone selling price allocation method.

In addition, certain information required for revenue recognition is the culmination of data obtained from customer relationship systems, systems collecting and verifying event records, rating systems, billing systems, and ultimately recording of transaction into the ERP system.

We test numerous interfaces and reconciliation controls included into this process. IT dependent manual controls requires a significant amount of testing over system reports utilized in performing these controls.

We therefore consider revenue and the audit of the related systems to be a key audit matter in our current year audit due to the significant amount of time involved in auditing revenue which is driven by auditing the different processes in line with the revenue recognition accounting standard IFRS 15: Revenue from contracts with customers, as well as the extent of involvement required from our internal IT audit specialists to test the various IT applications and ERP system.

Refer to page 34 – Critical accounting judgements including those involving estimations, page 31 – Revenue recognition and presentation and page 40 – Note 1.

How the matters were addressed

Our procedures included, amongst others, the following:

- We updated our understanding on what type of transactions are included in each account making up all significant revenue streams, including changes in the revenue process such as new applications, interfaces, or changes in processing of data when compared to the prior period. This was confirmed through completion of a process walkthrough;
- We discussed with management whether there were any changes to the application of the revenue recognition accounting policy and any new revenue recognition methods adopted, during the year;
- We discussed with management whether there were any changes to the existing revenue arrangements, amendments to standard contracts and tariffs or new types of agreements and customer propositions and understood how these have impacted the recognition of revenue;
- We understood and tested management's controls over the transfer of revenue information between the multiple systems involved in recording revenue. This included the testing of the controls in place over the authorisation of rate changes and a review of the new products recorded in the billing systems;
- We involved our internal specialists to test the IT general and key application controls of the relevant usage, rating, and billing environments, as well as to assess the relevant revenue reports utilised for completeness purposes;
- We tested controls over the transfer of data from the billing applications to the general ledger to confirm accuracy;
- We performed detailed analytical review procedures over significant revenue streams where expectations could be set, and assessed reasonability by determining the drivers that result in changes year on year to establish detailed monthly and annual expectations. Where movements were outside our precision level set, we performed substantive audit procedures;
- We selected and tested a sample of revenue contracts and assessed, in line with the requirements of IFRS 15: Revenue from contracts with customers, that contracts with customers were valid, that performance obligations were agreed by the customer and that revenue was appropriately recognised and allocated to its relevant performance obligations; and
- We tested the input data to the billing systems, including testing of the billing reports for completeness and accuracy.

Other information

The directors are responsible for the other information. The other information comprises information included in the 113-page document titled "Vodacom Group Limited consolidated and separate financial statements" for the year ended 31 March 2024, and the 145-page document titled "Integrated report" for the year ended 31 March 2024, and the 30-page document titled "Remuneration report" for the year ended 31 March 2024, and the Directors' report, the Report of the Audit, Risk and Compliance Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa, that are included in the relevant documents. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinions on the consolidated financial statements and the separate financial statements do not cover the other information and we do not express audit opinions 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 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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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's and 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 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.

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 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 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 and separate 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, actions taken to eliminate threats or safeguards applied.

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 Ernst & Young Inc. has been the auditor of Vodacom Group Limited for five years.

Ernst & Young Inc.

Ernst & Young Inc.

Director – Warren Kinnear
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road, Sandton
Johannesburg, South Africa

7 June 2024

Directors' report

for the year ended 31 March

Nature of business

Vodacom Group Limited (the Company) is an investment holding company. Its principal subsidiaries, associates and joint ventures are engaged in the provision of a wide range of communications products and services including but not limited to voice, messaging, converged services, broadband, data connectivity, mobile financial services and other value added services.

Vodafone Egypt Telecommunications S.A.E. (Vodafone Egypt) was acquired during the prior financial year (Refer to Note 24) and the results have been consolidated from the acquisition date of 8 December 2022. Other than the acquisition of Vodafone Egypt, there have been no material changes to the nature of the Group's business and structure from the prior year.

Financial results

Earnings attributable to equity holders of the Group for the year ended 31 March 2024 were R16 292 million (2023: R16 767 million) representing basic earnings per share of 842 cents (2023: 948 cents).

Full details on the financial position and results of the Group are set out in these consolidated financial statements.

Dividends

Dividend distribution

An ordinary dividend of R13 194 million (2023: R14 136 million) was declared and paid during the year. Details of the final dividend in respect of the year ended 31 March 2024 are included under Events after the reporting period in this directors' report.

Rm	2024	2023
430 cents per share declared on 13 May 2022	–	7 894
340 cents per share declared on 11 November 2022	–	6 242
330 cents per share declared on 12 May 2023	6 857	–
305 cents per share declared on 10 November 2023	6 337	–
	13 194	14 136

Dividend policy

The Company intends to pay as much of its consolidated after tax profits as will be available after retaining such sums and repaying such borrowings owing to third parties as shall be necessary to meet the requirements reflected in the budget and business plan, taking into account monies required for investment opportunities. There is no assurance that a dividend will be paid in respect of any financial period and any future dividends will be dependent upon the consolidated operating results, financial condition, investment strategy, capital requirements and other factors. There is no fixed date on which entitlement to dividends arises and the date of payment will be determined by the Board or shareholders at the time of declaration, subject to the JSE Listings Requirements.

Following from the acquisition of Vodafone Egypt acquisition, the Company amended its dividend policy to pay out dividends of at least 75% of the Group's headline earnings. Further details regarding the Vodafone Egypt investment may be found in Note 24.

The Company declared dividends of 590 cents (2023: 670 cents) per share for the year ended 31 March 2024.

Share capital

The authorised and issued share capital are as follows:

Stated capital

- Authorised – 4 000 000 000 ordinary shares of no par value; and
- Issued – 2 077 841 204 (2023: 2 077 841 204) ordinary shares of no par value, with stated capital amounting to R89 918 million (2023: R89 918 million).

Full details of the authorised and issued share capital of the Company may be found in Note 17.

Share capital continued

Repurchase of shares

Shareholders approved a special resolution granting a general authority for the repurchase of ordinary shares by the Group, to a maximum of 5.0% (2023: 5.0%) of shares in issue, at the annual general meeting held on Wednesday 20 July 2023, subject to the JSE Listings Requirements and the provisions of the Companies Act, as amended. Any shares that may be repurchased for the time being shall be in connection with awards made in the normal course in respect of the Group's forfeitable share plan. Approval to renew this general authority will be sought at the forthcoming annual general meeting on Wednesday 17 July 2024.

Treasury shares that are held by Wheatfields Investments 276 (Pty) Limited (Wheatfields), a wholly-owned subsidiary, do not carry any voting rights. YeboYethu Investment Company (RF) Limited and the Innovator Trust are consolidated as structured entities and the Vodacom Group Limited shares held by these entities are recognised as treasury shares on consolidation.

Forfeitable share plan (FSP)

During the year the Group allocated 4 583 774 (2023: 3 366 930) shares to eligible employees under its FSP and no restricted shares were allocated during the current and prior years. Further details may be found in the Remuneration report included in the integrated report as well as in Note 18.

Shareholder analysis

The Group's shareholder analysis as at 31 March 2024 was as follows:

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 100 shares	18 422	38.73	512 498	0.02
101 – 1 000 shares	22 815	47.97	7 682 163	0.37
1 001 – 10 000 shares	4 869	10.24	14 241 917	0.69
10 001 – 50 000 shares	950	2.00	20 076 103	0.97
50 001 – 100 000 shares	191	0.40	13 513 408	0.65
100 001 – 1 000 000 shares	245	0.52	73 597 491	3.54
1 000 001 shares and above	72	0.15	1 948 217 624	93.76
	47 564	100.00	2 077 841 204	100.00
Distribution of shareholders				
Holding Companies	2	–	1 352 606 124	65.10
Retirement Benefit Funds	222	0.47	19 841 059	0.95
Custodians	195	0.41	90 763 756	4.37
Private Companies	588	1.24	116 937 015	5.63
Individuals	43 496	91.45	34 762 116	1.67
Collective Investment Schemes	413	0.87	54 588 751	2.63
Wholly owned subsidiaries ¹	1	–	15 421 231	0.74
Trusts	2 114	4.44	7 301 837	0.35
Insurance Companies	35	0.07	13 167 117	0.63
Organs of State	35	0.07	256 247 432	12.33
Stockbrokers & Nominees	43	0.09	63 045 446	3.03
Scrip Lending	13	0.03	34 523 116	1.66
Public Companies	15	0.03	4 268 952	0.21
Foundations & Charitable Funds	69	0.15	526 272	0.03
Other Corporations	92	0.19	3 338 176	0.16
Close Corporations	112	0.24	564 017	0.03
Medical Aid Funds	12	0.03	854 146	0.04
Treasury	1	–	30 923	–
Investment Partnerships	86	0.18	38 996	–
Unclaimed Assets	15	0.03	6 949	–
Hedge Funds	4	0.01	1 238 411	0.06
Depository Receipt	1	–	7 769 362	0.37
	47 564	100.00	2 077 841 204	100.00

Note:

1. This constitutes holdings by 1 beneficial shareholder via 2 separate accounts.

Share capital continued
Shareholder analysis continued

Non-public and public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	39	0.08	1 620 026 694	77.97
Directors and associates	25	0.05	3 813 882	0.18
Treasury	1	0.00	30 923	0.00
Wholly-owned subsidiary	1	0.00	15 421 231	0.74
Strategic holdings (more than 10.0%)	10	0.02	248 154 534	11.94
Holding companies	2	0.00	1 352 606 124	65.10
Public shareholders	47 525	99.92	457 814 510	22.03
	47 564	100.00	2 077 841 204	100.00
Geographical holdings by owner				
South Africa ¹	46 743	98.27	1 474 196 472	70.95
United Kingdom	108	0.23	38 410 445	1.85
United States	109	0.23	121 733 612	5.86
Netherlands	11	0.02	388 275 461	18.69
Other	593	1.25	55 225 214	2.66
	47 564	100.00	2 077 841 204	100.00

Beneficial shareholders holding 5% or more of the issued capital	Total shareholding	% of shares in issue
Vodafone Investments SA (Pty) Limited	967 170 100	46.55
Vodafone International Holdings B.V.	385 436 024	18.55
YeboYethu Investment Company (RF) Pty Limited	114 451 180	5.51
Government Employees Pension Fund	248 154 534	11.94
	1 715 211 838	82.55

Share price performance	2024	2023
Opening price 1 April	R 123.66	R 162.14
Closing price 31 March	R 98.55	R 122.04
Closing high for the year	R 126.13	R 162.14
Closing low for the year	R 90.38	R 116.72
Number of shares in issue	2 077 841 204	2 077 841 204
Volume traded during the year	349 910 426	393 828 327
Ratio of volume traded to shares issued (%)	16.84	18.95

Note:

1. Includes direct shareholding held by Vodafone Investments SA (Pty) Limited of 967 170 100 shares, a South African entity, and Vodafone International Holdings B.V. of 385 436 024 shares, a European entity. The ultimate shareholder, being Vodafone Group Plc, is registered in the United Kingdom.

Borrowings

Borrowing facilities from Standard Bank of South Africa to the value of US\$27.5 million and MZN1 050 million totalling R797 million in aggregate, bearing interest at 6 month Libor plus 3.30% and Mozambique prime rate less 2% respectively, were refinanced on the maturity date of 31 May 2023 for an additional 3 year term. These facilities were refinanced with a US\$100 million facility available for utilisation in US\$50 million (Facility A) and in MZN for up to US\$50 million equivalent (Facility B). There was no cash flow exchange on the capital amount on the refinance. Aggregate drawdowns of R384 million equivalent and repayments of R313 million equivalent were subsequently made against this facility. The facilities bear interest at the secured overnight financing rate (SoFR) plus 3% and Mozambique prime rate less 4% respectively, and have a repayment date of 31 May 2026. All financial assets and liabilities subject to Libor have now been transitioned to SoFR. There was no significant impact on the transition from Libor to SoFR. The Group is keeping abreast of developments relating to interest rate benchmark reform for the Group's Jibar exposure, as and when communicated by the relevant financial authorities.

Preference shares to the value of R4 654 million that were issued to ABSA Bank Limited, Depfin Investments (Pty) Limited and FirstRand Bank Limited in order to finance the Group's BBBEE transaction were refinanced. These preference shares had a dividend rate of 68% of First National Bank Limited's prime overdraft lending rate (prime) and had a maturity date of 14 September 2023 which was subsequently extended in the prior financial year to 14 September 2024. The remaining R3 479 million capital was refinanced on 31 August 2023. The new holders of the preference shares post refinance are FirstRand Bank Limited, ABSA Bank Limited and Momentum Metropolitan Holdings (MMH). The preference shares have a dividend rate of 67% of prime and a maturity date of 31 August 2028.

Directors' report for the year ended 31 March continued

Borrowings continued

The preference shares are secured by the shares that YeboYethu Investment Company (RF) (Pty) Limited, a wholly owned subsidiary of YeboYethu Limited, holds in Vodacom Group Limited, with a share cover ratio to debt of two times cover. The cash in- and outflow on the transaction on redemption from exiting shareholders and issue of new preference shares to new holders was R917 million.

The Group drew down R2 200 million on 31 October 2023 against an existing facility from Vodafone Investments Luxembourg s.a.r.l which bears interest at 3 months Jibar + 1.34% and is repayable on 31 October 2028.

On 30 January 2024, the Group repaid a R2 000 million sustainability linked term facility from The Standard Bank of South Africa Limited. The loan was replaced on 31 January 2024 with two new sustainability linked term facilities of R500 million each at 3 month Jibar + 1.25% from China Construction Bank Corporation and Investec Bank Limited, repayable on 31 January 2027, and a sustainability linked loan from Old Mutual Life Assurance Company (South Africa) Limited for R1 000 million at 3 month Jibar + 1.48% repayable on 31 January 2031. These loans are linked to selected sustainability performance targets focusing on key performance indicators related to gender diversity and financial inclusion and work off the basis of a sustainability margin adjustment which may be adjusted either upwards or downwards, dependent on the achievement of the specified key performance indicators.

Included in borrowings repaid and borrowings incurred in the statement of cash flows are cash outflows and cash inflows of R12 980 million (2023: R5 862 million¹) and R12 271 million (2023: R4 458 million¹) respectively relating to cash movements on committed borrowing facilities of Vodafone Egypt. Also included in borrowings repaid is repayments on lease liabilities of R4 492 million (2023: R3 404 million¹) which are classified as borrowings and repayment of R646 million spectrum debt.

The Group ensures that adequate funds are available to meet its expected and unexpected financial commitments through undrawn borrowing facilities. At the reporting date the Group had undrawn rand-denominated borrowing facilities of R10 396 million (2023: R13 022 million) and undrawn foreign-denominated borrowing facilities of R6 335 million (2023: R7 240 million) available to manage its liquidity. The Group intends to re-finance short term borrowings of R6 530 million at maturities ranging between June 2024 and December 2024.

Note:

1. Vodafone Egypt has been consolidated from the acquisition date of 8 December 2022.

Capital expenditure and commitments

Details of the Group's capital expenditure are set out in Notes 9 and 10, and commitments are set out in Note 25.

Holding company and ultimate holding company

The Group is ultimately controlled by Vodafone Group Plc which owns 65.10% of the issued shares through Vodafone Investments SA (Pty) Limited and Vodafone International Holdings B.V.

Vodafone Group Plc is incorporated and domiciled in the United Kingdom.

Directorate and secretary

Al Dimitrova, a non-executive director, resigned from the Board on 15 September 2023. S Sood, a non-executive director, resigned from the Board on 5 October 2023. JH Reiter was appointed as a non-executive director of the Board with effect from 6 October 2023. GS Kamath was appointed as a non-executive director of the Board with effect from 15 March 2024.

In terms of the memorandum of incorporation, Mr SJ Macozoma and Ms RK Morathi are obliged to retire by rotation at this annual general meeting in accordance with the provisions of the Company's memorandum of incorporation. Messrs JH Reiter and GS Kamath, having been appointed after the last annual general meeting of the Company, are obliged to retire. All retiring directors are eligible and available for re-election.

The directors' profiles appear in the 'Notice of annual general meeting' included in the integrated report.

As at the date of this report, the directors of the Company were as follows:

Independent non-executive

SJ Macozoma (Chairman), P Mahanyele-Dabengwa, NC Nqweni, KL Shuenyane, CB Thomson.

Non-executive

GS Kamath[•], P Klotz^{*}, JWL Otty[^], JH Reiter^{*}, LS Wood[^] (alternate F Bianco[•]).

Executive

MS Aziz Joosub (Chief Executive Officer), RK Morathi (Chief Financial Officer).

The Company Secretary is KE Robinson and her business and postal addresses appear on the Corporate information sheet included in the integrated report.

* Swedish, [•] Italian, [^] British, [•] Indian.

Number of shares held by directors

	2024		2023	
	Direct	Indirect	Direct	Indirect
Executive director				
MS Aziz Joosub	2 035 560	–	1 903 475	–
RK Morathi	376 639	–	243 554	–
Non-executive directors				
GS Kamath	12 354	–	–	–
Independent non-executive directors				
KL Shuenyane	1 977	–	1 977	–
	2 426 530	–	2 149 006	–

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Audit, Risk and Compliance Committee (ARC Committee)

The ARC Committee discharged all of those functions delegated to it in terms of its mandate, section 94(7) of the Companies Act, and the JSE Listings Requirements. Further details on the role and function of the ARC Committee may be found in the Risk management report included in the integrated report as well as in the report of the ARC Committee on pages 12 to 17. Messrs CB Thomson, KL Shuenyane and NC Nqweni, members of the ARC Committee, are considered financial experts.

The auditors' business and postal address appear on the Corporate information sheet included in the integrated report.

Competence, appropriateness and experience of the Company Secretary

In compliance with JSE Listings Requirements, the Board has considered and is satisfied that Ms Robinson, the Company Secretary, is competent, has the relevant qualifications and experience and maintains an arm's length relationship with the Board. In evaluating these qualities, the Board has considered the prescribed duties and responsibilities of a company secretary which includes the Companies Act, JSE Listings Requirements and governance requirements as set out in King IV.

Other matters

Refer to Note 32 of the consolidated financial statements for further information on other matters.

Events after the reporting period

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

A final dividend of R5 922 million (285 cents per ordinary share) for the year ended 31 March 2024, was declared on 10 May 2024, payable on 24 June 2024 to shareholders recorded in the register at the close of business on 21 June 2024. The net dividend after taking into account dividend withholding tax for those shareholders not exempt from dividend withholding tax is 228.00000 cents per share. This is in line with the Group's dividend policy to pay dividends of at least 75% of the Group's headline earnings.

Other matters

The Board is not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with in the consolidated financial statements, which significantly affect the financial position of the Group as at 31 March 2024 or the results of its operations or cash flows for the year then ended.

Auditors

At the annual general meeting on Wednesday 17 July 2024 shareholders will be requested to re-appoint EY as the Group's auditors for the 2025 financial year and it will be noted that Mr W Kinnear will be the individual registered auditor who will undertake the audit.

Report of the Audit, Risk and Compliance Committee

The Group's Audit, Risk and Compliance Committee (ARC Committee) operates within a Board-approved mandate, which is set out in its charter. In line with the Companies Act, as amended, the members of the ARC Committee are all independent non-executive directors and were appointed by shareholders at the annual general meeting held on Monday 20 July 2023.

The ARC Committee's responsibilities include the following:

- Reviewing the Group's consolidated interim results, reviewed annual results, integrated report and financial statements;
- Monitoring compliance with statutory requirements and the JSE Listings Requirements;
- Reporting to the Board on the quality and acceptability of the Group's accounting policies and practices, including, without limitation, critical accounting policies and practices;
- Providing oversight of the integrated reporting process;
- Considering the appointment and/or termination of the external auditors, including their audit fee, independence and objectivity and determining the nature and extent of any non-audit services;
- Approving the internal audit plan for the year;
- Receiving and dealing appropriately with any complaints, internally and externally, relating either to the accounting practices and internal audit or to the content or auditing of all entities within the Group's financial statements or related matters;
- Reviewing and monitoring the management and reporting of tax-related matters;
- Monitoring the risk management function and processes and assessing the Group's most significant risks;
- Monitoring the internal financial control compliance, combined assurance and enterprise risk management effectiveness;
- Monitoring the technology and information governance framework and associated risks; and
- Monitoring the effectiveness of the processes to create awareness and develop an understanding of relevant legislation and regulation to ensure compliance by management.

Focus areas:

- Unstable economic and market conditions;
- Compliance and controls in financial services;
- Risk and compliance transformation in financial services;
- Risk maturity across the Group;
- Resilience in cyber security;
- Technology;
- Funding in respect of current investment activities;
- Incorporation of Vodafone Egypt;
- Accounting and disclosure requirements of the Please Call Me matter; and
- Taxation matters.

Key stakeholders:

- Investors and shareholders;
- Employees;
- Government and regulators;
- Suppliers;
- Customers;
- Communities;
- Strategic and business partners; and
- Media.

Report of the Audit, Risk and Compliance Committee continued

Membership

Members: CB Thomson (Chairman), NC Nqweni, KL Shuenyane

The Chief Executive Officer; Chief Financial Officer; Vodafone representative; Financial Director: Vodacom South Africa; Financial Director: Vodafone Egypt; Financial Director: Vodacom International Business; Chief Officer: External Affairs; Chief Officer: Legal, Risk and Compliance; Chief Risk Officer; Chief Technology Officer; Managing Executive: Group Finance; Managing Executive: Internal Audit; Managing Executive: Group Treasury; Head of Ethics and external audit representative, attend ARC Committee meetings by invitation.

The Chairman is not a member of the ARC Committee and attends by invitation.

The internal and external auditors have unlimited access to the Chairman of the ARC Committee. The internal audit department reports directly to the ARC Committee and is also responsible to the Chief Financial Officer on day-to-day administrative matters.

Five ARC Committee meetings and one teleconference meeting is scheduled per financial year. Additional ARC Committee meetings may be convened when necessary.

Attendance for the year ended 31 March 2024 was as follows:

Name of director	11 May 2023	12 June 2023 Telecon	5 September 2023	1 November 2023	26 March 2024
CB Thomson	✓	✓	✓	✓	✓
NC Nqweni	✓	✓	✓	✓	✓
KL Shuenyane	✓	✓	✓	✓	✓

The current members, who are all independent non-executive directors, are all considered financial experts.

Statutory duties

In terms of Section 94(7) of the Companies Act, the ARC Committee discharged all of those functions delegated to it in terms of the ARC Committee mandate, the Companies Act and the JSE Listings Requirements. In the year, the ARC Committee:

- Considered and satisfied itself that the external auditors are independent and considered the JSE partner's accreditation report;
- Nominated the external auditors for appointment for the 2024 financial year;
- Reviewed the nature of non-audit services that were provided by the external auditors during the year;
- Determined the fees paid to the external auditors for the 2024 financial year;
- Confirmed the payment of non-audit services which the external auditors performed during the year under review;
- Considered the appropriateness of the firm and partner in respect of the external auditor as required by JSE Listings Requirements;
- Approved the external audit plan for the year;
- Received quarterly reports from the external auditors, including any reportable matters and findings;
- Approved the internal audit plan for the year;
- Monitored and provided oversight of the internal audit function;
- Held separate meetings with management and the external auditors to discuss any reserved matters;
- Ensured the ARC Committee complied with the membership criteria as set out in the Companies Act;
- Considered the appropriateness and experience of the Chief Financial Officer as required by the JSE Listings Requirements;
- Reviewed the consolidated and separate financial statements of Vodacom Group Limited;
- Reviewed the appropriateness of any amendments to accounting policies and internal financial controls;
- Monitored Vodacom's tax management and reporting. Further details of this may be found in the governance report included in the integrated report; [link](#)
- Monitored Vodacom's technology governance framework and processes including that of information security. Further details of this may be found in the governance report included in the integrated report; and [link](#)
- Reviewed the integrated reporting process.

The ARC Committee is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period. Adherence by the committee to its charter was assessed by internal audit and no material exceptions were noted.

The King IV report on Corporate Governance for South Africa 2016

The Group has applied the principles of King IV, the details of which is set out in the governance report included in the integrated report.

Significant matters considered in relation to the consolidated and separate financial statements and how these were addressed by the ARC Committee

After discussion with management and the external auditor, being Ernst & Young Inc. (EY), the ARC Committee concurred with the key audit matters as set out in EY's report on the audit of the consolidated financial statements for the year ended 31 March 2024.

After reviewing the presentation and reports from management and consulting, where necessary, with EY, the ARC Committee was satisfied that the consolidated financial statements appropriately address the critical judgements and key estimates pertaining to the key audit matters contained in EY's audit report on pages 2 to 6, in respect of both amounts and disclosure. The ARC Committee noted that both the consolidated and separate financial statements were presented fairly in all material respects.

The ARC Committee monitored the integration of Vodafone Egypt into the Group's financial reporting, following the acquisition of the 55% stake in Vodafone Egypt, as well as the financial effects of other significant M&A matters.

External audit

The ARC Committee has primary responsibility for overseeing the relationship with, and performance of, the external auditor. This includes making the recommendation on the appointment, re-appointment and removal of the external auditor, assessing their independence on an ongoing basis and for negotiating the audit fee.

Auditor appointment and tenure of the audit firm

At the 2023 annual general meeting, EY was re-appointed as the Group's independent external auditor, to hold office until the 2024 annual general meeting. It is noted that the individual registered auditor who undertook the audit during the financial year ended 31 March 2024 was Mr W Kinnear.

Audit risk

At the start of the audit cycle for each financial year the ARC Committee receives a detailed audit plan from EY, detailing their audit scope, planning materiality and their assessment of significant and elevated risk areas sensitive to fraud, error or judgement. The audit risk identification process is considered a key factor in the overall effectiveness of the external audit process, and the significant key risks for the 2024 financial year are encapsulated in their report on the audit of the consolidated financial statements for the year ended 31 March 2024.

The detailed audit plan was reviewed by the ARC Committee to ensure the external auditor's areas of audit focus remain appropriate.

Working with the auditor

At the 2023 annual general meeting, EY was re-appointed as the Group's independent external auditor, to hold office until the 2024 annual general meeting. It is noted that the individual registered auditor who undertook the audit during the 2023 financial year was Mr V Pillay. Mr Pillay indicated that he would retire from EY effective 30 November 2023. Mr W Kinnear was appointed to assume the role of individual registered auditor to assume responsibility for the audit of the 2024 financial year. Mr Kinnear's appointment took effect from 1 December 2023, and he will continue to represent EY as the individual registered auditor for the 2025 financial year.

Effectiveness of the external audit process

The ARC Committee reviewed the quality of the external audit process and considered the performance of EY, taking into account a range of factors they considered relevant to audit quality, as well as feedback from EY on their performance against their own objectives and independent reviews thereof. Based on this review, the ARC Committee concluded that there had been appropriate focus on the primary areas of audit risk and that EY had applied robust challenge and scepticism throughout the audit.

Independence and objectivity

In its assessment of the independence of the auditor, the ARC Committee receives details of any relationships between the Group and EY that may have a bearing on their independence and receives confirmation that they are independent of the Group within the meaning of the JSE Listings Requirements. As one of the ways in which it seeks to protect the independence and objectivity of the external auditor, the ARC Committee has a policy governing the engagement of the external auditor to provide non-audit services. This precludes EY from providing certain services such as valuation work or the provision of accounting services and also sets a presumption that EY should only be engaged for non-audit services where there is no legal or practical alternative supplier. Other fees paid to EY for the external audit of Safaricom PLC and subsidiaries, a material associate, amounted to R15 million (2023: R17 million).

Non-audit services policy

Per the Group's policy for non-audit services, the external auditors may only be considered as a supplier for such service where:

- There is no other alternative supplier for these services;
- Where there is no other commercially viable alternative; or
- Where the non-audit service is related to and would add value to the external audit.

The nature and extent of such services contracted for during the financial year include:

- Review of responses to regulators/others R820 000; (2023: R837 000) and
- Legislation training R19 000, (2023: Rnil).

Internal audit

Internal controls comprise systematic measures, policies, procedures and business rules adopted by management to provide reasonable assurance that assets are safeguarded; error is prevented and detected and accounting records are accurate and complete. The internal audit function is governed by the internal audit charter, as approved by the ARC Committee. The internal audit function serves management and the Board by performing independent evaluations of the adequacy and effectiveness of the Group's internal controls, financial reporting mechanisms and records, information systems and operations.

The ARC Committee approves the annual audit plan prior to the start of each financial year and receive updates from the head of internal audit on audit activities, progress against the approved Group audit plan and scope, the results of any unsatisfactory audits and the action plans and timelines to address these areas. The ARC Committee plays a major role in setting the internal audit annual objectives and the Chairman of the ARC Committee meets with the head of internal audit on a quarterly basis to discuss the team's activities and any significant issues arising from their work. The level of skill and experience of the internal auditors are presented to the ARC Committee on an annual basis.

Effectiveness of the Chief Audit Executive and arrangements of the internal audit

Ms J Naidoo, the Managing Executive: Internal Audit, performs the role of head of internal audit and Chief Audit Executive as defined by King IV. In accordance with King IV requirements, the ARC Committee has concluded that Ms J Naidoo possesses the appropriate expertise and experience to meet the responsibilities of this position and that the internal audit function is adequately resourced with technically competent individuals, and that it is effective.

Design and implementation of internal financial control

The internal audit department assessed the key internal financial controls by using the internal financial controls model. Key controls assessed were based on the financial statement account balances that are deemed quantitatively and qualitatively significant to the Group. The key controls in place to mitigate the risk of material misstatement of these balances in the financial statements were reviewed as at 31 December 2023. Based on the review performed nothing has come to our attention that would indicate a material breakdown of internal financial controls. The internal financial controls reviewed appeared to be adequately designed and operating as intended, with plans in place to address areas where improvement is required.

Compliance with section 404 of the US Sarbanes-Oxley Act

Vodafone Group Plc (Vodafone) is required to comply with section 404 of the Sarbanes-Oxley Act (SOX) due to its listing on the NASDAQ stock exchange. With combined efforts between the Group and Vodafone, specific processes were identified that had to be brought in line with SOX requirements as part of the Group's South African SOX compliance efforts. To be SOX compliant, the processes, systems and controls identified were reviewed for adequacy and tested to prove the effectiveness and ongoing operation thereof. Management has concluded that overall, as at 31 March 2024, these internal controls over financial reporting were effective.

Risk management

Reviews of the Group's governance functions, that includes the risk management programmes, business continuity and forensic services are performed by the Group's Risk Management Committee, which reports to the ARC Committee through the Chief Risk Officer. The top principal risks that can prevent the Group from achieving its strategic goals in the medium-term to long-term are reviewed twice a year by the ARC Committee and reported to the Board. These principal risks include both business related as well as macro strategic risks. All principal risks are currently managed within the risk appetite statements. The key focus areas, risk appetite and further details of the Group's principal risks are reported in the risk management report included in the Group's integrated report. Further details of this may be found in the governance report included in the integrated report at www.vodacom.com.

The internal audit department has conducted an assessment on the effectiveness of the risk management function in accordance with the approved risk management framework and current practices in place to assess risks. The methodology and processes within the Risk management function has remained consistent for the year under review. Nothing has come to our attention that indicates that the risk management methodology and processes are not effective as at 31 March 2024.

From 1 April 2023 to 31 March 2024, the Group's corporate security divisions investigated over 8 652 cases of alleged fraud or irregularities, of which 6 872 related to external cases and 1 780 to internal cases. The end result ensured the arrest of 15 suspects and the dismissal of 631 staff/contractors. These cases were reported and identified through various channels, including direct reports received from customers, service providers, online reports, referrals from business, the fraud management system and external whistleblowing.

The ARC Committee has satisfied itself that the risk management function operates effectively.

Combined assurance

The Group assessed risks based on principal risks. This is a high level category of risks, made up of macro and sub risks. The current combined assurance model in place is representative of how the risks are currently being managed across the lines of assurance. Vodacom Group Internal Audit has implemented a coordinated structure for planning, executing and reporting on internal audit, compliance and risk activities. The ARC committee is satisfied that the Group has optimised the assurance obtained from the three lines of assurance in accordance with the approved combined assurance model and that the model is effective in achieving the following objectives:

- coordinates assurance and reporting to provide management and the Board with a clear view on what our risks are;
- effective risk mitigation; and
- an acceptable level of residual risks.

Effectiveness of the finance function

In accordance with King IV requirements, the ARC Committee has, following its bi-annual assessment, concluded that the finance function is resourced with appropriately skilled and technically competent individuals, and that it is effective.

Processes within the finance function are well designed and embedded with an effective control environment. However, given the level of transformation and change that the business is experiencing, there is still room for improvement on systems integration, process automation, communication and partnering with the business.

Effectiveness of the design and implementation of financial controls

In alignment with King IV, the ARC Committee has satisfied itself that the following areas have been appropriately addressed:

- Financial reporting risk;
- Internal financial controls;
- Fraud risk as it relates to financial reporting; and
- Information technology and legal risk as it relates to financial reporting.

Compliance activities

The ARC Committee is responsible for the oversight of the Group's compliance programme and held a number of deep dive sessions on compliance related matters in the year. These focused on:

- changes to the control environment;
- updates to the Group's Code of Conduct, which is reviewed every three years;
- the control environment for financial services risk and compliance;
- the establishment and maintenance of an effective Legal Compliance Programme to be familiar with laws and regulations that apply to respective local markets including compliance-related monitoring function to help evaluate on-going compliance with our compliance-related applicable laws;
- the results from the annual policy compliance review which tests the extent to which local markets and other entities within the Group are compliant with our high risk policies;
- the results from our Doing What's Right online ethics programme for employees, contractors and suppliers, as well as other measures designed to assess the culture of the organisation;
- the results of the use of Speak Up channels in place to enable employees, contractors and suppliers to raise concerns about possible irregularities in financial reporting or other issues and the outputs of any resulting investigations; and
- the methodology for fraud reporting and investigations into known or suspected fraudulent activities by both third parties and employees.

Appropriateness and experience of Chief Financial Officer

The ARC Committee confirms that it is satisfied that RK Morathi, the current Chief Financial Officer, possesses the appropriate expertise and experience to meet the responsibilities of this position. The ARC Committee also confirmed that it is satisfied that the Chief Financial Officer is adequately supported by the Group finance function, which is constituted by suitably skilled individuals who can deliver the Group's financial reporting obligations.

Integrated report

The ARC Committee has overseen the integrated reporting process, reviewed the report and has recommended the 2024 integrated report and consolidated and separate financial statements for approval by the Board on 7 June 2024.



CB Thomson
Chairman
Audit, Risk and Compliance Committee

Consolidated income statement

for the year ended 31 March

Rm	Notes	2024	2023 ¹
Revenue	1	150 594	119 170
Direct expenses		(57 700)	(45 942)
Staff expenses		(10 136)	(7 746)
Publicity expenses		(2 156)	(1 936)
Net credit losses on financial assets		(846)	(864)
Other operating expenses		(23 830)	(18 069)
Depreciation and amortisation	9, 10	(22 786)	(17 968)
Net profit from associates and joint ventures	12	2 197	2 607
Operating profit	3	35 337	29 252
Net (loss)/gain on disposal of subsidiaries		(13)	4
Finance income	4	1 416	857
Finance costs	5	(8 163)	(5 569)
Net (loss)/gain on remeasurement and disposal of financial instruments	6	(454)	464
Profit before tax		28 123	25 008
Taxation	7	(8 859)	(6 897)
Net profit		19 264	18 111
Attributable to:			
Equity shareholders		16 292	16 767
Non-controlling interests		2 972	1 344
		19 264	18 111

Cents	Notes	2024	2023 ¹
Basic earnings per share	8	842	948
Diluted earnings per share	8	827	921

Note:

1. The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022.

Consolidated statement of comprehensive income

for the year ended 31 March

Rm	2024	2023 ¹
Net profit	19 264	18 111
Other comprehensive income		
Foreign currency translation differences, net of tax ²	(451)	2 985
Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method ²	1 732	565
Mark-to-market of financial assets held at fair value through other comprehensive income, net of tax ²	350	216
Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax ²	(279)	(276)
Total comprehensive income	20 616	21 601
Attributable to:		
Equity shareholders	19 317	21 207
Non-controlling interests	1 299	394
	20 616	21 601

Notes:

1. The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Refer to Note 24.
2. Other comprehensive income can subsequently be recognised in profit or loss on the disposal of foreign operations or financial assets held at fair value through other comprehensive income.

Consolidated statement of financial position

as at 31 March

Rm	Notes	2024	2023
Assets			
Non-current assets		169 886	162 527
Property, plant and equipment	9	74 643	74 241
Intangible assets	10	27 924	27 643
Financial assets	11	743	800
Investment in associates and joint ventures	12	58 334	52 573
Trade and other receivables	13	4 458	3 700
Finance receivables	14	2 658	2 348
Tax receivable		468	674
Deferred tax	7	658	548
Current assets		70 727	65 788
Financial assets	11	1 414	958
Mobile financial deposits	15	11 126	9 832
Inventory	16	2 321	2 156
Trade and other receivables	13	28 154	27 992
Finance receivables	14	3 293	2 508
Tax receivable		709	288
Bank and cash balances	23	23 710	22 054
Total assets		240 613	228 315
Equity and liabilities			
Fully paid share capital	17	89 918	89 918
Treasury shares	17	(17 131)	(17 055)
Retained earnings		47 457	43 524
Other reserves		(27 480)	(30 441)
Equity attributable to owners of the parent		92 764	85 946
Non-controlling interests		11 064	11 481
Total equity		103 828	97 427
Non-current liabilities		65 524	66 502
Borrowings	19	59 540	60 687
Trade and other payables	20	464	552
Provisions	21	1 592	1 406
Deferred tax	7	3 928	3 857
Current liabilities		71 261	64 386
Borrowings	19	11 741	8 327
Trade and other payables	20	42 585	41 392
Mobile financial payables	15	11 126	9 832
Provisions	21	614	830
Tax payable		2 984	2 665
Dividends payable		14	17
Bank overdraft	23	2 197	1 323
Total equity and liabilities		240 613	228 315

Consolidated statement of changes in equity

for the year ended 31 March

Rm	Notes	Fully paid share capital	Treasury shares	Share-based payment reserve ¹	Retained earnings	Fair value reserve ²	Change of interests in subsidiaries	Profit on sale of treasury shares	Foreign currency translation reserve	Common control reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
31 March 2022		57 073	(17 019)	2 750	39 884	170	(3 277)	73	(217)	–	79 437	6 029	85 466
Adoption of IAS 29 by associate entity		–	–	–	–	–	–	–	1 953	–	1 953	212	2 165
1 April 2022		57 073	(17 019)	2 750	39 884	170	(3 277)	73	1 736	–	81 390	6 241	87 631
Total comprehensive income		–	–	–	16 767	(60)	–	–	4 500	–	21 207	394	21 601
Net profit		–	–	–	16 767	–	–	–	–	–	16 767	1 344	18 111
Other comprehensive income	7	–	–	–	–	(60)	–	–	4 500	–	4 440	(950)	3 490
Dividends	8	–	–	–	(13 127)	–	–	–	–	–	(13 127)	(569)	(13 696)
Shares issued on acquisition of subsidiary	17	32 845	–	–	–	–	–	–	–	–	32 845	–	32 845
Acquisition of subsidiary under common control		–	–	–	–	–	–	–	–	(36 137)	(36 137)	5 105	(31 032)
Repurchase and sale of shares	17	–	(381)	–	–	–	–	4	–	–	(377)	–	(377)
Share-based payment		–	345	93	–	–	–	–	–	–	438	–	438
Share-based payment vesting		–	345	(345)	–	–	–	–	–	–	–	–	–
Share-based payment expense	8, 18	–	–	438	–	–	–	–	–	–	438	–	438
Proceeds on subsidiary share issue		–	–	–	–	–	–	–	–	–	–	242	242
Changes in subsidiary holdings		–	–	–	–	–	(293)	–	–	–	(293)	68	(225)
31 March 2023		89 918	(17 055)	2 843	43 524	110	(3 570)	77	6 236	(36 137)	85 946	11 481	97 427
Adoption of IFRS 17		–	–	–	11	–	–	–	–	–	11	–	11
1 April 2023		89 918	(17 055)	2 843	43 535	110	(3 570)	77	6 236	(36 137)	85 957	11 481	97 438
Total comprehensive income		–	–	–	16 292	71	–	–	2 954	–	19 317	1 299	20 616
Net profit		–	–	–	16 292	–	–	–	–	–	16 292	2 972	19 264
Other comprehensive income	7	–	–	–	–	71	–	–	2 954	–	3 025	(1 673)	1 352
Dividends	8	–	–	–	(12 370)	–	–	–	–	–	(12 370)	(1 805)	(14 175)
Repurchase and sale of shares	17	–	(422)	–	–	–	–	(16)	–	–	(438)	–	(438)
Share-based payment		–	346	84	–	–	–	–	–	–	430	–	430
Share-based payment vesting		–	346	(346)	–	–	–	–	–	–	–	–	–
Share-based payment expense	8, 18	–	–	430	–	–	–	–	–	–	430	–	430
Proceeds on subsidiary share issue ³		–	–	–	–	–	–	–	–	–	–	103	103
Share of changes in subsidiary holdings of associate	12	–	–	–	–	–	(132)	–	–	–	(132)	(14)	(146)
31 March 2024		89 918	(17 131)	2 927	47 457	181	(3 702)	61	9 190	(36 137)	92 764	11 064	103 828

Notes:

- Includes the broad-based black economic empowerment reserve of R2 712 million (2023: R2 659 million) and other employee share-based payment scheme reserves of R215 million (2023: R182 million).
- This reserve relates to the IFRS 9 Expected Credit Loss allowance on finance receivables, as well as fair value adjustments on the finance receivables.
- Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.

Consolidated statement of cash flows

for the year ended 31 March

Rm	Notes	2024	2023 ¹
Cash flows from operating activities			
Cash generated from operations	22	57 123	48 312
Tax paid		(8 112)	(7 361)
Net cash flows from operating activities		49 011	40 951
Cash flows from investing activities			
Additions to property, plant and equipment and intangible assets		(22 325)	(20 175)
Proceeds from disposal of property, plant and equipment and intangible assets		178	89
Acquisition of subsidiary (net of cash and cash equivalents acquired) ²	24	(376)	(9 221)
Investment in associate and joint venture	12	(457)	(321)
Loan to joint venture		–	(116)
Dividends received from associate	12	2 493	4 390
Finance income received		1 271	871
Net movement in mobile financial deposits		(1 046)	(2 353)
Other investing activities		(461)	132
Net cash flows utilised in investing activity		(20 723)	(26 704)
Cash flows from financing activities			
Borrowings incurred	22	18 182	19 662
Borrowings repaid	22	(21 700)	(11 935)
Finance costs paid	22	(7 667)	(5 341)
Dividends paid – equity shareholders		(12 374)	(13 136)
Dividends paid – non-controlling interests		(1 805)	(569)
Repurchase of shares		(531)	(510)
Proceeds on sale of shares		93	133
Proceeds on subsidiary share issue ³		103	242
Changes in subsidiary holdings		–	(273)
Net cash flows utilised in financing activities		(25 699)	(11 727)
Net increase in cash and cash equivalents		2 589	2 520
Cash and cash equivalents at the beginning of the period	23	20 731	16 658
Effect of foreign exchange rate changes		(1 807)	1 553
Cash and cash equivalents at the end of the period		21 513	20 731

Notes:

1. Vodafone Egypt has been consolidated from the acquisition date of 8 December 2022.
2. Final cash payment for the acquisition of Vodafone Egypt.
3. Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.

Notes to the consolidated and separate financial statements

for the year ended 31 March

Basis of preparation

The consolidated and separate financial statements of the Group and Company respectively have been prepared in accordance with the IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with 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 requirements of the South African Companies Act, as amended.

The preparation of the consolidated and separate financial statements in conformity with the IFRS accounting standards as issued by the International Accounting Standards Board (IASB) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. For disclosure of the Group's and Company's critical accounting judgements and estimates, see Critical accounting judgements and estimates on pages 34 to 39. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The consolidated and separate financial statements are presented in South African rand, which is the parent company's functional and presentation currency.

The material accounting policies are consistent in all material respects with those applied in the previous year, there have been no material changes in judgements or estimates of amounts reported in prior reporting periods.

Material accounting policies

Accounting convention

The consolidated and separate financial statements are prepared on a historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost.

Investment in associates, joint ventures and subsidiaries

Investments in associates, joint ventures and subsidiaries are accounted for in the separate financial statements of the Company at cost less accumulated impairment. Cost includes the purchase price and other costs directly attributable to the acquisition. Investments are not subsequently remeasured but rather subject to impairment testing.

Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Vodacom Group Limited, its subsidiaries, joint arrangement, associates and structured entities up to 31 March 2024.

Business combinations

Acquisitions of subsidiaries are accounted for in the consolidated financial statements using the acquisition method. The cost of the acquisition is measured at the aggregate fair values of assets given, liabilities incurred, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree, if any, over the net acquisition-date amounts of identifiable assets acquired and liabilities assumed.

Acquisitions of associates and joint ventures under common control are accounted for using the acquisition method. Acquisitions of subsidiaries under common control are accounted for using the pooling of interest method. The pooling of interest method is applied prospectively with a corresponding reset of the acquiree's historical equity reserves within another component of the Group's equity. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given up to the sellers, liabilities incurred by the Group from the sellers and equity instruments issued by the Group in exchange for control over the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The assets and liabilities of the acquiree are reflected at their combination date carrying amounts recognised within the controlling party's consolidated financial statements, thus no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination. The Group also recognises the controlling party's pre-existing goodwill linked to the previous acquisition of the acquiree and non-controlling interest's proportional share of the acquiree's net assets as recognised within the controlling party's consolidated financial statements as at the combination date. The difference between the consideration transferred and the acquired net assets, pre existing goodwill and non-controlling interests as at the combination date is reflected within equity.

Where applicable, the consideration transferred includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Changes in fair value that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Changes in fair value that do not qualify as measurement period adjustments are adjusted prospectively, with the corresponding gain or loss being recognised in profit or loss.

Consolidation continued

Business combinations continued

Components of non-controlling interests that are current ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the acquisition date at either:

- Fair value; or
- The non-controlling interests' proportionate share of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis.

All other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRS.

The difference between the proceeds and the carrying amount of the net assets and liabilities disposed of, adjusted for any related carrying amount of goodwill, is recognised as the profit or loss on disposal of subsidiaries. The same principle applies to a joint arrangement.

Accounting for subsidiaries

A subsidiary is an entity directly or indirectly controlled by the Group. Control is achieved where the Group has existing rights that give it the current ability to direct the activities that affect the subsidiary's returns and exposure or rights to variable returns from the entity.

The results of subsidiaries are consolidated from the date control is obtained by the Group up to the date on which the Group ceases to have such control. Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group. Where control is lost, any interest retained by the Group is remeasured to fair value. The profit or loss on disposal is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amounts of the assets, including goodwill, and liabilities of the subsidiary, reduced by any non-controlling interests.

All intra-group transactions, balances, and income and expenses, are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests

In transactions with non-controlling interests that do not result in a change in control, the difference between the fair value of the consideration paid or received and the amount by which the non-controlling interest is adjusted is recognised in equity.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not convey control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's interest in associates and joint ventures are accounted for applying the equity method from the date on which the Group has significant influence or joint control, respectively up to the date on which the Group ceases to have such influence or joint control.

Under the equity method, investments in associates or joint ventures are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate or joint venture, less any impairment in the value of the investment. Losses of an associate or joint venture in excess of the Group's interest therein are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

The Group's share of intra-group unrealised profits or losses, between Group companies and joint ventures and associates are eliminated upon equity accounting of these entities.

Operating segments

The Group discloses its operating segments according to the entity components regularly reviewed by the Group Executive Committee. The components comprise of operating segments located in South Africa, Egypt, Kenya and our other African operations which are aggregated in the International segment.

Segment information is prepared in conformity with the measure that is reported to the Group Executive Committee and has been reconciled to the consolidated financial statements. The measure reported by the Group is in accordance with the material accounting policies adopted for preparing and presenting the consolidated financial statements.

The segment assets and liabilities comprise all assets and liabilities that are employed by and are directly attributable to the segment, or can be allocated to the segment on a reasonable basis.

Capital expenditure in property, plant and equipment and intangible assets are allocated to their related segments.

Foreign currencies

Transactions and balances

The consolidated and separate financial statements are presented in South African rand, which is the parent company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the foreign exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency of the entity at the rates prevailing at the reporting date. Exchange differences on the settlement or translation of monetary assets and liabilities identified as being part of operating activities are included in operating profit, while exchange differences on the settlement or translation of monetary assets and liabilities which are not considered as being part of operating activities are included in net gain/loss on remeasurement and disposal of financial instruments in profit or loss in the period in which they arise.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not retranslated. When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any exchange component of that gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than rand are expressed in rand using exchange rates prevailing on the reporting date. Income and expense items and cash flows are translated at the foreign exchange rates on the transaction dates or the average exchange rates for the period and exchange differences arising are recognised directly in other comprehensive income. On disposal of a foreign operation, the cumulative amount previously recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, being monetary items receivable from or payable to foreign entities for which settlement is neither planned nor likely to occur in the foreseeable future, are recognised in other comprehensive income. Taxation on the foreign currency translation reserve relates only to monetary items that form part of the Group's net investment in foreign operations.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Land is not depreciated and is stated at cost less accumulated impairment losses, if any.

Land and buildings in which the Group occupies more than 25.0% of the floor space or for which the primary purpose is the service and connection of customers are classified as property, plant and equipment. Assets under construction are carried at cost, less any impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The cost of property, plant and equipment includes directly attributable costs incurred in the acquisition and installation of such assets, as well as the present value of the estimated cost of dismantling, removal or site restoration costs if applicable, so as to bring the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

The cost of small parts that do not meet the definition of property, plant and equipment, as well as repairs and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life and ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised. Depreciation is not ceased when assets are idle. Useful lives, residual values and depreciation methods are reviewed on an annual basis with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment acquired in exchange for non-monetary assets is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

The difference between the proceeds and the carrying amount of an item of property, plant and equipment is recognised as profit or loss on disposal.

Government grants

The Group may be entitled to receive grants from national or regional government which are primarily for the purpose of purchasing property, plant and equipment (capital grants).

Government grants are recognised when there is reasonable assurance that the Group will comply with any condition on which payment or retention of the grant is dependent and the grant will be paid.

It is the Group's policy to deduct capital grants from the cost of the assets acquired which will result in the depreciation expense for the related assets being reduced during the useful life of the related assets.

In the event that a capital grant becomes repayable, the cost of the related assets is increased by the amount of the repayment, and the cumulative depreciation that would have been recognised in profit or loss had the repaid amount not originally been recorded will be recognised immediately in profit or loss.

Government grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises the related costs as expenses, for which the grant is intended to compensate.

Intangible assets

Intangible assets with an indefinite useful life

Goodwill is initially recognised at cost and subsequently stated at cost less accumulated impairment losses, if any. Goodwill is not amortised.

Goodwill is denominated in the currency of the acquired entity and revalued to the closing rate at each reporting date.

Intangible assets with finite useful lives

Intangible assets with finite useful lives are stated at cost, less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life, and commences when the intangible asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised.

Useful lives and amortisation methods are reviewed on an annual basis, with the effect of any changes in estimate accounted for on a prospective basis.

The Group's intangible assets with finite useful lives are as follows:

- Licences;
- Trademarks, patents and other;
- Customer bases; and
- Computer software.

Expenditure incurred to develop, maintain and renew internally generated trademarks and patents is recognised as an expense in the period it is incurred.

Computer software that is not considered to form an integral part of any hardware equipment is recorded as an intangible asset.

The difference between the proceeds and the carrying amount of an intangible asset is recognised as the profit or loss on disposal.

Impairment of non-financial assets

An impairment loss is recognised immediately in profit or loss if the recoverable amount of an asset is less than its carrying amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows from continuing use and ultimate disposal of the asset are discounted to their present value using a post-tax methodology that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The carrying amount of cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined and therefore includes liabilities where relevant to ensure comparability.

Assets that do not generate cash inflows largely independent of those from other assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss. Goodwill impairment losses are not reversible in subsequent periods.

Intangible assets with an indefinite useful life and intangible assets not yet available for use

Goodwill and intangible assets not yet available for use are tested annually for impairment and when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Property, plant and equipment, intangible assets with finite useful lives and equity accounted investments

Carrying amounts of property, plant and equipment, intangible assets with finite useful lives and equity accounted investments are reviewed annually in order to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent, if any, of the impairment loss.

Financial instruments

Financial assets and liabilities, in respect of financial instruments, are recognised on the statement of financial position when the Group or Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs.

The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

Financial assets, excluding derivative financial instruments

Financial assets are recognised and derecognised on trade date where the purchase or sale of the financial asset is under a contract whose terms require delivery of the instrument within the time frame established by the market concerned.

Subsequent to initial recognition, these instruments are measured as follows:

- Financial assets that are debt instruments, are classified based on how they are managed by the business and the nature of their contractual cash flows.
- Debt securities held for trading purposes, or whose cash flows do not solely represent payments of principal and interest are stated at fair value, with gains and losses arising from changes in fair value included in profit or loss.
- Equity securities are also stated at fair value, with gains and losses arising from changes in fair value recognised in profit or loss.
- Where finance receivables are sold to a third party from time to time these portfolios are recorded at fair value through other comprehensive income, as the business model is to "hold to both collect contractual cash flows and sell".
- All other investments, including trade receivables, are held to collect contractual interest and principal repayments and are stated at amortised cost using the effective interest method, less any impairment.

Trade and other receivables, including financial assets stated at amortised cost

Trade and other receivables mainly consist of amounts owed to the Group and Company by customers and amounts that we pay to our suppliers in advance. Derivative financial instruments with a positive market value are reported within Note 13 in the consolidated financial statements and Note 12 in the separate financial statements as are contract assets which represent an asset for accrued revenue in respect of goods or services delivered to customers for which a trade receivable does not yet exist and finance lease receivables, recognised where the Group acts as a lessor.

Trade receivables represent amounts owed by customers where the right to receive payment is conditional only on the passage of time. Trade receivables that are recovered in instalments from customers over an extended period are discounted at market rates and interest revenue is accreted over the expected repayment period. Other trade receivables do not carry any interest and are stated at their nominal value. The carrying value of all trade receivables are recorded at amortised cost. The carrying values of trade receivables, contract asset and finance lease receivables are reduced by allowances for lifetime estimated credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable. Irrecoverable amounts are based on the ageing of the receivable balances and historical experience, individual balances are written off when management deems them not to be collectible.

Impairment of financial assets

Impairment of financial assets carried at amortised cost, with the exception of trade and other receivables, contract assets and finance lease receivables amounts to the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For trade and other receivables, contract assets and finance lease receivables, the amount of the impairment loss is the irrecoverable amount estimated by management based on assumptions about risk of default and expected loss rates (Note 31.4.2.1).

The carrying amount is reduced directly by the impairment loss, with the exception of trade receivables, contract assets and finance lease receivables, where the carrying amount is reduced through the use of an allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed, either directly or by adjusting the allowance account, through profit or loss. The carrying amount of the financial asset at the date the impairment loss is reversed will not exceed what the amortised cost would have been had the impairment loss not been recognised.

Held to collect and sell financial assets carried at fair value through other comprehensive income (finance receivables), incur impairment as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash at banks as well as loan receivables classified and measured at amortised cost are considered to have low credit risk with the expected credit loss mitigated through the Group's and Company's credit risk management policy.

Financial instruments continued

Financial liabilities, excluding derivative financial instruments, and equity instruments

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the applicable definitions. An equity instrument is any contract that evidences a residual interest in the assets of the Group or Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial asset.

Equity instruments issued are recorded at the proceeds received, net of direct issuance costs. Own equity instruments that are reacquired (treasury shares) are recognised at cost, including transaction costs, and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's or Company's own equity instruments. Any difference between the carrying amount and the consideration on resale is recognised in equity.

Financial liabilities are initially recognised at fair value. Subsequent to initial measurement, these instruments are measured as follows:

- Borrowings are subsequently stated at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowings.
- Trade and other payables (excluding liabilities created by statutory requirements, revenue charged in advance, deferred revenue and reduced subscriptions) as well as dividends payable are not interest bearing and are subsequently stated at their nominal values.

Derivative financial instruments

Exposure to the financial risks of changes in foreign exchange rates and interest rates, are managed using derivative financial instruments. The Group's and Company's principal derivative financial instruments are foreign exchange forward contracts.

The use of derivative financial instruments is governed by policies approved by the Board, which provide written principles consistent with the Group's and Company's risk management strategy. Derivative financial instruments are not used for speculative purposes.

Derivative financial instruments are initially measured at fair value on contract date and are subsequently remeasured to fair value at each reporting date. Changes in fair value are recorded in profit or loss as they arise unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedge relationship. Changes in values of all derivatives of a financing nature are included within remeasurement and disposal of financial instruments in profit or loss.

Hedge accounting

Certain foreign exchange forward contracts are designated primarily as fair value hedges, and in limited circumstances cash flow hedges, to hedge exposure to variability in fair value that is attributable to changes in foreign exchange rates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are immediately recognised in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. For unrecognised firm commitments, the change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss and included in the line item relating to the hedging instrument. The initial carrying amount of the asset or liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the firm commitment attributable to the hedged risk that was recognised in the statement of financial position. For recognised hedged assets or liabilities, the change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging relationship is revoked, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

The Company also designates certain forward exchange contracts, entered into in order to hedge against foreign exchange movements relating to cash considerations payable at a future date, as cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income within the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The amount recognised in other comprehensive income will remain within the cash flow hedge reserve, with subsequent reclassification to profit or loss on the derecognition or impairment of the hedged asset.

Financial guarantees in the parent company

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The liability is amortised in a straight line over the period the guarantee remains in place.

Offset

Where a legally enforceable right of offset exists for recognised financial assets and liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

Leases

As a lessee

When an asset is leased, a 'right of use asset' is recognised for the leased item and a lease liability is recognised for any lease payments due at the lease commencement date. The right of use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease as well as estimated dismantling costs, less any lease incentives received. Right of use assets are disclosed as part of property, plant and equipment.

Right of use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which it is 'reasonably certain' that any extension options will be exercised or any termination options will not be exercised (see below). The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment. If right of use assets are considered to be impaired, the carrying value is reduced to the recoverable amount.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are usually discounted using the incremental borrowing rates of the applicable Group entity (the rate implicit in the lease is used if it is readily determinable). Lease payments included in the lease liability include:

- fixed payments and in-substance fixed payments during the term of the lease;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;
- amounts expected to be payable by the lessee under residual value guarantees;

Lease liabilities are disclosed as part of borrowings.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when:

- there is a change in the residual value guarantee;
- there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase);
- the assessment of the lease term changes;
- lease modifications occur that are not treated as separate leases.

Any change in the lease liability as a result of these changes also results in a corresponding change in the right of use asset.

Neither the short term nor low value expedient options in IFRS 16 are applied. For a contract that is, or contains a lease, lease components within the contract are accounted for as a lease separately from non-lease components of the contract.

As a lessor

Where the Group or Company is a lessor, it is determined at inception whether the lease is a finance or an operating lease. When a lease transfers substantially all the risks and rewards of ownership of the underlying asset then the lease is a finance lease; otherwise, the lease is an operating lease.

Where the Group or Company is an intermediate lessor, the interest in the head lease and the sub-lease is accounted for separately and the lease classification of a sub-lease is determined by reference to the right of use asset arising from the head lease. Income from operating leases are recognised on a straight-line basis over the lease term. Profit or loss from finance leases, arising on derecognition of the leased asset, are recognised in full at lease commencement.

Lease income is recognised as other revenue for transactions that are part of ordinary activities (primarily leases of handsets or other equipment to customers or leases of wholesale access to the Group's fibre and cable networks and provision of space on its tower assets to other operators). The principles in IFRS 15 are used to allocate the consideration in contracts between any lease and non-lease components. Lease income is recognised as a credit in operating expenses for transactions that are not part of ordinary activities (primarily leases or sub leases of surplus assets).

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method and comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents measured at amortised cost comprises of cash on hand and call deposits, net of bank overdrafts, all of which are available for use by the Group or Company unless otherwise stated.

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that the obligation will be required to be settled and a reliable estimate of the amount of the obligation can be made. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value using a pre-tax discount rate, where the effect of the time value of money is material.

Taxation

Taxation represents the sum of current tax and deferred tax.

Tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or directly to equity, in which case the tax is also recognised directly in other comprehensive income or in equity.

Tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same tax authority on either the same taxable entity or on different taxable entities which intend to settle the tax assets and liabilities on a net basis.

Current tax

Current tax payable or receivable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated and separate income statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. Current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that the deductible temporary difference will reverse in the foreseeable future and taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition, other than in a business combination, of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and joint arrangements, except where the Group or Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset for the carry forward of unused tax losses and tax credits is only recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in the probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

Exchange differences arising from the translation of foreign tax assets and liabilities of foreign entities, where the functional currency is different to the local currency, are classified as a deferred tax expense or income.

Revenue recognition and presentation

Group

Revenue recognition

When an agreement is entered with a customer, goods and services deliverable under the contract are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified. The obligations identified will depend on the nature of individual customer contracts, but might typically be separately identified for mobile handsets, other equipment provided to customers and services provided to customers such as mobile and fixed line communication services. Where goods and services have a functional dependency (for example, a fixed line router can only be used with the Group's services) this does not, in isolation, prevent those goods or services from being assessed as separate obligations.

The Group determines the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. Where indirect channel dealers, such as retailers, acquire customer contracts on behalf of the Group and receive commission, any commissions that the dealer is compelled to use to fund discounts or other incentives to the customer are treated as payments to the customer when determining the transaction price and consequently are not included in contract acquisition costs.

The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Group would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis; where standalone selling prices are not directly observable, estimation techniques are used maximising the use of external inputs. See "Critical accounting judgements and estimates" for details.

Revenue is recognised when the respective obligations in the contract are delivered to the customer and cash collection is considered probable. Revenue for the provision of services, such as mobile airtime and fixed line broadband, are recognised when the Group provides the related service during the agreed service period. Revenue for device sales to end customers are generally recognised when the device is delivered to the end customer.

For device sales made to intermediaries such as indirect channel dealers, revenue is recognised if control of the device has transferred to the intermediary and the intermediary has no right to return the device to receive a refund; otherwise revenue recognition is deferred until sale of the device to an end customer by the intermediary or the expiry of any right of return.

When the Group has control of goods or services prior to delivery to a customer, then the Group is the principal in the sale to the customer. As a principal, receipts from, and payments to, customers and suppliers are reported on a gross basis in revenue and operating costs. If another party has control of goods or services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue in respect of the relevant obligations is recognised net of any related payments to the supplier, recognised revenue represents the margin earned by the Group. See "Critical judgements and estimates" for details".

When revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer at that time a contract asset is recognised; contract assets will typically be recognised for handsets or other equipment provided to customers where payment is recovered by the Group via future service fees. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised.

When contract assets or liabilities are recognised, a financing component may exist in the contract; this is typically the case when a handset or other equipment is provided to a customer up-front but payment is received over the term of the related service agreement, in which case the customer is deemed to have received financing. If a significant financing component is provided to the customer, the transaction price is reduced and interest revenue is recognised over the customer's payment period using an interest rate reflecting the relevant central bank rates and customer credit risk.

Other income

Dividends from investments are recognised when the Group's right to receive payment has been established.

Interest is recognised on a time proportion basis with reference to the principal amount receivable and the effective interest rate applicable.

Presentation: gross versus net

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts and sales taxes, with any related administrative fees charged as an operating cost.

Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis, with revenue representing the margin earned.

Contract-related costs

When costs directly relating to a specific contract are incurred prior to recognising revenue for a related obligation, and those costs enhance the ability of the Group to deliver an obligation and are expected to be recovered, then those costs are recognised on the statement of financial position as fulfilment costs and are recognised as expenses in line with the recognition of revenue when the related obligation is delivered.

The direct and incremental costs of acquiring a contract including, for example, certain commissions payable to staff or agents for acquiring customers on behalf of the Group, are recognised as contract acquisition cost assets in the statement of financial position when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Group; typically this is over the customer contract period as new commissions are payable on contract renewal. Certain amounts payable to agents are deducted from revenue recognised.

Company

The Company recognises revenue from management services as the management services are rendered over the duration of the contractual term and in accordance with terms and conditions of the contract concluded with the customer. Payment is generally due within 60 days from invoicing.

Dividends from investments are recognised when the Company's right to receive payment has been established.

Interest is recognised on a time proportion basis with reference to the principal amount receivable and the effective interest rate applicable.

Commissions

Intermediaries are given cash incentives by the Group to connect new customers and upgrade existing customers.

For intermediaries who do not purchase products and services from the Group, such cash incentives are accounted for as an expense. Cash incentives to intermediaries who purchase products and services from the Group are also accounted for as an expense if:

- The Group receives an identifiable benefit in exchange for the cash incentive that is separable from sales transactions to that intermediary; and
- The Group can reliably estimate the fair value of that benefit.

Cash incentives that do not meet these criteria are recognised as a reduction of the related revenue.

Distribution incentives paid to service providers and dealers for exclusivity are deferred and expensed over the contractual relationship period.

Expenses

Expenses are recognised as they are incurred. Prepaid expenses are deferred and recognised in periods to which they relate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The portion of exchange differences to be capitalised is estimated based on interest rates on similar borrowings in the entity's functional currency. Foreign exchange gains and losses are assessed cumulatively over the construction period.

Other borrowing costs are expensed as they are incurred.

Employee benefits

Post-employment benefits

The Group and Company contributes to defined contribution funds for the benefit of employees and these contributions are expensed as they fall due. The Group and Company is not liable for contributions to the medical aid of retired employees.

Short-term and long-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are expensed in the period in which the employee renders the related service.

Long-term employee benefits payable to eligible employees are expensed in the period in which the employee renders the related service.

Share-based payments

The Group and Company has share-based payment compensation plans for certain eligible employees.

Equity-settled share-based payments

Equity-settled share-based payments are measured at the grant date fair value of the equity instruments granted, and are expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. The annual expense is based on management's estimate of the shares that will eventually vest, adjusted for the effect of non-market vesting conditions.

Cash-settled share-based payments

Cash-settled share-based payment liabilities are initially measured at fair value and subsequently remeasured to fair value at each reporting date as well as at the date of settlement, with any changes in fair value recognised in profit or loss. The expense is recognised on a straight-line basis over the vesting period, with a corresponding increase in the liability.

Broad-based black economic empowerment (BBBEE) transaction

Where equity instruments are issued to a BBBEE partner at less than fair value, these are accounted for as share-based payments.

The difference between the fair value of the equity instruments issued and the consideration received is accounted for as an expense in profit or loss on the transaction date, with a corresponding increase in equity. No service or other conditions exist for BBBEE partners. A restriction on the BBBEE partner to transfer the equity instrument subsequent to its vesting is not treated as a vesting condition, but is factored into the fair value determination.

New accounting pronouncements

New accounting pronouncements adopted on 1 April 2023

The Group and Company adopted the following new accounting pronouncements on 1 April 2023 to ensure compliance with the new standards and amendments to the IFRS accounting standards as issued by the International Accounting Standards Board:

- IFRS 17 Insurance Contracts;
- Amendments to IAS 1 'Disclosure of Accounting Policies';
- Amendment to IAS 8 'Definition of Accounting Estimates';
- Amendment to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'; and
- Amendment to IAS 12 'International Tax Reform – Pillar Two Model Rules'.

The amendments to IAS 1, IAS 8, IAS 12 are not expected to have a material impact on the Group's and Company's financial reporting on adoption. The impact of the adoption of IFRS 17 and of the IAS 12 Pillar Two Model Rules is addressed below.

IFRS 17 'Insurance Contracts'

IFRS 17, was introduced to replace IFRS 4 Insurance Contracts. IFRS 17 is a comprehensive new accounting standard that governs the recognition, measurement, presentation, and disclosure for insurance contracts. The Group and Company adopted IFRS 17 on 1 April 2023. The insurance businesses are not material in size and nature to the Group and Company and as a result the IFRS 17 accounting changes do not have a material impact on the Group and Company. The Group and Company does not expect that the insurances businesses to have a material impact on the Group and Company in the foreseeable future, however the Group and Company will continue assess its materiality on an annual basis.

Amendments to IAS 12 'International Tax Reform – Pillar Two Model Rules'

On 23 May 2023, the IASB issued amendments to IAS 12 'Income Taxes' to provide a mandatory temporary exception to the accounting for deferred taxes arising in relation to International Tax Reform (the "Pillar Two" rules) and to require additional disclosures regarding the impact of the Pillar Two regulations. The amendments to IAS 12 have been adopted by the Group and Company for the purposes of reporting at 31 March 2024, with additional disclosure also required in the year commencing 1 April 2024.

The Group and Company has applied the mandatory temporary exception and therefore has not recognised or disclosed deferred tax assets or liabilities relating to Pillar Two regulations within the consolidated financial statements for the year ended 31 March 2024. The introduction of Pillar Two regulations is not expected to result in any material future impact on the Group's and Company's current tax expense.

New accounting pronouncements to be adopted on or after 1 April 2024

The standards and amendments listed below will be effective in future reporting periods. It is expected that the Group and the Company will adopt the pronouncements on their respective effective dates. The adoption of the new accounting standards and amendments effective for annual reporting periods 1 January 2024 is not expected to have a material impact on the Group and Company results and the Group and Company financial reporting will be presented in accordance with these standards from 1 April 2024. In terms of the new accounting standards and amendments effective for annual reporting periods effective on or after 1 January 2025 the Group and Company remains to assess the impact of these new standards and amendments and the Group and Company financial reporting will be presented in accordance with these new standards and amendments from 1 April 2025 as applicable.

Standard	Effective date for annual periods beginning on or after
Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants' (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Pending
Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027

Critical accounting judgements including those involving estimations

The Group and Company prepare the consolidated and separate financial statements in accordance with IFRS as issued by the IASB, the application of which often requires management to make judgements when formulating the Group's and Company's financial position and results. Judgements, including those involving estimations, made in the process of applying the Group's and Company's accounting policies are discussed below. Management considers these judgements to have a material effect on the consolidated and separate financial statements.

The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Although estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from these estimates. Accounting estimates and the underlying assumptions are reviewed on an ongoing basis.

The discussion below should also be read in conjunction with the disclosure of material accounting policies, which is provided on page 23.

Management has presented its critical accounting judgements and associated disclosures to the Audit, Risk and Compliance Committee who has recommended them to the Board.

Investment in subsidiaries, associates and joint ventures

Judgement is required in the assessment of whether the Group and Company has control or significant influence in terms of the variability of returns from involvement in the investee, the ability to use power to affect those returns and the significance of the investment in the investee. The Group and Company classified its investments considering this assessment of control or significant influence (consolidated financial statements Notes 12 and 29 and separate financial statements Note 9).

The Group assessed its broad-based black economic empowerment transactions, to determine whether the Group has control over the entities it has partnered with in the transactions, resulting in the consolidation of these entities.

Intangible assets with finite useful lives

Intangible assets with finite useful lives include licences, customer bases, computer software, trademarks, patents and other. These assets arise from both separate purchases and from acquisitions as part of business combinations.

The relative size of the Group's intangible assets with finite useful lives makes the judgements surrounding the estimated useful lives critical to the Group's financial position and performance.

At 31 March 2024, intangible assets with finite useful lives amounted to R 23 705 million (2023: R23 327 million) and represented 9.9% (2023: 10.2%) of the Group's total assets.

Estimation of useful lives

The useful lives used to amortise intangible assets relate to the future performance of the assets acquired and management's judgement of the period over which economic benefits will be derived from the assets. The residual values of intangible assets are assumed to be zero.

The basis for determining the useful lives for the various categories of intangible assets is as follows:

Licences

The estimated useful life is, generally, the term of the licence, unless there is a presumption of renewal at a negligible cost. The licence term reflects the period over which the Group will receive economic benefits. For technology-specific licences with a presumption of renewal at a negligible cost, the estimated useful life reflects the Group's expectation of the period over which the Group will continue to receive economic benefits from the licence.

Trademarks, patents, wavelengths and other

The estimated useful life represents management's view of the expected period over which the Group will receive economic benefits from the trademarks, patents, wavelengths and other intangible assets.

Estimation of useful lives continued

Customer bases

The estimated useful life principally reflects management's view of the average economic life of the customer base and is assessed by reference to, inter alia, customer churn rates or obtained through an independent actuarial valuation. An increase in churn rates may lead to a reduction in the estimated useful life and an increase in the amortisation charge.

Computer software

For computer software licences, the useful life represents management's view of the expected period over which the Group or Company will receive benefits from the software, but not exceeding the licence term. For unique software products controlled by the Group, the life is based on historical experience with similar products as well as anticipation of future events, which may impact the life, such as changes in technology.

The estimated useful lives of intangible assets with finite useful lives are as follows:

Years	2024	2023
Licences	8–30	8–30
Trademarks, patents, wavelengths and other	5–20	5–12
Customer bases	1–8	1–8
Computer software	3–10	3–10

Historically, changes in useful lives have not resulted in material changes to the Group's or Company's amortisation charge.

Property, plant and equipment

Property, plant and equipment also represent a significant proportion of the Group's asset base, being 31.0% (2023: 32.5%) of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying amounts and related depreciation are critical to the Group's financial position and performance.

Estimation of useful lives and residual values

The charge in respect of periodic depreciation is derived after estimating an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated income statement.

The Group assesses the residual value of every item of property, plant and equipment annually. In determining residual values, the Group uses historical sales and management's best estimate for residual values below 10.0% of cost and third-party confirmation for those above 10.0% of cost. Management has determined that there is no active market for the following assets within the network infrastructure and equipment category: radio, transmission, switching, SIM centres and community services, and therefore these assets have no residual value. At the end of the useful life, the value of the asset is expected to be nil or insignificant in respect of the above-mentioned assets.

The estimation of useful lives is based on certain indicators such as historical experience with similar assets as well as anticipation of future events, which may impact the lives, such as changes in technology. The useful lives will also depend on the future performance of the assets as well as management's judgement of the period over which economic benefits will be derived from the assets.

Network infrastructure is only depreciated over a period that extends beyond the expiry of the associated licence under which the operator provides telecommunications services if there is a reasonable expectation of renewal or an alternative future use for the asset.

The estimated useful lives of depreciable property, plant and equipment are as follows:

Years	2024	2023
Buildings, included in land and buildings	17–50	17–50
Network infrastructure and equipment	3–25	3–25
Other assets	1–15	1–15

Historically, changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

Impairment reviews

Management undertakes an annual impairment test for goodwill and intangible assets not yet available for use. For assets with finite useful lives, impairment testing is performed if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying amounts of assets can be supported by the higher of their fair value less costs of disposal and value in use.

Parties with the requisite expertise are used to determine the fair value less costs of disposal of assets.

Value in use is calculated as the net present value of future cash flows derived from assets using cash flow projections which have been discounted at appropriate discount rates. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- Growth in EBITDA, calculated as earnings before interest, taxation, depreciation, amortisation, impairment losses, BBBEE charge, profit/(loss) on disposal of property, plant and equipment and intangible assets;
- Timing and quantum of future capital expenditure;
- Long-term growth rates; and
- The selection of appropriate discount rates to reflect the risks involved.

Details of the basis for determining values assigned to key assumptions are provided in Note 2 of the consolidated financial statements.

The Group and Company prepares and annually approves formal five-year management plans for its operations, which are used in the value in use calculations.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the impairment evaluation and consequently its results.

As a large owner of infrastructure and consumer of energy, the Group has exposure to the climate change related risks such as energy cost increases, asset damage and service disruption. The long range plans used in the Group's impairment testing include forecast energy costs and other costs that are embedded in the planning process to deliver the Group's carbon reduction targets. The long range plans also include capital expenditure in relation to the Group's extensive and ongoing network maintenance programme, and support the Group's use of durable and energy efficient infrastructure. Climate change, therefore, is not expected to have a material impact on the outcome of the Group's impairment testing.

The recoverable amounts of the Company's equity investments in subsidiaries, associates and joint ventures are based on value in use calculations with an appropriate risk adjusted discount rate being applied. A summary of the Company's carrying amounts of these investments are set out in Note 9 of the separate financial statements.

The review includes a sensitivity analysis of the key assumptions related to the cash flow projections as disclosed in Note 2 of the consolidated financial statements.

Critical accounting judgements and key sources of estimation relating to leases

Lease identification

Whether the arrangement is considered a lease or a service contract depends on the analysis by management of both the legal form and substance of the arrangement between the Group and the counter-party to determine if control of an identified asset has been passed between the parties; if not, the arrangement is a service arrangement. Control exists if the Group obtains substantially all of the economic benefit from the use of the asset, and has the ability to direct its use, for a period of time. An identified asset exists where an agreement explicitly or implicitly identifies an asset or a physically distinct portion of an asset which the lessor has no substantive right to substitute.

The scenarios requiring the greatest judgement include those where the arrangement is for the use of fibre or other fixed telecommunication lines. Generally, where the Group has exclusive use of a physical line it is determined that the Group can also direct the use of the line and therefore leases will be recognised. Where the Group provides access to fibre or other fixed telecommunication lines to another operator on a wholesale basis the arrangement will generally be identified as a lease, whereas when the Group provides fixed line services to an end-user, generally control over such lines is not passed to the end-user and a lease is not identified.

The impact of determining whether an agreement is a lease or a service contract depends on whether the Group is a potential lessee or lessor in the arrangement and, where the Group is a lessor, whether the arrangement is classified as an operating or finance lease. The impacts for each scenario are described below where the Group is potentially:

- A lessee. The judgement impacts the nature and timing of both costs and reported assets and liabilities. A lease results in depreciation and interest being recognised and an asset and a liability being reported; the interest charge will decrease over the life of the lease. A service contract results in operating expenses being recognised evenly over the life of the contract and no assets or liabilities being recorded (other than trade payables, prepayments and accruals).
- An operating lessor. The judgement impacts the nature of income recognised. An operating lease results in lease income being recognised whilst a service contract results in service revenue. Both are recognised evenly over the life of the contract.
- A finance lessor. The judgement impacts the nature and timing of both income and reported assets. A finance lease results in the lease income being recognised at commencement of the lease and an asset (the net investment in the lease) being recorded.

Lease term

Where leases include additional optional periods after an initial lease term, significant judgement is required in determining whether these optional periods should be included when determining the lease term. The impact of this judgement is significantly greater where the Group is a lessee. As a lessee, optional periods are included in the lease term if the Group is reasonably certain it will exercise an extension option or will not exercise a termination option; this depends on an analysis by management of all relevant facts and circumstances including the leased asset's nature and purpose, the economic and practical potential for replacing the asset and any plans that the Group has in place for the future use of the asset. Where a leased asset is highly customised (either when initially provided or as a result of leasehold improvements) or it is impractical or uneconomic to replace then the Group is more likely to judge that lease extension options are reasonably certain to be exercised. Where extension options are included the greater the value of the right of use asset and lease liability that will be recognised. The normal approach adopted for lease term by asset class is described below.

The lease terms can vary significantly by type and use of asset and geography. In addition, the exact lease term is subject to the non-cancellable period and rights and options in each contract. In most instances the Group has options to renew or extend leases for additional periods after the end of the lease term which are assessed using the criteria below. Taking into account lease extensions and termination options, lease terms are judged to be the longer of the minimum lease term and:

- Between 5 and 10 years for land and buildings (excluding retail), with terms at the top end of this range if the lease relates to assets that are considered to be difficult to exit sooner for economic, practical or reputational reasons;
- To the next contractual lease break date for retail premises (excluding breaks within the next 12 months);
- Where leases are used to provide internal connectivity the lease term for the connectivity is aligned to the lease term or useful economic life of the assets connected;
- The customer service agreement length for leases of local loop connections or other assets required to provide fixed line services to individual customers; and
- Where there are contractual agreements to provide services using leased assets, the lease term for these assets is generally set in accordance with the above principles or for the lease term required to provide the services for the agreed service period.

Lease terms are reassessed if a significant event or change in circumstances occurs relating to the leased assets that is within the control of the Group; such changes usually relate to commercial agreements entered into by the Group, or business decisions made by the Group. Where such changes change the Group's assessment of whether it is reasonably certain to exercise options to extend, or not terminate leases, then the lease term is reassessed and the lease liability is remeasured. Please refer to note 9, note 10 and note 18 within the consolidated financial statements for the Group's right of use assets and lease liability carrying amounts respectively, to which the lease significant estimates and judgments are relevant.

Financial instruments

The fair value of financial instruments, excluding derivative instruments, not traded in active, liquid and organised financial markets is determined using a variety of valuation methods and assumptions that are based on market conditions and risks existing at the reporting date, including independent appraisals and discounted cash flow methods.

The recognition of mobile financial deposits (Note 15), is dependent on the consideration of various factors to determine whether the Group controls these assets. These factors include the regulatory environment in the relevant countries of operation, the contractual arrangements entered into, together with risk and reward exposure. All of the Group's material subsidiaries provide mobile money services.

BBBEE transaction

The fair value of the BBBEE transaction was measured using the Monte Carlo option pricing valuation model. Refer to Note 18 of the consolidated financial statements for assumptions used.

Forfeitable share plan

The share-based payment expense relating to awards of performance shares to the Group's and Company's executive directors and selected employees is based on the achievement of financial performance and customer targets. The probability of these financial performance targets being achieved is estimated using the Monte Carlo simulation model. Refer to Note 18.1 of the consolidated financial statements and Note 14 of the separate financial statements.

Direct and indirect tax liabilities

The Group's and Company's total direct and indirect taxation liabilities necessarily involves judgements, including those involving estimations, in respect of certain matters where the tax impact is uncertain until a conclusion has been reached with the relevant tax authority or, as appropriate, through a formal legal process. Use is made of in-house tax experts when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate.

Tax provisions are recognised for uncertain tax positions when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of economic benefits from the Group. Tax provisions are measured using the most likely outcome. The final resolution of uncertain tax positions may give rise to material profits, losses and/or cash flows.

The complexity of the Group's structure, considering its geographic presence, makes the degree of judgement more challenging. The resolution of issues is not always within the Group's control and it is often dependent on the efficiency of the legal processes in the relevant tax jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the taxation charge in the consolidated and separate income statement and tax payments.

Significant items on which the Group has exercised judgement include various matters disclosed in Note 26 of the consolidated financial statements. Due to the inherent uncertainty surrounding the outcome of these items, eventual resolution could differ from the accounting estimates and therefore impact the Group's results and cash flows.

Recognition of deferred tax assets

The recognition of deferred tax assets, particularly in respect of tax losses and tax credits, is based upon whether it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity or tax group against which to utilise the assets in the future. Management therefore exercises judgement in assessing the future financial performance of the particular entity or tax group in which the deferred tax asset is to be recognised. Refer to Note 7.4 of the consolidated financial statements and Note 5.2 of the separate financial statements.

Revenue recognition and presentation

Revenue recognition

Revenue recognition under IFRS 15 is significantly more complex than under previous reporting requirements and necessitates the collation and processing of very large amounts of data and the increased use of management judgements and estimates to produce financial information. The most significant critical accounting judgements and key sources of estimation uncertainty are disclosed below.

Determination of standalone selling price

Where the Group doesn't sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price the Group maximises the use of external inputs; methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the Group, observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach (which is sometimes the case for handsets and other equipment). Where it is not possible to reliably estimate standalone prices due to lack of observable standalone sales or highly variable pricing, which is sometimes the case for services, the standalone price of an obligation may be determined as the transaction price less the standalone prices of other obligations in the contract. The standalone price determined for obligations materially impacts the allocation of revenue between obligations and impacts the timing of revenue when obligations are provided to customers at different times – for example, the allocation of revenue between handsets, which are usually delivered up-front, and services which are typically delivered over the contract period. However, there is not considered to be a significant risk of material adjustment to the carrying value of contract-related assets or liabilities in the 12 months after the reporting date if these estimates were revised.

Gross versus net presentation

When the Group has control of goods or services when they are delivered to a customer, then the Group is the principal in the sale to the customer; otherwise the Group is acting as an agent. Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgements impact the amount of reported revenue and operating expenses (see above) but do not impact reported assets, liabilities or cash flows. Scenarios requiring judgement to determine whether the Group is a principal or an agent include, for example, those where the Group delivers third-party branded services (such as premium music or television content) to customers.

Provisions and contingent liabilities

The Group exercises judgements in measuring and recognising provisions and the exposure to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (Note 26 of the consolidated financial statements and Note 21 of the separate financial statements). Judgements, including those involving estimations, are necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

Foreign operations

The Group exercises judgements in determining whether monetary items receivable from or payable to foreign entities form part of the Group's net investment in foreign operations. Judgements, including those involving estimations, are necessary in assessing whether settlement of the monetary items receivable or payable is likely to occur in the foreseeable future.

1 Segment analysis

The Group's reportable segments are business units that offer comparable communication business products and services, which are separately managed since the businesses are located in South Africa and other countries.

Corporate comprises the holding companies of the Group which do not relate to specific operating segments as well as structured entities consolidated by the Group. South Africa comprises the information relating to the South African-based cellular network and other business segments. Vodafone Egypt was acquired during the year. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment. The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Egypt comprises the information relating to the Egyptian-based cellular network and other business segments. International comprises the segment information relating to the non-South African-based cellular networks in Tanzania, Mozambique, Lesotho and the Democratic Republic of Congo as well as the operations of M-Pesa Africa Limited, Vodacom International Limited and Vodacom Business Africa.

Safaricom comprises the Group's interest in its associate, Safaricom PLC. Due to the significance of this investment, and the information available for review by the chief operating decision maker, it is presented as a separate segment.

Rm	2024	2023
Reconciliation of segment results		
EBITDA¹	56 116	45 144
Depreciation and amortisation	(22 786)	(17 968)
Net loss on disposal of property, plant and equipment and intangible assets	(117)	(35)
Net profit from associates and joint ventures	2 197	2 607
Vodafone Egypt acquisition costs	–	(260)
Other	(73)	(236)
Operating profit²	35 337	29 252

Notes:

- EBITDA is operating profit excluding depreciation, amortisation and gains/losses on disposal of owned assets and excluding share of results of equity accounted associates and joint ventures, impairment losses, restructuring costs arising from discrete restructuring plans, other income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group.
- For a reconciliation of operating profit to net profit for the year, refer to the consolidated income statement on page 18.

1 Segment analysis continued

Rm	South Africa	Egypt	International ¹	Corporate	Eliminations	Total	Safaricom ²
2024							
Segment revenue (including inter-segment)	88 304	32 502	30 843	82	(1 137)	150 594	44 903
Total segment revenue	91 724	32 502	31 050	–	–	155 276	
Intra-segment revenue	(3 420)	–	(207)	82	(1 137)	(4 682)	
Inter-segment revenue	(435)	–	(656)	(46)	1 137	–	
External customer segment revenue	87 869	32 502	30 187	36	–	150 594	44 903
Operating profit	20 125	8 774	4 230	2 207	–	35 336	8 142
EBITDA	32 808	13 067	10 973	(732)	–	56 116	20 949
Net finance (charges)/ income ³	(4 747)	(5)	1 139	15 334	(18 925)	(7 204)	
Taxation	(4 252)	(2 249)	(1 950)	(408)	–	(8 859)	
Other material non-cash items included in segment profit or loss:							
Depreciation and amortisation	(12 570)	(4 332)	(5 878)	(6)	–	(22 786)	
Total assets							
Reportable segment assets which includes:	100 518	23 642	54 904	148 926	(87 377)	240 613	116 473
Additions to property, plant and equipment and intangible assets	16 975	5 450	7 243	26	(29)	29 665	
Non-current assets other than financial instruments and deferred taxation	65 270	13 844	28 449	30	2 091	109 684	
Total liabilities							
Reportable segment liabilities	(78 277)	(14 012)	(34 553)	(27 656)	17 713	(136 785)	(51 556)

Notes:

1. The material geographical regions included in the International segment are the United Republic of Tanzania, the Republic of Mozambique, the Democratic Republic of the Congo and the Kingdom of Lesotho. Refer to Note 29.
2. The Group has a 34.94% effective interest in Safaricom PLC (Safaricom) through its 87.5% held subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the impact of net fair value adjustments on tangible and intangible assets.
3. Net gain on remeasurement and disposal of financial instruments included.

1 Segment analysis continued

Rm	South Africa	Egypt*	International ¹	Corporate	Eliminations	Total	Safaricom ²
2023							
Segment revenue (including inter-segment)	84 715	8 252	27 165	93	(1 055)	119 170	43 607
Total segment revenue	86 503	8 252	27 383	–	–	122 138	
Intra-segment revenue	(1 788)	–	(218)	93	(1 055)	(2 968)	
Inter-segment revenue	(393)	–	(626)	(36)	1 055	–	
External customer segment revenue	84 322	8 252	26 539	57	–	119 170	43 607
Operating profit	20 881	1 710	4 541	2 120	–	29 252	9 727
EBITDA	32 569	2 859	10 145	(429)	–	45 144	19 635
Net finance (charges)/income ³	(3 714)	214	2 191	15 293	(18 232)	(4 248)	
Taxation	(4 749)	(589)	(1 177)	(463)	81	(6 897)	
Other material non-cash items included in segment profit or loss:							
Depreciation and amortisation	(11 596)	(1 151)	(5 217)	(4)	–	(17 968)	
Total assets							
Reportable segment assets which includes:	97 172	26 150	53 613	144 398	(93 018)	228 315	92 909 ⁴
Additions to property, plant and equipment and intangible assets	17 623	1 455	5 994	27	–	25 099	
Non-current assets other than financial instruments and deferred taxation	60 734	18 361	26 411	39	2 387	107 932	
Total liabilities							
Reportable segment liabilities	(75 064)	(15 582)	(32 297)	(27 951)	20 006	(130 888)	(40 710) ⁴

Notes:

* The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment. Refer to Note 24.

- The material geographical regions included in the International segment are the United Republic of Tanzania, the Republic of Mozambique, the Democratic Republic of the Congo and the Kingdom of Lesotho. Refer to Note 29.
- The Group has a 34.94% effective interest in Safaricom PLC (Safaricom) through its 87.5% held subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the impact of net fair value adjustments on tangible and intangible assets.
- Net gain on remeasurement and disposal of financial instruments included.
- For the financial reporting period ended 31 March 2023 a reclassification of R1 265 million took place between the Safaricom total segment assets and liabilities. The reclassification had no impact on the Group's earnings nor on any amounts presented in the statement of financial position.

1 Segment analysis continued

Revenue disaggregation

Rm	South Africa	Egypt	International ¹	Corporate	Eliminations	Total	Safaricom ²
2024							
Mobile contract revenue	23 486	4 934	2 694	–	(11)	31 103	6 698
Mobile prepaid revenue	26 386	19 014	24 367	–	1	69 768	31 940
Customer service revenue	49 872	23 948	27 061	–	(10)	100 871	38 638
Mobile interconnect	1 763	2 887	1 202	–	(367)	5 485	1 097
Fixed service revenue	4 595	1 774	1 377	–	(302)	7 444	1 924
Other service revenue	5 391	1 570	218	–	(82)	7 097	1 483
Service revenue	61 621	30 179	29 858	–	(761)	120 897	43 142
Equipment revenue	18 890	209	492	–	(8)	19 583	1 332
Other non service revenue	6 566	2 114	348	82	(368)	8 742	429
Revenue from contracts with customers	87 077	32 502	30 698	82	(1 137)	149 222	*
Interest income recognised as revenue	593	–	21	–	–	614	*
Other ³	634	–	124	–	–	758	*
Revenue	88 304	32 502	30 843	82	(1 137)	150 594	44 903
Included in service revenue:							
Financial services revenue	3 187	1 947	7 899	–	–	13 033	18 008

Rm	South Africa	Egypt*	International ¹	Corporate	Eliminations	Total	Safaricom ²
2023							
Mobile contract revenue	22 596	1 304	2 174	–	(10)	26 064	5 763
Mobile prepaid revenue	25 944	4 889	21 635	–	–	52 468	31 237
Customer service revenue	48 540	6 193	23 809	–	(10)	78 532	37 000
Mobile interconnect	1 676	871	1 207	–	(410)	3 344	1 133
Fixed service revenue	4 101	498	1 220	–	(297)	5 522	1 890
Other service revenue	5 721	414	159	–	(42)	6 252	1 480
Service revenue	60 038	7 976	26 395	–	(759)	93 650	41 503
Equipment revenue	17 695	53	430	–	(11)	18 167	1 586
Other non service revenue	6 430	223	326	93	(285)	6 787	518
Revenue from contracts with customers	84 163	8 252	27 151	93	(1 055)	118 604	*
Interest income recognised as revenue	485	–	14	–	–	499	*
Other ³	67	–	–	–	–	67	*
Revenue	84 715	8 252	27 165	93	(1 055)	119 170	43 607
Included in service revenue:							
Financial services revenue	2 954	398	6 504	–	–	9 856	16 449

Notes:

- The material geographical regions included in the International segment are the United Republic of Tanzania, the Republic of Mozambique, the Democratic Republic of the Congo and the Kingdom of Lesotho. Refer to Note 29.
 - The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
 - Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".
- * The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment.
- ** Not reviewed by the chief operating decision maker.

The Group had no revenue that relates to performance obligations satisfied or partially satisfied in previous financial years.

The total future revenue from the Group's contracts with customer with performance obligations not satisfied at 31 March 2024 is R39 764 million (2023: R37 412 million) of which R25 750 million (2023: R24 531 million) is expected to be recognised within the next year, R11 172 million (2023: R10 206 million) in the following 12 months and the remaining R2 840 million (2023: R2 675 million) beyond 24 months.

Rm	2024	2023
2 Impairment		
Goodwill impairment testing		
Carrying amount of goodwill is as follows:		
Vodacom (Pty) Limited	3 156	3 153
Vodafone Egypt Telecommunications S.A.E. (Vodafone Egypt)	713	1 028
Other ¹	136	134
	4 005	4 315

Note:

1. This constitutes the aggregate carrying amount of goodwill allocated across multiple cash-generating units of which the amounts so allocated to each cash-generating unit is insignificant compared to the total carrying amount of goodwill.

The recoverable amount of all cash-generating units that were tested for impairment, are based on value in use calculations.

Key assumptions used in value in use calculations

The key assumptions, applicable to the Vodacom (Pty) Limited cash-generating unit, on which management has based all its cash flow projections for the period covered by the most recent five-year forecasts are:

Key assumptions	Basis for determining values assigned to key assumptions
Forecast capital expenditure	The cash flow forecasts for capital expenditure are based on past experience, benchmarks in similar markets and include the ongoing normal capital expenditure, excluding additions to right of use assets, required to roll out networks to provide voice and data products and services, roll out fixed services, beyond mobile services and to meet the population coverage requirements in terms of licences. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and computer software.
Forecast EBITDA	Forecast EBITDA has been based on past experience adjusted for the following: <ul style="list-style-type: none"> • customer revenue growth driven by new customers using our services, growth in the usage of existing customer and price ups, with pressure on prepaid pricing from increased competition. • data traffic which is expected to benefit from increased usage from new and existing customers and increase in active smart devices; however this will be partially offset by some pricing transformation, regulatory pressures and competitor activity. • reduced national roaming revenue due to contract renegotiations. • fixed-line revenue growth expectations as a result of continued focus in growing our market share, as well as continued expansion of fixed services to enterprise businesses; and • margins which are expected to be under pressure due to increasing competitive environment and investment in new growth areas, to be partly offset by cost management and efficiency improvements.
Long-term growth rate	For businesses where the five-year management plans are used for the Group's value in use calculations, a long-term growth rate into perpetuity has been determined as the lower of: <ul style="list-style-type: none"> • a combination of the average long-term real GDP rate and CPI forecast for the country of operation; and • the five-year compound annual growth rate in EBITDA estimated by management.
Risk adjusted discount rate used in adjusted present value calculations	The discount rate applied to the cash flows of each of the Group's operations is based on the capital asset pricing model. Inputs include the risk-free rate for 10-year bonds issued by the government in the respective market, if available, adjusted for a risk premium to reflect the risk associated with investing in equities, as well as an adjustment for the systematic risk of the specific Group operating company. In making this adjustment, inputs required are the equity market risk premium (that is the increased return required over and above a risk-free rate by an investor who is investing in the market as a whole), the beta, applied to reflect the risk of the specific Group operating company relative to the market as a whole and where necessary, a company specific risk premium. In determining the risk adjusted discount rate, management has applied an adjustment for the systematic risk to each of the Group's operations determined using a beta based on comparable listed mobile telecommunications companies and, where available and appropriate, across a specific territory. Management has used a forward-looking equity market risk premium that takes into consideration both studies by independent economists, the observed long-term market average equity market risk premium, and the market risk premiums typically used by investment banks in evaluating acquisition proposals.

2 Impairment continued

	Vodacom (Pty) Limited %
2024	
Long-term growth rate ¹	6.7
Pre-tax risk adjusted discount rate ^{2,3}	15.7
2023	
Long-term growth rate	5.9
Pre-tax risk adjusted discount rate ³	16.7

Notes:

1. The long-term growth rate considers a combination of the average long-term real GDP rate and CPI forecast for the country of operation.
2. The prior year risk adjusted discount rate is higher due to an increase in the risk free rate and market risk premium for the year.
3. This represents the appropriate pre-tax discount rate derived from post-tax discount rate adjusted to reflect the specific amount and timing of the future tax cash flows.

Sensitivity to changes in key assumptions

Vodacom (Pty) Limited is the only cash-generating unit for which the carrying amount of goodwill allocated to those units are significant in comparison with the Group's total carrying amount of goodwill.

Management believes that no reasonable possible change in any of the aforementioned key assumptions used in the Vodacom (Pty) Limited valuation would cause the carrying amount of the cash-generating unit to which a significant amount of goodwill has been allocated, to exceed its recoverable amount.

Rm	2024	2023
3 Operating profit		
The operating profit has been arrived at after (charging)/crediting:		
Income from sub-leasing right of use assets	125	167
Income from operating leases not recognised as revenue	17	544
Loss on finance leases	–	(31)
Net loss on disposal of property, plant and equipment and intangible assets	(117)	(35)
Auditor's remuneration – audit fees ¹	(103)	(81)
Professional fees for consultancy services	(409)	(448)
Vodafone Egypt acquisition costs	–	(260)
Net foreign exchange loss ²	(1 599)	(709)

Direct expenses include customer acquisition and retention related expenses, interconnect expenses, commissions, converged solutions expenses and various other direct expenses. Other operating expenses include network operational expenses and all administrative expenses.

Note:

1. Auditor remuneration consists of the aggregate fees billed for the annual audit and review of the Group and Company's consolidated and separate financial statements and the annual audit of the subsidiaries respective financial statements. This includes remuneration billed for related services, that only an external auditor can reasonably provide and are related to the performance of the audit or review of the relevant financial statements.
2. The Group recorded a total foreign exchange loss of R1.6 billion, with R1.4 billion directly linked to the devaluation of the Egyptian pound in the last quarter of the current financial year. The remainder of the loss is attributable to exchange rate fluctuations in major currencies, reflecting the inherent volatility in the Group's currency exposure. (Note 31.4.1.1 in the notes to the consolidated financial statements).

Rm	2024	2023
4 Finance income		
Interest income		
Banks	865	494
Loans receivable	83	76
Tax authorities	4	–
M-Pesa interest	373	240
Other	91	47
	1 416	857

Interest income on financial assets not at fair value through profit or loss amounted to R1 320 million (2023: R813 million).

Rm	2024	2023
5 Finance costs		
Interest expense		
Borrowings	(5 832)	(3 699)
Lease liability interest	(1 931)	(1 644)
Tax authorities	(66)	(3)
M-Pesa interest	(169)	(124)
Other	(165)	(99)
	(8 163)	(5 569)

Interest expense on financial liabilities not at fair value through profit or loss amounted to R7 932 million (2023: R5 467 million).

Rm	2024	2023
6 Net (loss)/gain on remeasurement and disposal of financial instruments		
Net loss on derivatives	(209)	(177)
Net (loss)/gain on translation of foreign denominated assets and liabilities ¹	(253)	747
Impairment remeasurement of loans receivable	8	(106)
	(454)	464

Note:

1. The Group experienced volatility in exchange rate gains and losses due to fluctuation in major currencies the Group is exposed to. (Note 31.4.1.1 in the notes to the consolidated financial statements)

Rm	2024	2023
7 Taxation		
7.1 Income tax expense		
South African current tax	(3 897)	(5 115)
Current year	(3 927)	(5 096)
Adjustments in respect of prior years	30	(19)
Foreign current tax	(4 932)	(2 482)
Current year	(3 606)	(1 670)
Adjustments in respect of prior years	(500)	(170)
Withholding tax	(826)	(642)
Total current tax	(8 829)	(7 597)
Deferred tax on origination and reversal of temporary differences:		
South African deferred tax	(331)	292
Current year	(336)	268
Adjustments in respect of prior years	5	24
Foreign deferred tax	301	408
Current year	294	385
Adjustments in respect of prior years	7	23
Total deferred tax	(30)	700
Total income tax expense	(8 859)	(6 897)
Components of deferred tax charged to profit or loss		
Capital allowances	(322)	953
Foreign exchange	304	319
Tax losses	17	244
Provisions and deferred income	(206)	(932)
Other	177	116
	(30)	700

Rm	2024	2023
7	Taxation continued	
7.1	Income tax expense continued	
	Factors affecting tax expense for the year	
	The table below discloses the differences between the expected income tax expense at the South African statutory tax rate and the Group's total income tax expense:	
	Expected income tax expense on profit before tax at the South African statutory tax rate.	(7 593) (6 752)
	Adjusted for:	
	Non-deductible operating expenditure	(426) (360)
	Non-deductible finance costs	(762) (169)
	Re-measurements, impairments and fair value adjustments	(23) (8)
	Non-deductible depreciation and amortisation	(39) (19)
	Net movement in unrecognised deferred tax asset	41 296
	Net irrecoverable foreign taxes	(826) (603)
	Effect of taxation of associates and joint ventures reported within operating profit	593 704
	Minimum alternative taxes	(35) (27)
	Adjustments in respect of prior years	(458) (142)
	Effect of different statutory tax rates of jurisdictions other than South Africa	518 100
	Non-taxable income	151 83
	Total income tax expense reconciliation	(8 859) (6 897)

The South African statutory tax rate is 27% (2023: 27%). The Group's effective tax rate ('ETR') of 31.5% for the year ended 31 March 2024 is 3.9ppts higher than the 27.6% in the prior year. The increase is primarily due to the increase in non-deductible finance costs in the DRC as a result new legislation; an increase in the non-deductible finance costs in respect of the Egypt acquisition and Ethiopia loan funding; and the increase in irrecoverable withholding taxes in respect of the intra group dividend income. In the prior year, the ETR decreased by 1ppts due to the initial recognition of a deferred tax asset in Tanzania.

Rm	2024	2023
7.2	Other comprehensive income, net of tax	
	Foreign currency translation differences, net of tax	
	Foreign currency translation differences	(451) 2 985
	Taxation	(451) 3 054
	Taxation	– (69)
	Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method	
	Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method	1 732 565
	Mark-to-market of financial assets held at fair value through other comprehensive income, net of tax	
	Mark-to-market of financial assets held at fair value through other comprehensive income	350 216
	Taxation	479 296
	Taxation	(129) (80)
	Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax	
	Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax	(279) (276)
	Taxation	(382) (378)
	Taxation	103 102
	1 352	3 490
7.3	Tax charged directly to other comprehensive income	
	Deferred tax	
	Deferred tax	(26) (47)
	Deferred tax	(26) (47)

Rm	2024	2023
7 Taxation continued		
7.4 Deferred tax		
Analysed in the statement of financial position, after offset of balances within companies, as follows:		
Deferred tax assets	658	548
Deferred tax liabilities	(3 928)	(3 857)
	(3 270)	(3 309)
Components		
Gross deferred tax assets and liabilities, before offset of balances within companies, are as follows:		
Capital allowances	(3 197)	(2 824)
Deferred tax assets	4 411	2 114
Deferred tax liabilities	(7 608)	(4 938)
Foreign exchange	161	(37)
Deferred tax assets	207	1
Deferred tax liabilities	(46)	(38)
Tax losses	335	247
Deferred tax assets ¹	335	247
Provisions and deferred income	(530)	(548)
Deferred tax assets	1 391	1 193
Deferred tax liabilities	(1 921)	(1 741)
Other	(39)	(147)
Deferred tax assets	508	328
Deferred tax liabilities	(547)	(475)
	(3 270)	(3 309)
Note:		
1. The Group recognises deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised.		
Reconciliation of net deferred tax balance		
1 April	(3 309)	(3 240)
Foreign currency translation differences	95	37
Charged to profit or loss	(30)	700
Charged directly to other comprehensive income	(26)	(47)
Business combinations and disposal of subsidiaries	–	(759)
31 March	(3 270)	(3 309)
7.5 Factors affecting the tax charge in future years		
Total estimated tax losses	2 635	2 453
Utilised to reduce net temporary differences	(1 203)	(825)
Estimated unused tax losses	1 432	1 628
If the estimated unused tax losses are applied, the available R268 million (2023: R336 million) would result in the current year's R3 270 million net deferred tax liability reducing to R3 002 million (2023: R3 309 million net deferred tax liability reducing to R2 973 million), if sufficient future taxable profits will be available against which the unused tax losses can be utilised.		
The gross amounts and expiry dates of deductible temporary differences, estimated unused tax losses and unused tax credits, for which no deferred tax asset is recognised, are as follows:		
Rm	Unlimited	Total
2024		
Estimated unused tax losses	1 432	1 432
2023		
Estimated unused tax losses	1 628	1 628

Cents	2024	2023
8 Earnings and dividends per share		
Basic earnings per share	842	948
Diluted earnings per share	827	921
Headline earnings per share	846	948
Diluted headline earnings per share	830	922
Dividends per share	635	770

8.1 Earnings per share

Earnings per share calculations are based on earnings and the weighted average number of ordinary shares outstanding as set out below:

Rm	2024	2023
8.1.1 Headline earnings reconciliation		
Earnings, attributable to equity shareholders, for basic and diluted earnings per share	16 292	16 767
Adjusted for		
Net loss on disposal and derecognition of property, plant and equipment, intangible assets ¹	55	10
Net loss on disposal and derecognition of property, plant and equipment, intangible assets ¹	103	33
Tax and non-controlling interest impact	(48)	(23)
Net loss/(gain) on disposal of subsidiaries	13	(4)
Net loss/(gain) on disposal, before foreign currency translation of operations	13	(4)
Tax and non-controlling interest impact	–	–
Headline earnings for headline- and diluted headline earnings per share²	16 360	16 773

Notes:

- Includes attributable share of net profit on disposal of property, plant and equipment and intangible assets of associates and joint ventures of R14 million (2023: R2 million).
- This disclosure is a requirement of the JSE Limited. It has been calculated in accordance with Circular 1/2023 as issued by SAICA.

8.1.2 Reconciliation of weighted average number of ordinary shares outstanding

Number of shares	2024	2023
For basic and headline earnings per share ¹	1 933 892 348	1 768 706 784
Dilutive effect of potential ordinary shares ²	36 134 594	50 951 755
For diluted earnings and diluted headline earnings per share	1 970 026 942	1 819 658 539

Notes:

- Includes a weighted average number of 242 million (2023: 122 million) shares issued effective 8 December 2022 as part consideration for the acquisition of Vodafone Egypt (Refer to Note 24).
- Effect of shares held under the forfeitable share plan (Note 18.1.1) and BBBEE transaction (Note 18.1.5).

8.2 Dividends per share

Shares for dividends per share		
430 cents per share declared on 13 May 2022		1 835 864 961
340 cents per share declared on 11 November 2022		1 835 864 961
330 cents per share declared on 12 May 2023	2 077 841 204	
305 cents per share declared on 10 November 2023	2 077 841 204	

Vodacom Group Limited acquired 4 583 774 (2023: 3 366 930) shares in the market during the year at an average price of R111.50 (2023: R142.96) per share for the Group's forfeitable share plan. The Innovator Trust, a structured entity consolidated by the Group in terms of IFRS 10: Consolidated Financial Statements, also purchased 187 100 (2023: 223 670) shares at an average price of R106.20 (2023: R129.84) per share. Share repurchases did not exceed 1% of Vodacom Group Limited's issued share capital.

Dividend per share calculations are based on a dividend paid of R13 194 million (2023: R14 136 million) of which R64 million (2023: R69 million) was offset against the forfeitable share plan reserve, R6 million (2023: R7 million) expensed as staff expenses and R98 million (2023: R119 million) paid to Wheatfields Investments 276 (Pty) Limited, a wholly-owned subsidiary holding treasury shares on behalf of the Group. An amount of R727 million (2023: R881 million) was paid to YeboYethu Investment Company (RF) (Pty) Limited, a special purpose vehicle holding shares in Vodacom Group Limited on behalf of broad-based black economic empowerment participants, of which R89 million (2023: R89 million) was paid out as a trickle dividend to participants. R20 million (2023: R22 million) was paid to The Innovator Trust. The Group declared a final dividend in respect of the year ended 31 March 2024 after the reporting period (Refer to Note 28).

9 Property, plant and equipment

Rm	2024	2023
Property, plant and equipment (excluding right of use assets)	61 854	62 098
Right of use assets	12 789	12 143
	74 643	74 241

Rm	Land and buildings	Network infrastructure & equipment	Other assets	Total
31 March 2022	3 343	44 278	578	48 199
Cost	5 274	96 543	1 743	103 560
Accumulated depreciation and impairment losses	(1 931)	(52 265)	(1 165)	(55 361)
Additions	165	13 046	155	13 366
Disposals	(7)	(145)	–	(152)
Foreign currency translation differences	7	315	35	357
Depreciation	(127)	(10 310)	(180)	(10 617)
Acquisition of subsidiary	442	11 018	–	11 460
Transfers and other	4	(483)	(36)	(515)
31 March 2023	3 827	57 719	552	62 098
Cost	6 228	130 980	1 808	139 016
Accumulated depreciation and impairment losses	(2 401)	(73 261)	(1 256)	(76 918)
Additions	61	15 217	332	15 610
Disposals	(5)	(140)	(2)	(147)
Foreign currency translation differences	(82)	(2 490)	21	(2 551)
Depreciation	(135)	(12 740)	(264)	(13 139)
Transfers and other	(13)	(9)	5	(17)
31 March 2024	3 653	57 557	644	61 854
Cost	6 153	129 517	2 147	137 817
Accumulated depreciation and impairment losses	(2 500)	(71 960)	(1 503)	(75 963)

Included in the carrying amount of mainly network infrastructure & equipment assets, are assets in the course of construction, which are not depreciated, with a cost of R1 693 million (2023: R1 118 million).

Certain of the Group's operations received government grants to advance universal access to communications by constructing telecommunication infrastructure. Unfulfilled conditions relate to the completion of the asset.

In the current year, directly attributable staff expenses of R1 828 million (2023: R1 681 million) were capitalised.

Right of use assets

Rm	Land and building: Right of use	Network infrastructure & equipment: Right of use	Total
31 March 2022	9 581	1 493	11 074
Additions	2 749	649	3 398
Modification and termination of lease agreements	(206)	–	(206)
Foreign currency translation differences	887	3	890
Depreciation	(2 709)	(950)	(3 659)
Category transfers and other	–	29	29
Acquisition of subsidiary	617	–	617
31 March 2023	10 919	1 224	12 143
Additions	4 775	1 145	5 920
Modification and termination of lease agreements	(354)	(23)	(377)
Foreign currency translation differences	(262)	(5)	(267)
Depreciation	(3 442)	(1 048)	(4 490)
Transfers and other	(292)	152	(140)
31 March 2024	11 344	1 445	12 789

Refer to note 25.2 for the future lease payments committed, but not yet commenced.

10 Intangible assets

Rm	Goodwill	Licences	Trademark, patents and other	Customer bases	Computer software	Wavelength	Total
31 March 2022	3 274	2 316	11	467	7 986	–	14 054
Cost	10 707	3 651	231	2 607	16 212	–	33 408
Accumulated amortisation and impairment losses	(7 433)	(1 335)	(220)	(2 140)	(8 226)	–	(19 354)
Additions	–	4 578	–	–	3 122	–	7 700
Disposals	–	–	–	–	(2)	–	(2)
Foreign currency translation differences	(150)	(1 984)	1	–	789	–	(1 344)
Amortisation	–	(627)	(5)	(72)	(2 988)	–	(3 692)
Acquisition of subsidiary	1 191	9 722	–	–	–	–	10 913
Transfers and other	–	(370)	–	–	384	–	14
31 March 2023	4 315	13 635	7	395	9 291	–	27 643
Cost	13 283	16 972	242	2 679	23 686	–	56 862
Accumulated amortisation and impairment losses	(8 968)	(3 337)	(235)	(2 284)	(14 395)	–	(29 219)
Additions	–	3 321	–	–	4 593	221	8 135
Disposals	–	(24)	–	–	(83)	–	(107)
Foreign currency translation differences	(311)	(1 383)	–	–	(906)	–	(2 600)
Amortisation	–	(1 336)	(5)	(60)	(3 750)	(6)	(5 157)
Transfers and other	–	(334)	–	–	344	–	10
31 March 2024	4 004	13 879	2	335	9 489	215	27 924
Cost	13 530	20 195	246	2 762	22 162	221	59 116
Accumulated amortisation and impairment losses	(9 526)	(6 316)	(244)	(2 427)	(12 673)	(6)	(31 192)

Included in the carrying amount above are assets in the course of development, which are not amortised, with a cost of R705 million (2023: R186 million) relating to computer software.

Rm	2024	2023
11 Financial assets		
Non-current		
Financial asset at amortised cost (Note 11.1.1 and Note 11.1.2)	674	731
Financial assets at fair value through profit and loss (Note 11.2.2)	69	69
	743	800
Current		
Financial asset at amortised cost (Note 11.1.1)	974	555
Financial assets at fair value through profit or loss (Note 11.2.1)	440	403
	1 414	958

	Rm	2024	2023
11	Financial assets continued		
11.1	Financial assets measured at amortised cost		
11.1.1	Loans receivable		
	Loans to Vodacom Moçambique, S.A.(formerly VM, SA) non-controlling interests	276	330
	Loans with a combined nominal value of US\$24.9 million, bearing interest at three-month Libor +5%, secured by shares in Vodacom Moçambique, S.A. and repayable on 30 June 2026, were advanced to non-controlling interests in Vodacom Moçambique, S.A. on 28 June 2016.		
	Loans to M-Pesa Africa Limited		
	A loan facility of R350 million was issued to M-Pesa SA JV in the prior financial year. The facility is fully drawn down at year end, bears interest at 3 months Jibar + 1,65%, is unsecured, and repayable on 26 April 2024. This loan was converted to equity on 15 April 2024 after all shareholder and regulatory approvals were obtained.	376	350
	Other loans receivable	71	71
		723	751
11.1.2	Cash held in restricted deposits	925	535
	Mainly relates to M-Pesa interest earned by the Group entities on M-Pesa accounts not yet approved for spend by the central bank.		
	The carrying amount of financial assets at amortised cost approximates their fair value.		
11.2	Financial assets at fair value through profit or loss		
11.2.1	Unit trust and equity linked notes	440	403
	The Group invested in unit trust and equity linked notes. Refer note 31.3 for fair value hierarchy		
11.2.2	Unlisted equity investments	69	69
	A register with details of the entities and the percentages of share capital and voting power, if different, held in each unlisted investment is available for inspection at the Group's registered office.		
		509	472

	Rm	2024	2023
12	Investment in associates and joint ventures		
	Safaricom PLC	55 930	50 529
	Global Partnership for Ethiopia B.V.	1 827	1 420
	M-Pesa Africa Limited	537	575
	Other ¹	39	49
		58 333	52 573

Note:

1. Relates to immaterial joint venture, being Number Portability Company (Pty) Limited and Vodafone Egypt's immaterial investments in associate in E-payment solutions companies, being Applications & Payment System Development APSD (Masary) and TBE Egypt for Payment Solutions and Services S.A.E (Bee).

Name of Associate	Principal activity	Country of incorporation or registration	Percentage shareholding	
			2024	2023
Safaricom PLC	Network operator	Republic of Kenya	39.93 %	39.93 %
Global Partnership for Ethiopia B.V.	Network operator	Federal Democratic Republic of Ethiopia	5.74 %	6.19 %

Name of Joint venture	Principal activity	Country of incorporation or registration	Percentage shareholding	
			2024	2023
M-Pesa Africa Limited	M-Pesa operator	Republic of Kenya	50.00 %	50.00 %

The Group's associates and joint ventures had no significant contingent liabilities as at 31 March 2024 and 31 March 2023. The South African subsidiary of M-Pesa Africa Limited has a loan facility with Vodacom Group Limited. The terms and conditions of this loan are at arm's length. Refer to Note 11.1.1 for details on the loan.

12 Investment in associates and joint ventures continued

There are no significant restrictions on the ability of the associates or joint ventures to transfer funds to the Group in the form of cash dividends or repayment of loans other than the fact that the associates may not declare and/or pay any dividends or make any capital distribution to shareholders without the prior written consent of the existing shareholders.

Safaricom PLC (Safaricom)

The fair value of the Group's 39.93% investment in Safaricom, based on the listed closing share price of KES17.8 (2023: KES18.1) as at 31 March 2024, was R40 819 million (2023: R38 779 million). The decline in the fair value, using the listed closing share price, is an indication of a possible impairment and the Group therefore performed an impairment test by determining the investment's value in use. The Group concluded that no impairment is required as the value in use supported the carrying value as at 31 March 2024.

The acquisition diversified our financial profile, and positioned the Group as a material financial services provider in Africa, enabling the Group to drive further adoption of the successful mobile money service, M-Pesa, across our operations.

Global Partnership for Ethiopia B.V.

Rm

Capital investment in Global Partnership of Ethiopia B.V. ('GPE')

Investment at cost as at 31 March 2023	1 195
Additional net investment for current year	255
Investment at cost as at 31 March 2024	1 450

The Group continues to invest in Safaricom Telecommunications Ethiopia PLC (Safaricom Ethiopia), through GPE, which is operating in a hyperinflationary environment. The financial impact of IAS 29, Financial Reporting in Hyperinflationary Economies (IAS 29) resulted in an increase in Investment in associates and joint ventures of R2.2 billion (2023: R2.3 billion). During August 2023, the International Finance Corporation (IFC) entered into the consortium in Ethiopia via a new issue of shares to the IFC, resulting in them holding a 7.25% equity interest, thus diluting the interests of the original consortium members' equity shareholding. The Group's holding, excluding its indirect interest via its shareholding in Safaricom PLC diluted from a holding of 6.19% to 5.74%. In addition, the Group has an indirect interest via its shareholding in Safaricom PLC. Safaricom PLC's 55.71% effective interest in Safaricom Ethiopia diluted to 51.67%. The Group continues to exercise significant influence over Safaricom Ethiopia and therefore the investment is equity accounted as an associate.

M-Pesa Africa Limited

In the current year both shareholders subscribed for additional equity shares in M-Pesa Africa Limited of R114 million each. The additional funding will accelerate M-Pesa's growth into new African markets. Safaricom and the Group each hold 50% of the equity shares in the company.

The financial and operating activities of the Group's joint venture are jointly controlled by the participating shareholders. The participating shareholders have rights to the net assets of the joint venture through their equity shareholdings. The joint venture companies have share capital consisting solely of ordinary shares and are all directly held. The country of incorporation or registration of all joint ventures is also their principal place of operation.

Rm	Associates				Joint venture	
	Safaricom PLC		Global Partnership for Ethiopia B.V.		M-Pesa Africa Limited	
	2024	2023	2024	2023	2024	2023
Reconciliation of carrying amount:						
Opening carrying amount of investment	50 529	46 159	1 420	704	575	556
Adoption of IAS 29	–	1 694	–	471	–	–
Additional investment at cost	–	–	255	321	114	–
Profit/(loss) from associates and joint ventures	2 685	2 815	(310)	(202)	(178)	(6)
Groups share of net profit/(loss) for the period	3 240	3 440	(310)	(202)	(178)	(6)
Depreciation and amortisation on assets fair valued at acquisition, net of tax	(555)	(625)	–	–	–	–
Dividends	(2 375)	(3 032)	–	–	–	–
Other comprehensive income and effect of movement in exchange rates including the effect of hyperinflation	5 091	2 893	462	126	26	25
Closing carrying amount of investment	55 930	50 529	1 827	1 420	537	575

12 Investment in associates and joint ventures continued

Rm	Associates				Joint venture	
	Safaricom PLC		Global Partnership for Ethiopia B.V. ¹		M-Pesa Africa Limited	
	2024	2023	2024	2023	2024	2023
Summarised income statement						
Revenue	44 903	43 607	961	259	818	783
Operating and other expenses	(24 136)	(23 963)	(4 020)	(3 113)	(529)	(500)
Depreciation and amortisation	(10 638)	(7 680)	(4 605)	(1 498)	(491)	(247)
Operating profit/(loss)	10 129	11 964	(7 664)	(4 352)	(202)	36
Net finance charges	(2 140)	(1 002)	(620)	(179)	(154)	(33)
Net monetary gain	2 873	1 273	2 873	1 273	–	–
Profit/(loss) before tax	10 862	12 235	(5 411)	(3 258)	(356)	3
Taxation	(5 402)	(5 034)	–	–	(1)	(15)
Net profit/(loss)	5 460	7 201	(5 411)	(3 258)	(357)	(12)
Attributable to:						
Equity shareholders	8 113	8 613	(3 097)	(2 017)	(357)	(12)
Non-controlling interests	(2 653)	(1 412)	(2 314)	(1 241)	–	–
Group's share of profit for the year	3 240	3 440	(310)	(202)	(178)	(6)
Depreciation impact on net fair value adjustments on tangible and intangible assets	(555)	(625)	–	–	–	–
Share of net profit from associates and joint ventures	2 685	2 815	(310)	(202)	(178)	(6)
Summarised statement of comprehensive income						
Net profit/(loss)	5 460	7 201	(5 411)	(3 258)	(357)	(12)
Other comprehensive income/(loss)						
Foreign currency translation differences, net of tax	(932)	1 408 ²	(932)	1 408 ²	53	51
Total comprehensive income/(loss)	4 528	8 609²	(6 343)	(1 850)²	(304)	39
Attributable to:						
Equity shareholders	7 581	9 328	(3 289)	(1 156)	53	51
Non-controlling interests	(3 053)	(719)	(3 054)	(694)	–	–
Group's share of other comprehensive income	(208)	285	(57)	46	27	26
Difference in accounting policy choice – Recognising hyperinflation through other comprehensive income	1 563	152	435	75	–	–
Share of other comprehensive income from associates and joint ventures	1 355	437	378	121	27	26

Notes:

- The Group's effective interest of 5.74% (2023: 6.19%) in Global Partnership for Ethiopia B.V is equity accounted for via an associate Vodafamily Ethiopia Holdings Company Limited, who's functional currency is the Kenyan shelling.
- The summarised statement of comprehensive income for both Safaricom PLC and Global Partnership for Ethiopia B.V. has been adjusted to reflect an alignment between accounting policy differences relating to the application of IAS 29. This resulted in a decrease in the foreign currency translation differences, net of tax of R1 640 million for Safaricom and a R927 million for Ethiopia. The change in disclosure had no impact on the Group's reported earnings nor on any amounts presented in the statement of financial position.

12 Investment in associates and joint ventures continued

Rm	Associates				Joint venture	
	Safaricom PLC		Global Partnership for Ethiopia B.V. ¹		M-Pesa Africa Limited	
	2024	2023	2024	2023	2024	2023
Summarised statement of financial position						
Non-current assets	80 264	58 408	48 982	31 458	3 081	3 095
Current assets	11 826	9 678	3 337	1 476	350	444
Total assets	92 090	68 086 *	52 319	32 934	3 431	3 539
Non-current liabilities	(19 805)	(14 121)	(11 206)	(6 005)	(1 735)	(1 502)
Current liabilities	(24 100)	(18 796)	(8 641)	(4 084)	(619)	(886)
Total liabilities	(43 905)	(32 917) *	(19 847)	(10 089)	(2 354)	(2 388)
Equity	(48 185)	(35 169)	(32 472)	(22 845)	(1 077)	(1 151)
Total equity and liabilities	(92 090)	(68 086)	(52 319)	(32 934)	(3 431)	(3 539)
Net asset value attributable to:	48 185	35 169	32 472	22 845	1 077	1 151
Equity shareholders	32 492	24 907	18 644	14 011	1 077	1 151
Non-controlling interests	15 693	10 262	13 828	8 834	–	–
Group's share of net asset value	12 976	9 946	1 864	1 401	537	575
Impact of net fair value adjustments on tangible and intangible assets.	6 682	6 802	–	–	–	–
Other	–	–	(37)	19	–	–
Goodwill	36 272	33 781	–	–	–	–
Closing carrying amount of investment	55 930	50 529	1 827	1 420	537	575
Cash and cash equivalents within current assets	3 325	2 454	262	–	114	272
Non-current financial liabilities excluding trade and other payables and provisions	(16 035)	(9 646)	(8 199)	(2 200)	(1 627)	(1 336)
Current financial liabilities excluding trade and other payables and provisions	(8 095)	(6 438)	(682)	(692)	(87)	(2)

Notes:

- The Group's effective interest of 5.74% (2023: 6.19%) in Global Partnership for Ethiopia B.V is equity accounted for via an associate Vodafamily Ethiopia Holdings Company Limited, who's functional currency is the Kenyan shelling.
- For the financial reporting period ended 31 March 2023 a reclassification of R1 265 million took place between the Safaricom total assets and liabilities. The reclassification included an increase in current assets of R1 265 million, a decrease in non-current liabilities of R398 million and an increase current liabilities of R1 663 million. The reclassification had no impact on the Group's earnings nor on any amounts presented in the statement of financial position.

Rm	Notes	2024	2023
13 Trade and other receivables			
Trade receivables ¹		17 098	17 318
Contract assets ¹		6 089	5 474
Deferred customer acquisition costs	13.1	1 903	1 741
Prepayments		4 298	4 189
Value-added tax		309	475
Operating lease receivables		1 208	1 169
Derivative financial assets		25	69
Finance receivables carried at amortised cost		34	135
Receivable from associate		206	79
Net investment in lease	13.2	311	198
Other		1 131	844
		32 612	31 692
Note:			
1. Vodafone Egypt accrued income reflected in the prior reporting period amounting to R691 million classified as contract assets has been reclassified to trade receivables. This reclassification had no impact on earnings or earnings per share, nor on any balances, subtotals or totals in the statement of financial position and statement of cash flows.			
Timing			
Non-current		4 458	3 700
Current		28 154	27 992
		32 612	31 692
Included within derivative financial assets:			
At fair value through profit or loss:			
Fair value hedges:			
Foreign exchange forward contracts		18	24
Firm commitment asset – fair value hedge		7	45
		25	69

The fair value of foreign exchange forward contracts and firm commitment assets are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates, respectively, as at the reporting date. The Group designates certain forward exchange contracts relating to open purchase orders, for mainly capital expenditure and inventory, as fair value hedges to hedge its exposure to variability in the fair value that is attributable to changes in foreign exchange rates.

The carrying amount of trade and other receivables approximates the fair value. Generally no interest is charged on trade receivables.

13.1 Contract-related costs

The Group's contract-related costs comprise R1 899 million (2023: R1 738 million) relating to cost incurred to obtain customer contracts and R4 million (2023: R3 million) relating to costs incurred to fulfill customer contracts. Amortisation and impairment expenses of R1 501 million (2023: R1 290 million) and R48 million (2023: R34 million) respectively were recognised in operating profit during the year.

13 Trade and other receivables continued**13.2 Net investment in lease**

The maturity profile of the Group's net investment in leases is as follows:

Rm	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	More than five years	Total
2024							
Undiscounted lease payments receivable	132	86	54	29	10	2	313
Unearned interest income							(2)
Discounted net investment in leases							311
2023							
Undiscounted lease payments receivable	118	50	19	8	3	–	198
Unearned interest income							*
Discounted net investment in leases							198

Note:

* Amounts less than R1 million.

There were no variable payments not included in the Group's net investment in leases. Interest income earned on net investment in leases amounted to R18 million (2023: R17 million).

The Group has a wide range of lessor activities with consumer and enterprise customers, other telecommunication companies and other companies. With consumer and enterprise customers, the Group generates lease income from the provision of handsets, routers and other communications equipment. The Group provides wholesale access to the Group's fibre and cable networks and leases out space on the Group's owned mobile base stations to other telecommunication companies. In addition, the Group sub-leases retail stores to franchise partners in certain markets and leases out surplus assets (for example vacant offices and retail stores) to other companies.

Lessor transactions are classified as operating or finance leases (net investment in leases) based on whether the lease transfers substantially all of the risks and rewards incidental to ownership of the asset. Leases are individually assessed, but generally, the Group's lessor transactions are classified as:

- Operating leases where the Group is lessor of space on owned mobile base stations, provides wholesale access to its fibre and cable networks or provides routers or similar equipment to fixed customers; and
- Finance leases where the Group is sub-lessor of handsets or similar items in back-to-back arrangements or where surplus assets are sublet out for all or substantially all of the remaining head lease term.

The Group sub-leases excess retail and office properties under both operating and finance leases.

Future lease payments expected to be received under non-cancellable operating leases comprise:

Rm	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	More than five years	Total
2024							
Undiscounted receivable amounts	590	375	256	144	48	6	1 419
2023							
Undiscounted receivable amounts	582	463	280	177	71	8	1 581

In respect of operating leases, there were no variable payments that do not depend on an index or a rate in the current year.

14 Finance receivables

The Group provides financing to customers to acquire equipment at an additional contractual charge which is included in finance receivables at fair value.

Rm	Within one year	Between one and two years	Between two and three years	Total
2024				
Future minimum payments receivable	3 808	2 198	688	6 694
Unearned finance income	(515)	(194)	(34)	(743)
Present value of minimum payments receivable	3 293	2 004	654	5 951
2023				
Future minimum payments receivable	2 908	1 927	627	5 462
Unearned finance income	(400)	(175)	(31)	(606)
Present value of minimum payments receivable	2 508	1 752	596	4 856

Rm	2024	2023
15 Mobile financial deposits and payables		
Mobile financial deposits	11 126	9 832
Mobile financial payables	(11 126)	(9 832)

The M-Pesa and VodaPay service allows users to deposit money into an account stored to their cellphone number, to send balances using PIN-secured SMS text messages to other users, including sellers of goods and services, and to redeem deposits for regular money.

Mobile financial deposits are the deposits made by all customers in exchange for electronic mobile money and the unrestricted interest earned on the funds, which will be utilised upon approval if required. This cash is held in restricted accounts with reputable financial institutions, and measured at amortised cost.

Upon recognition of the Mobile financial deposits, the Group recognises a corresponding current liability, owed to the Mobile financial customers for the deposits made.

Mobile financial payables due to customers are primarily composed of saving deposits and amounts payable on demand. Deposits due to customers only include financial instruments classified as liabilities at amortised cost.

The carrying amount of the deposits and payables approximates fair value.

Rm	2024	2023
Mobile financial deposits and payables per country		
South Africa	72	32
Lesotho	527	382
Mozambique	1 672	1 957
DRC	3 458	3 599
Tanzania	5 397	3 862
Total	11 126	9 832

Rm	2024	2023
16 Inventory		
Goods held for resale	2 321	2 156
Inventory valuation allowance included above	(303)	(180)

The cost of inventories recognised as an expense during the period amounts to R17 729 million (2023: R16 823 million).

Rm		2024	2023
17	Share capital		
	Authorised		
	4 000 000 000 ordinary shares with no par value		
	Issued		
	Fully paid share capital		
	2 077 841 204 (2023: 2 077 841 204) ordinary shares with no par value	89 918	89 918
	Treasury shares		
	143 697 902 (2023: 142 402 208) ordinary shares with no par value	(17 131)	(17 055)
		72 787	72 863
	Shares	2024	2023
		Note	
	Movements in the number of ordinary shares outstanding:		
	1 April	1 935 438 996	1 693 305 192
	Statutory shares in issue	2 077 841 204	1 835 864 961
	Treasury shares	(142 402 208)	(142 559 769)
	Issued shares	24	241 976 243
	Repurchase of shares ¹	(4 770 874)	(3 590 600)
	Forfeited shares sold	826 895	1 018 658
	Vesting of shares	2 648 285	2 729 503
	31 March	1 934 143 302	1 935 438 996
	Statutory shares in issue	2 077 841 204	2 077 841 204
	Treasury shares	(143 697 902)	(142 402 208)
	Treasury shares held by:		
	Vodacom Group Limited	10 587 895	9 479 301
	Subsidiaries and structured entities	133 110 007	132 922 907
		143 697 902	142 402 208

The unissued share capital is under the control of the current shareholders and the directors do not have the authority to issue any unissued shares.

Note:

1. Forfeitable and restricted shares held by employees are treated as treasury shares since shares awarded under the forfeitable share plan have not fully vested for the purposes of IFRS 2: Share-based Payment until the potential forfeiture period has expired (Note 18). The potential dilutive impact of these shares are taken into account in calculating diluted earnings per share.

18 Other reserves**18.1 Share-based payment reserve**

The following equity-settled share-based payment expense is recognised in profit or loss in terms of IFRS 2: Share-based Payments.

Rm	2024	2023
Share plans (Notes 18.1.1 to 18.1.4)	(425)	(349)
BBBEE staff expense (Note 18.1.5)	(53)	(132)
	(478)	(481)

18.1.1 Forfeitable share plan (FSP) reserve

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Under the FSP, awards of performance shares are granted to executive directors and selected employees of the Group. The vesting of these shares is subject to continued employment, and is conditional upon achievement of performance targets, measured over a three-year period, for directors, senior management and other selected employees. The performance conditions are based on targets set around operating free cash flow (60%), Total Shareholder Return (TSR) (30%) and Environmental Social and Governance (ESG) (10%).

Share awards	2024		2023	
	Weighted average fair value at grant date R	Number of shares	Weighted average fair value at grant date R	Number of shares
Movements in non-vested shares				
1 April	131.83	8 767 956	129.55	9 056 572
Granted ¹	121.44	4 583 774	143.63	3 366 930
Forfeited	132.07	(826 895)	135.88	(946 553)
Vested	131.42	(2 617 594)	118.69	(2 708 993)
31 March	126.74	9 907 241	131.83	8 767 956
Ordinary shares available for utilisation:				
1 April		94 726 407		82 338 979
Share issue (5% of shares issued for the acquisition of Vodafone Egypt)		–		12 098 812
Granted		(4 583 774)		(3 366 930)
Forfeited		826 895		946 553
Vested		2 617 594		2 708 993
31 March		93 587 122		94 726 407

Note:

1. The grant date fair value of awards includes transaction costs that are capitalised to treasury shares.

The fair value of the share awards on grant date were measured using the quoted market price of a Vodacom Group Limited share without adjusting for expected dividends and non-market performance conditions. Market conditions are adjusted for.

18.1.2 Conditional share plan (CSP)

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Under the Vodacom Group Limited 2022 Share Plan, conditional shares are offered to members of the senior leadership team (SLT). Unlike FSPs, CSPs are not registered in the name of the participant, but rather represent a conditional right to receive shares at a future vesting date. The vesting of these shares is subject to continued employment, and is conditional upon achievement of performance targets, measured over a three-year period. The performance conditions are based on targets set around operating free cash flow (60%), Total Shareholder Return (TSR) (30%) and Environmental Social and Governance (ESG) (10%).

In respect of an award of CSP shares, the remuneration committee may direct the payment of a dividend equivalent, in cash or in shares, on the vesting date. Whenever an ordinary or special dividend is declared between the award date and the settlement date, a number of dividend equivalent shares will be added to the number of CSPs comprising an award (including dividend equivalent shares already included in the award), where the number is determined as the amount of the applicable dividend per share, divided by the market value of the share on the date that the dividend is paid. Any dividend equivalent shares which are awarded are subject to the same conditions applicable to the underlying award, including performance conditions (if applicable) and other vesting conditions.

The weighted average remaining contractual life of the CSP shares in issue as at 31 March 2024 is 2 years.

18 Other reserves continued

18.1 Share-based payment reserve continued

18.1.2 Conditional share plan (CSP) continued

	2024		2023	
	Weighted average fair value at grant date R	Number of shares	Weighted average fair value at grant date R	Number of shares
Share awards				
Movements in non-vested shares				
1 April	67.13	296 917	–	–
Granted	47.91	491 773	67.13	279 924
Dividend equivalents granted	47.91	47 254	67.13	16 993
31 March	54.73	835 944	67.13	296 917

The grant date fair value was calculated using the Monte Carlo option pricing model, which is reflective of the underlying characteristics of the CSPs. The following inputs and assumptions were used at the time to determine the fair value at the grant date:

	2024	2023
Grant date	19 June 2023	17 June 2022
Risk-free rate (%) ¹	8.4 – 10.7	4.7 – 7.4
Expected volatility (%) ²	21.7	24.8
Dividend yield (%) ³	2.7 – 3.1	3.0 – 3.5
Performance period (option life)	1 April 2023 to 31 March 2026	1 April 2022 to 31 March 2025
Vodacom Group Limited share price at grant date (rand)	122.00	134.01

Notes:

1. Determined using the South African swap curve.
2. Determined using historical share prices of Vodacom Group Limited.
3. Determined using dividend forecasts in conjunction with projected future share prices as at each dividend payment date.

18 Other reserves continued

18.1 Share-based payment reserve continued

18.1.3 Restricted share plan reserve

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Executives who have a conditional benefit in terms of their previous service contract have the option to convert a portion or all of their benefit to restricted shares for the purpose of meeting the shareholding guidelines. These shares are subject to the same conditions as those of the underlying conditional benefit.

Share awards	2024		2023	
	Weighted average fair value at grant date R	Number of shares	Weighted average fair value at grant date R	Number of shares
1 April	114.02	711 344	114.00	731 854
Vested	110.16	(30 691)	113.42	(20 510)
31 March	114.19	680 653	114.02	711 344

The fair value of the share awards on grant date were measured using the quoted market price of a Vodacom Group Limited share without adjusting for expected dividends.

18.1.4 Vodafone performance share plan reserve

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Under this plan, awards of shares are granted to executive directors and prescribed officers and certain executive management of the Group. During the current year 3 534 848 (2023: 2 584 718) shares were granted to Group employees, assignees and co-investment participants and 917 855 (2023: 625 346) of the shares issued in prior years vested. The vesting of these shares is subject to continued employment and, for some awards, is conditional upon achievement of performance targets, measured over a three-year period. A charge is recognised based on the fair value of the award on the grant date.

18.1.5 Broad-based Black Economic Empowerment (BBBEE) transaction

In the 2019 financial year, the Group's existing Vodacom (Pty) Limited (Vodacom SA) BBBEE transaction (the previous BBBEE transaction) was replaced with a new BBBEE transaction designed to provide liquidity to participants through YeboYethu (RF) Limited (YeboYethu)¹ declaring a special dividend, and the opportunity for Vodacom SA BEE shareholders², and the Vodacom Employee Share Ownership Trust (ESOP) to participate in a growth opportunity by holding their listed YeboYethu shares. The notional vendor funding of the previous BBBEE transaction was settled, after which Royal Bafokeng Holdings (Pty) Limited (RBH) and Thebe Investment Corporation (Pty) Limited (Thebe) (strategic partners) exchanged their remaining shares in Vodacom SA for shares in YeboYethu, and YeboYethu exchanged their remaining shares in Vodacom SA (as well as those obtained from the strategic partners) for shares in Vodacom Group Limited, which are treated as treasury shares on a consolidated level, and are encumbered (Note 18.1.5.4).

Vodacom Group Limited consolidates YeboYethu and the Siyanda Employee Trust (Siyanda) (Note 18.1.5.1).

Notes:

1. Consolidated by the Group as a structured entity in terms of IFRS 10: Consolidated Financial Statements.
2. RBH, Thebe and YeboYethu.

The BBBEE transaction meets the requirements of an IFRS 2: Share-based Payment arrangement and is accounted for as equity-settled. The transaction resulted in a once off share-based payment charge, as well as a recurring share-based payment charge for Siyanda, which will be expensed over the vesting period (Note 18.1.5.1). Vodacom Group Limited currently has no intention to settle the BBBEE transaction in cash.

Components of the transaction at inception	Notes	Percentage allocated %	Transaction value Rm	Cash received Rm
Employees: Vodacom Siyanda Employee Trust	18.1.5.1	1.36	3 580	750
Black Public (including ESOP participants)	18.1.5.3	2.33	6 132	1 995
Strategic Partner: RBH	18.1.5.3	1.78	4 687	1 307
Strategic Partner: Thebe ³	18.1.5.3	0.76	2 008	560
		6.23	16 407	4 612

Note:

3. Thebe has subsequently sold its interest in Yebo Yethu. The Group's new strategic partner is Mineworkers Investment Company (Pty) Limited, who hold an 11.33% interest in Yebo Yethu (0.71% of the 6.23% transaction percentage) through MIC Investment Holdings (Pty) Limited.

18 Other reserves continued

18.1 Share-based payment reserve continued

18.1.5 Broad-based Black Economic Empowerment (BBBEE) transaction continued

Summary of the financial impact of share based payment arrangements

Rm	2024	2023
Equity-settled share based payment reserve		
Employees (Note 18.1.5.1)	(921)	(868)
Black Public and Business Partners (Note 18.1.5.3)	(535)	(535)
Strategic Partners (Note 18.1.5.3)	(584)	(584)
Innovator Trust	(672)	(672)
	(2 712)	(2 659)

18.1.5.1 Employees

Vodacom employees and management participate in ownership of Vodacom Group Limited through Siyanda¹. Siyanda acquired vested rights to the YeboYethu ordinary shares, subject to certain restrictions. Qualifying employees have been issued units in Siyanda based on a varying percentage of their guaranteed total cost of employment per annum taking into account their employment level, racial and gender classification. The units, representing vested rights to the underlying YeboYethu ordinary shares, have a service condition that will lift in three equal tranches in years 3, 4 and 5 respectively, but only become fully tradeable on the BBBEE Segment of the JSE in equal tranches over a three year period starting from the end of the fifth year of the scheme (i.e. years 6, 7 and 8).

Siyanda will receive dividends as and when declared by YeboYethu, and the trustees will distribute the dividends to the beneficiaries. As at 31 March 2024, 91.74% (31 March 2023: 93.3%) of units were allocated. Units were allocated to participating employees with an effective date of 1 March 2019, and a grant date for IFRS 2 purposes of 25 March 2019. The first of the three equal tranches vested in March 2022. The second tranche vested in March 2023. The third tranche vested in March 2024.

Note:

1. Consolidated by the Group as a structured entity in terms of IFRS 10: Consolidated Financial Statements.

18.1.5.2 Share rights

The table below shows the movement in vested share rights related to Siyanda under the BBBEE transaction:

	2024	2023
Movements in vested share rights:		
1 April	10 771 102	11 478 714
Forfeited	(179 649)	(707 612)
31 March	10 591 453	10 771 102

At inception of the BBBEE transaction, Vodacom SA repurchased 114 744 844 (31 813 785 from RBH, 13 634 479 from Thebe, 30 298 842 from YeboYethu and 38 997 738 from ESOP) Vodacom SA A shares from the Vodacom SA BBBEE shareholders for a nominal consideration (R0.00001 per Vodacom SA A share, and R1 147.45 in aggregate) pursuant to the Vodacom SA notional vendor funding transaction terms, upon which the remaining 185 255 156 Vodacom SA A shares became unencumbered consistent with the terms of issue thereof.

18.1.5.3 Black Public, RBH and Thebe¹

Each of RBH and Thebe¹ exchanged their Vodacom SA shares for new YeboYethu ordinary shares in terms of asset-for-share transactions, thereby consolidating all of the Vodacom SA BBBEE shareholders' interests (including the black public) into a single vehicle, being YeboYethu. A new special purpose vehicle, YeboYethu Investment Company (RF) (Pty) Limited (YeboYethu Investment), was created for the purpose of holding YeboYethu's Vodacom Group Limited shares. YeboYethu Investment is a wholly-owned subsidiary of YeboYethu. After the consolidation of YeboYethu's interests in Vodacom SA, YeboYethu exchanged its Vodacom SA shares for YeboYethu Investment shares. YeboYethu Investment in turn exchanged its Vodacom SA shares for 49 689 995 new Vodacom Group Limited shares on a fair market value basis. YeboYethu thereafter raised funding (Note 18.1.5.4) and acquired an additional 64 761 185 shares in Vodacom Group Limited via its wholly owned subsidiary, bringing its holding up to 114 451 180 shares in Vodacom Group Limited. YeboYethu remains listed on the BBBEE Segment of the JSE, and YeboYethu shareholders therefore continue to have the ability to trade their YeboYethu ordinary shares on the JSE. The YeboYethu shares held by Siyanda will only become tradeable by employees on the BBBEE Segment of the JSE as described in Note 18.1.5.1.

Note:

1. Thebe has subsequently sold its interest in Yebo Yethu. The Group's new strategic partner is Mineworkers Investment Company (Pty) Limited, who hold an 11.33% interest in Yebo Yethu (0.71% of the 6.23% transaction percentage) through MIC Investment Holdings (Pty) Limited.

18 Other reserves continued

18.1 Share-based payment reserve continued

18.1.5 Broad-based Black Economic Empowerment (BBBEE) transaction continued

18.1.5.4 Funding

YeboYethu raised vendor funding and third party financing, in the form of preference shares, in order to subscribe for additional Vodacom Group Limited shares.

Third party funding

YeboYethu issued preference shares to the value of R4 654 million. The subscribers to the original Class A preference shares were ABSA Bank Limited, FirstRand Bank Limited and Depfin Investments Proprietary Limited. FirstRand Bank Limited opted to reduce its preference shareholding and Depfin Investments Proprietary Limited elected to exit its preference shareholding. ABSA Bank Limited and Momentum Metropolitan Holdings ('MMH') agreed to subscribe for the preference shares that was redeemed from the aforesaid original preference share subscribers. Finance cost was recognised at a rate of 68% of prime (non tax-deductible) on the outstanding balance of the Class A preference shares. Interest on the Class A preference shares is capitalised monthly and settled semi-annually, subject to a permitted interest roll up to a maximum of 135%. On 31 August 2023, the company refinanced its Class A preference shares at an improved dividend rate of 67% of the prime rate, from the previous rate of 68% as well as extended its redemption date to 31 August 2028. The amount paid to FirstRand Bank Limited and Depfin Investments Proprietary Limited was the outstanding balance as at 31 August 2023 in proportion to the shareholding with the equivalent amount subscribed for by ABSA Bank Limited and MMH. The borrowing is secured by the shares that YeboYethu Investment holds in Vodacom Group, with a target share cover ratio of above three times the debt with a breach occurring at two times share cover. The share cover ratio at 31 March 2024, based on a five day volume-weighted average price of R97.01 (2023: R123.74), was 3.18 (2023: 3.88). The closing balance on this funding as at 31 March 2024 was R 3 488 million (2023: R 3 650 million) (Refer to Note 19).

Vendor funding

Vendor funding of R5 252 million was raised in the form of preference shares with a dividend rate of 70% of prime issued by YeboYethu to Vodacom Group Limited (class B preference shares). The closing balance on this funding as at 31 March 2024 was R 5 440 million (2023: R 5 168 million). The vendor funding eliminates on consolidation.

	Rm	%
Sources of funding		
Economic value of Vodacom discount of subscription price	1 951	11.8
Equity contribution – Vodacom SA BBBEE shareholders	3 862	23.5
Equity contribution by Vodacom Group Limited and employer companies – Siyanda	750	4.6
Class A preference shares from third party funders	4 654	28.2
Class B preference shares from Vodacom Group Limited	5 252	31.9
Total	16 469	100
Uses of funding		
Acquisition of Vodacom Group Limited shares	16 407	99.6
Transaction costs	62	0.4
Total	16 469	100

18.1.5.5 BBBEE valuation

Equity-settled share based payment transaction

BBBEE credentials are not separable and cannot be valued other than by reference to the fair value of the equity instruments granted. The share-based payment expense was calculated using the Monte Carlo option pricing model, which is reflective of the underlying characteristics of the BBBEE transaction. The once off share-based payment to YeboYethu shareholders, other than employees, was granted on the date the transaction was approved by the shareholders of YeboYethu. The recurring share-based payment charge for Siyanda was first recognised on the date that the details of awards were communicated to eligible employees. The following assumptions were used at the time to determine the fair value at the respective grant dates:

	Once-off charge	Siyanda
Grant date	17 August 2018	25 March 2019
Risk-free rate (%) ¹	6.4 – 8.6	7.1 – 8.0
Expected volatility (%) ²	22.7	23.1
Dividend yield (%) ³	6.7 – 7.8	6.7 – 7.9
Vodacom Group Limited share price at grant date (rand)	125.6	114.0
Weighted average fair value of instruments granted (Rm)	1 119	921

Notes:

1. Determined using the South African swap curve.
2. Determined using historical share prices of Vodacom Group Limited.
3. Determined using dividend forecasts up to the 2021 financial year obtained from Bloomberg in conjunction with projected future share prices as at each dividend payment date.

19 Borrowings

Rm	2024	2023
Non-current		
Interest bearing borrowings (Note 19.1)	59 540	60 687
Current		
Interest bearing borrowings (Note 19.1)	11 740	8 327
	71 280	69 014

19.1 Interest bearing borrowings

	2024	2023	Denominated currency and nominal value		Interest rate	Final maturity
	Rm	Rm	Million			
Repaid						
Standard Bank of South Africa	–	2 000	2 000	ZAR ¹	Variable 3 months Jibar + 1.13%	30/1/2024
Refinancing²						
Standard Bank of South Africa Limited	926	456	50	USD	Variable 3 months SOFR + 3.3%	31/05/2026
			50	USD	Variable 6 months Libor + 3.30%	31/05/2023
Standard Bank of South Africa Limited	–	292	3 000	MZN	MZ Prime – 4%	31/05/2026
			3 000	MZN	Fixed MZ Prime – 2.00%	31/05/2023
Borrowings incurred						
Vodafone Investments Luxembourg s.a.r.l.	2 215	–	3 200	ZAR	Fixed 8.02%	30/03/2027
Investec Bank Limited	508	–	500	ZAR ¹	Variable 3 months Jibar + 1.25%	31/01/2027
China Construction Bank Corporation	508	–	500	ZAR ¹	Variable 3 months Jibar + 1.25%	31/01/2027
Old Mutual Life Assurance Company (South Africa) Limited	1 016	–	1 000	ZAR ¹	Variable 3 months Jibar + 1.48%	31/01/2031
Borrowings carried over from prior year						
Vodafone Investments Luxembourg s.a.r.l.	3 203	3 202	3 200	ZAR	Fixed 9.36%	30/3/2027
Vodafone Investments Luxembourg s.a.r.l.	4 271	4 267	4 265	ZAR	Variable 3 months Jibar + 1.34%	28/11/2027
Vodafone Investments Luxembourg s.a.r.l.	235	235	235	ZAR	Variable 3 months Jibar + 1.34%	12/12/2027
Vodafone Investments Luxembourg s.a.r.l.	1 301	1 301	1 300	ZAR	Fixed 9.52%	12/12/2027
Vodafone Investments Luxembourg s.a.r.l.	2 002	2 001	2 000	ZAR	Variable 3 months Jibar + 1.40%	12/12/2028
Vodafone Investments Luxembourg s.a.r.l.	6 052	6 053	6 000	ZAR	Fixed 9.00%	28/11/2025
Vodafone Investments Luxembourg s.a.r.l.	2 554	2 552	2 530	ZAR	Variable 3 months Jibar + 1.5%	24/11/2024
Vodafone Investments Luxembourg s.a.r.l.	3 020	3 018	3 000	ZAR	Variable 3 months Jibar + 1.34%	24/05/2027
Vodafone Investments Luxembourg s.a.r.l.	3 221	3 219	3 200	ZAR	Variable 3 months Jibar + 1.34%	01/06/2027
Vodafone Investments Luxembourg s.a.r.l.	1 510	1 509	1 500	ZAR	Variable 3 months Jibar + 1.34%	07/06/2027
Vodafone Investments Luxembourg s.a.r.l.	4 036	4 035	4 000	ZAR	Variable 3 months Jibar + 1.34%	28/11/2028
Vodafone Investments Luxembourg s.a.r.l.	5 620	5 593	5 500	ZAR	Variable 3 months Jibar + 1.43%	11/04/2029
Standard Bank of Congo	501	625	35	USD	Variable 6 months SoFR + 3.75%	05/08/2025
Standard Bank of Congo	1 239	1 160	65	USD ³	Variable 6 months SoFR + 2.15%	05/08/2025
Standard Bank of South Africa	1 511	1 101	1 101	ZAR	Variable 3 months Jibar + 1.34%	31/05/2027
ABSA Limited	1 001	1 013	1 000	ZAR	Variable 3 months Jibar + 1.42%	30/11/2028
FirstRand Bank Limited	1 001	1 000	1 000	ZAR	Variable 3 months Jibar + 1.43%	30/11/2028
Investec Bank Limited	1 501	1 500	1 500	ZAR	Variable 3 months Jibar + 1.25%	29/07/2024
Nedbank Limited	2 002	2 000	2 000	ZAR	Variable 3 months Jibar + 1.40%	29/07/2024
Nedbank Limited	500	500	500	ZAR	Variable 3 months Jibar + 1.325%	10/12/2024
Balance carried forward	51 454	48 632				

Notes:

- The loan was replaced on 31 January 2024 with two new sustainability linked term facilities from Investec Bank Limited and China Construction Bank Corporation, and a sustainability linked loan from Old Mutual Life Assurance Company (South Africa) Limited. These loans are linked to selected sustainability performance targets focusing on key performance indicators related to gender diversity and financial inclusion and work off the basis of a sustainability margin adjustment which may be adjusted either upwards or downwards, dependent on the achievement of the specified key performance indicators.
- No cash flow impact on refinancing.
- Secured loan – Vodacom Group Limited has issued a guarantee for the US\$65 million loan in support of Vodacom Congo.

19 Borrowings continued**19.1 Interest bearing borrowings continued**

	2024 Rm	2023 Rm	Denominated currency and nominal value Million		Interest rate	Final maturity
Balance forward	51 454	48 632				
Borrowings carried over from prior year continued						
Other borrowings ⁴	121	704				
Committed facilities	512	1 454	8 650	EGP	16.65% – 17.25%	Within 12 months
Committed facilities	–	–	30	USD ⁵		
YeboYethu preference shares	3 488	3 650	YeboYethu issued preference shares during the 2019 financial year to the value of R4 654 million to ABSA Bank Limited, Depfin Investments (Pty) Limited and FirstRand Bank Limited in order to finance the Group's BBBEE transaction (Note 18). These preference shares have a dividend rate of 68% of First National Bank Limited's prime overdraft lending rate, and have a maturity date of 14 September 2023. The maturity date has been deferred to 14 September 2024. The remaining R3 479 million capital was refinanced on 31 August 2023. The new holders of the preference shares post refinance are FirstRand Bank Limited, ABSA Bank Limited and Momentum Metropolitan Holdings (MMH). The preference shares have a dividend rate of 67% of prime and a maturity date of 31 August 2028. The preference shares are secured by the shares that YeboYethu Investment Company (RF) (Pty) Limited, a wholly owned subsidiary of YeboYethu Limited, holds in Vodacom Group Limited, with a share cover ratio to debt of two times cover. The cash in- and outflow on the transaction on redemption from exiting shareholders and issue of new preference shares to new holders was R917 million. The share cover ratio at 31 March 2024, based on a five day volume-weighted average price of R97.01 was 3.18.			
Lease liability	15 433	14 408	The Group leases buildings for its retail stores, offices and data centers, land on which to construct mobile base stations, space on mobile base stations to place active RAN equipment and network space (primarily rack space or duct space). In addition, the Group leases fibre and other fixed connectivity to provide internal connectivity for the Group's operations and on a wholesale basis from other operators to provide fixed connectivity services to the Group's customers. The Group's general approach to determining lease term by class of asset is described on page 37 under critical accounting judgements and key sources of estimation uncertainty. The Group is not exposed to any future cash outflows relating to extension and termination options not included in the lease liability. Most of the Group's leases include future price increases through fixed percentage increases, indexation to inflation measures on a periodic basis or rent review clauses. Other than fixed percentage increases, the lease liability does not reflect the impact of these future increases unless the measurement date has passed. During the current year, there were no expenses relating to variable lease payments not included in the lease liability. The Group has no liabilities under residual value guarantees and no restrictions or covenants were imposed by leases in the current year. The total cash outflow during the year in relation to leases was R6 228 million (2023: R4 953 million).			
Other loans	272	165				
	71 280	69 014				

Notes:

4. Includes R22 million (2023: R90 million) and R99 million (2023: R614 million) of licence and spectrum fees payable in non-current and current borrowings respectively.

5. Facility not drawn down at year end.

19 Borrowings continued

19.1 Interest bearing borrowings continued

In terms of the memorandum of incorporation of Vodacom Group Limited, the borrowing powers of the Company are unlimited.

The aggregate fair value, if determinable, of interest bearing borrowings (excluding leases) with a carrying amount of R55 847 million (2023: R53 902 million) amounts to R55 865 million (2023: R53 977 million). Fair value is based on level two of the fair value hierarchy.

Estimated interest rates for fixed interest rate financial liabilities are calculated with reference to the applicable zero coupon yield curves at the reporting date, as published by Bloomberg. Where the fair value could be determined by using the discounted cash flow method (with a discount rate based on market-related interest rates) the discount rate varied between 9.46% and 9.62% (2023: 9.16% and 9.84%) for rand-denominated borrowings.

The maturity profile of the Group's lease liabilities is as follows:

Rm	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	More than five years	Total
2024							
Undiscounted lease payments	4 815	4 035	3 028	2 542	2 107	5 130	21 657
Effect of discounting							(6 224)
Lease liabilities included in borrowings							15 433
2023							
Undiscounted lease payments	4 060	3 574	3 183	2 338	1 920	5 367	20 442
Effect of discounting							(6 034)
Lease liabilities included in borrowings							14 408

Interest rate and currency of interest bearing borrowings:

Interest rate and currency of lease liabilities:

Currency	Fixed rate	
	2024	2023
South African rand	7 650	6 972
Egyptian pound	581	430
Tanzanian shilling	2 466	2 546
United States dollar	4 283	4 197
Mozambican metical	351	217
Lesotho maloti	102	46
	15 433	14 408

Rm	Total	Floating rate	Fixed rate
Interest rate and currency of interest bearing borrowings (excluding lease liabilities):			
2024			
Currency			
South African rand	52 278	39 507	12 771
Egyptian pound	564	511	53
United States dollar	1 922	1 740	182
Mozambican metical	994	926	68
Tanzanian shilling	90	90	–
	55 848	42 774	13 074
2023			
Currency			
South African rand	49 751	31 602	18 149
Egyptian pound	1 503	1 503	–
United States dollar	3 060	2 896	164
Mozambican metical	292	292	–
	54 606	36 293	18 313

Rm	2024	2023
20 Trade and other payables		
Trade payables	19 377	18 787
Contract liabilities	4 692	5 243
Capital expenditure creditors	8 231	7 306
Indirect taxes	1 571	1 688
Accruals	7 660	7 820
Derivative financial liabilities	133	96
Other	1 385	1 004
	43 049	41 944
Rm	2024	2023
Timing		
Non-current	464	552
Current	42 585	41 392
	43 049	41 944
The carrying amount of trade and other payables approximate the fair value.		
Included within derivative financial liabilities:		
Foreign exchange forward contracts	(122)	(62)
Firm commitment liability – fair value hedge	(11)	(34)
	(133)	(96)

The Group designates certain forward exchange contracts (FEC) relating to open purchase orders, for mainly capital expenditure and inventory, as fair value hedges to hedge its exposure to variability in the fair value that is attributable to changes in foreign exchange rates.

The fair value of FEC and firm commitment liabilities are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates, respectively, as at the reporting date.

During the year revenue of R4 249 million (2023: R4 732 million) was recognised relating to the satisfaction of performance obligations that were previously recorded as contract liabilities.

Rm	Note	Employee benefits provisions	Asset retirement obligations provision	Legal and regulatory provisions	Other provisions	Total
21 Provisions						
31 March 2022		28	1 499	19	376	1 922
Provision created		29	–	–	438	467
Acquisition of subsidiary	24	–	44	745	30	819
Provision utilised		(18)	(332)	(302)	(419)	(1 071)
Unwinding of interest		–	99	–	–	99
31 March 2023		39	1 310	462	425	2 236
Provision created		45	343	27	570	985
Provision utilised		(22)	(312)	–	(845)	(1 179)
Unwinding of interest		–	164	–	–	164
31 March 2024		62	1 505	489	150	2 206
Rm					2024	2023
Timing						
Non-current					1 592	1 406
Current					614	830
					2 206	2 236

21 Provisions continued

21.1 Asset retirement obligations provision

In the course of the Group's activities, a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are generally expected to occur at the dates of exit of the assets to which they relate, which are long-term and short-term in nature.

The Group's network infrastructure operates on sites where a regulatory, legal or constructive obligation exists requiring the restoration thereof. The increase in the related provision is driven by a increase in cost of restoration, as well as an increase in inflation across all markets in which the Group operates.

Rm	2024	2023
22 Consolidated statement of cash flows reconciliations		
22.1 Cash generated from operations		
Profit before tax	28 123	25 008
Adjusted for:		
Net loss/(profit) on disposal of subsidiaries	13	(4)
Finance income	(1 416)	(857)
Finance costs	8 163	5 569
Net loss/(gain) on remeasurement and disposal of financial instruments	454	(464)
Operating profit	35 337	29 252
Adjusted for:		
Depreciation and amortisation	22 786	17 968
Net loss on disposal of property, plant and equipment and intangible assets	117	35
Net credit losses on financial assets	846	864
Share-based payment	415	481
Net profit from associates and joint ventures	(2 197)	(2 607)
Other	13	–
Cash flows from operations before working capital changes	57 317	45 993
Increase in inventory	(315)	(106)
Increase in trade and other receivables	(5 205)	(4 777)
Increase in mobile financial payables, trade and other payables and provisions	5 326	7 202
Cash generated from operations	57 123	48 312

22.2 Changes in liabilities arising from financing activities

Rm	Derivative financial liabilities	Borrowings	Other liabilities ¹	Total
31 March 2023	96	69 015	62	69 173
Cash flow movements	(359)	(10 548)	(490)	(11 397)
Settlement of derivatives	(359)	–	–	(359)
Repayment of borrowings ²	–	(21 700)	–	(21 700)
Proceeds from borrowings raised ²	–	18 182	–	18 182
Interest paid on borrowings	–	(7 030)	(490)	(7 520)
Non-cash flow movement	396	12 814	500	13 710
Additions, modification and termination of leases	–	5 520	–	5 520
License and spectrum fees payable	–	(1)	–	(1)
Interest accrual	–	7 430	503	7 933
Fair value adjustments	396	–	–	396
Foreign exchange	–	(135)	(3)	(138)
31 March 2024	133	71 281	72	71 486

Notes:

- The 'Other liabilities' column mainly includes the movement of the interest payable to M-Pesa customers as well as interest accrued and paid on bank overdrafts.
- Included in borrowings repaid and borrowings incurred in the statement of cash flows are cash outflows and cash inflows of R12 980 million (2023: R5 862 million) and R12 271 million (2023: R4 458 million) respectively relating to cash movements on committed borrowing facilities of Vodafone Egypt.

22 Consolidated statement of cash flows reconciliations continued**22.2 Changes in liabilities arising from financing activities continued**

Rm	Derivative financial liabilities	Borrowings	Other liabilities ¹	Total
31 March 2022	689	51 409	46	52 144
Cash flow movements	(1 010)	2 941	(330)	1 601
Settlement of derivatives	(1 010)	–	–	(1 010)
Repayment of borrowings ²	–	(11 935)	–	(11 935)
Proceeds from borrowings raised ²	–	19 662	–	19 662
Interest paid on borrowings	–	(4 786)	(330)	(5 116)
Non-cash flow movement	417	14 665	346	15 428
Addition to leases	–	3 399	–	3 399
License and spectrum fees payable	–	761	–	761
Interest accrual	–	5 125	335	5 460
Fair value adjustments	417	–	–	417
Foreign exchange	–	1 140	11	1 151
Acquisition of subsidiary (Note 24)	–	4 240	–	4 240
31 March 2023	96	69 015	62	69 173

Notes:

- The 'Other liabilities' column mainly includes the movement of the interest payable to M-Pesa customers as well as interest accrued and paid on bank overdrafts.
- Included in borrowings repaid and proceeds from borrowings raised in the statement of cash flows are cash outflows and cash inflows of R5 862 million and R4 458 million respectively relating to cash movements on committed borrowing facilities of Vodafone Egypt.

Rm	2024	2023
23 Cash and cash equivalents		
Bank and cash balances	23 710	22 054
Bank overdraft ¹	(2 197)	(1 323)
	21 513	20 731

The carrying amount of cash and cash equivalents normally approximates its fair value due to short-term maturity.

Note:

- Bank overdrafts, excluding those classified as finance activities in the statement of cash flows, are regarded as part of the Group's integral cash.

24 Acquisition of Vodafone Egypt Telecommunications S.A.E. (Vodafone Egypt)

On 10 November 2021, the Group announced that it had entered into a binding agreement to acquire a 55% shareholding in Vodafone Egypt from Vodafone Group Plc (Vodafone). During December 2022 the Group concluded all outstanding regulatory and procedural approvals, and settled the full purchase consideration by issuing 241 976 243 shares in Vodacom Group Limited at a value of R32 848 million to Vodafone together with a R10 720 million cash consideration, of which the balance was settled in the current financial year after finalising the closing accounts. Share issue costs amounted to R3 million.

The acquisition of Vodafone Egypt is a business combination under common control. Acquisitions of subsidiaries under common control are accounted for using the pooling of interest method. The pooling of interest method is applied prospectively (no restatement of periods prior to the business combination under common control) with a corresponding reset of historical equity reserves. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred by the Group to the sellers and equity instruments issued by the Group in exchange for control over the acquiree. The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Acquisition-related costs of R260 million were recognised in other operating expenses in profit or loss in the prior financial year.

The assets and liabilities of Vodafone Egypt are reflected at their acquisition date carrying amounts recognised within Vodafone's consolidated financial statements, thus no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the acquisition. The difference between the consideration transferred and the acquired net assets, including pre-existing goodwill of the parent and non-controlling interest, is reflected within equity.

Subsequent to acquiring Vodafone Egypt, the Group acquired an additional stake of 0.02%, equivalent to 49,493 shares in Vodafone Egypt from minority shareholders for a cash consideration of R15 million resulting in a total shareholding in Vodafone Egypt of 55.02%.

24 Acquisition of Vodafone Egypt Telecommunications S.A.E. (Vodafone Egypt) continued

Rm	2023
Acquisition of Vodafone Egypt	
Property, plant and equipment	12 077
Intangible assets	9 722
Trade and other receivables	5 086
Non-current trade and other receivables	485
Current trade and other receivables	4 601
Inventory	260
Bank and cash balances	1 138
Borrowings	(4 240)
Non-current borrowings	(378)
Current borrowings	(3 862)
Trade and other payables	(9 942)
Non-current trade and other payables	(41)
Current trade and other payables	(9 901)
Provisions	(819)
Deferred tax	(759)
Tax payable	(1 178)
Net asset value acquired	11 345
Non-controlling interest	(5 105)
Pre-existing goodwill from parent	1 191
Common control reserve	36 137
Purchase consideration	43 568
Shares issued	32 848
Cash consideration	10 720
Total cash consideration	10 720
Cash consideration payable	(361)
Cash and cash equivalents acquired	(1 138)
Acquisition of subsidiary (net of cash and cash equivalents acquired)	9 221

Rm	2024	2023
25 Commitments		
25.1 Capital commitments		
Capital expenditure contracted for but not yet incurred	3 671	8 362
Capital commitments for property, plant and equipment and computer software will be financed through internal cash generation and bank funding.		
Included in capital commitments in the prior financial year was a commitment of R2 186 million relating to spectrum acquisition. This commitment was settled in the current year.		
25.2 Lease commitments		
Future payments on leases committed but not yet commenced	534	272

26 Contingent liabilities and legal proceedings

26.1 Tax matters

The Group is regularly subject to an evaluation by tax authorities of its direct and indirect tax filings, the most significant of which are capital allowances, withholding taxes, customs duty and transfer pricing in certain jurisdictions. The consequence of such reviews is that disputes may arise with tax authorities over the interpretation or application of certain tax rules to the Group's business. The tax laws are in some instances ambiguous and subject to a broad range of interpretations. To address and manage this tax uncertainty, good governance is fundamental to the Group's business sustainability. All major tax positions taken are subject to review by executive management and are reported to the Board. The Group has support from external advisors with regards to the positions taken in respect of the significant tax matters which confirms the application and interpretation of the tax legislation. The Group has considered all matters in dispute with the relevant tax authorities and has accounted for any exposure identified, if required. The Group has not disclosed all the details in respect of the open tax disputes as these matters are still under the dispute resolution process. These disputes may not necessarily be resolved in a manner that is favourable to the Group.

26.2 Legal matters

The Group is currently involved in various legal disputes across its different jurisdictions and has, in consultation with its legal advisors, assessed the possible outcomes in these cases and has determined that adequate provision has been made in respect of all these cases as at 31 March 2024.

Kenneth Makate (Mr Makate) vs Vodacom (Pty) Limited (Vodacom)

Mr Makate, a former employee of Vodacom, started legal proceedings in 2008 claiming compensation for a business idea that led to the development of a service known as "Please Call Me" (PCM). In July 2014, the Gauteng High Court (the High Court) ruled that Mr Makate had proven the existence of a contract, but that Vodacom was not bound by that contract because the responsible director did not have authority to enter into such an agreement on Vodacom's behalf. The High Court and Supreme Court of Appeal (the SCA) turned down Mr Makate's application for leave to appeal in December 2014 and March 2015, respectively.

In April 2016, the Constitutional Court of South Africa (the Constitutional Court) granted leave to appeal and upheld Mr Makate's appeal. It found that Vodacom is bound by the agreement and ordered the parties to negotiate, in good faith, and agree a reasonable compensation amount payable to Mr Makate or, in the event of a deadlock, for the matter to be referred to Vodacom Group's Chief Executive Officer (the CEO) for determination. Mr Makate's application for the aforementioned order to be varied from the determination of an amount to a compensation model based on a share of revenue was dismissed by the Constitutional Court. In accordance with the Constitutional Court order, and after negotiations failed, the CEO issued his determination on 9 January 2019. However, the CEO's award of R47million was rejected by Mr Makate who subsequently brought an application in the High Court for judicial review against the CEO's determination and award.

The High Court, in a judgment delivered on 8 February 2022, set aside the CEO's determination and ordered him to reassess the amount employing a set criteria which would have resulted in the payment of a higher compensation amount, for the benefit of Mr. Makate, than that determined by the CEO. Vodacom appealed against the judgment and the order of the High Court to the SCA. The SCA heard the appeal on 9 May 2023 and its judgment was handed down on 6 February 2024. A majority of three judges, with a minority of two judges dissenting, dismissed the appeal and ruled that Mr Makate is entitled to be paid 5% – 7.5% of the total revenue of the PCM product from March 2001 to the date of the judgment, plus interest.

On 27 February 2024, Vodacom applied for leave to appeal the judgment and order of the SCA to the Constitutional Court, resulting in the suspension of the operation of the judgment and order of the SCA. Mr Makate is opposing Vodacom's application for leave to appeal. Vodacom is challenging the SCA's judgment and order on various grounds including, but not limited to: the SCA ignoring the evidence placed before it on the computation of the quantum of compensation payable to Mr Makate; and the SCA issuing orders that are legally unenforceable.

The CEO's determination in 2019 amounted to R47 million. The minority judgment of the SCA raised Mr Makate's compensation to approximately R186 million, while the SCA majority judgment would entitle Mr Makate to a minimum compensation amount of R29 billion. Consequently, the range of the possible compensation outcomes in this matter is very wide.

The amount ultimately payable to Mr Makate is uncertain and will depend on the determination of the Constitutional Court to grant Vodacom's application for leave to appeal and if granted, on the success of Vodacom's appeal against the judgment and order of the SCA, on the merits of the case. Vodacom is continuing to challenge the level of compensation payable to Mr Makate and a provision immaterial to the financial statements has been recorded.

27 Post-employments benefits

The Group operates a number of pension plans for the benefit of all its employees throughout the Group, which vary depending on the conditions and practices in the countries concerned. The Group's pension plans are provided through defined contribution schemes. Defined contribution schemes offer employees individual funds that are converted into benefits at the time of retirement. Current contributions to the defined contribution schemes amounted to R435 million (2023: R358 million). South African funds are governed in terms of the Pension Funds Act of 1956. The assets in the funds are held in separate accounts and funds are raised through payments from employees and the Group.

28 Events after the reporting period

The Board is not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the period, other than the following:

28.1 Dividend declared after the reporting period and not recognised as a liability

A final dividend of R5 922 million (285 cents per ordinary share) for the year ended 31 March 2024, was declared on 10 May 2024, payable on 24 June 2024 to shareholders recorded in the register at the close of business on 21 June 2024. The net dividend after taking into account dividend withholding tax for those shareholders not exempt from dividend withholding tax is 228.00000 cents per share. This is in line with the Group's dividend policy to pay dividends of at least 75% of the Group's headline earnings.

29 Interest in subsidiaries

Information disclosed below are for subsidiaries of the Group that have material non-controlling interests. The information is based on amounts including inter-company balances.

Name of material subsidiary	Country of incorporation or registration	Percentage shareholding	
		2024	2023
Vodafone Egypt Telecommunications S.A.E. (Vodafone Egypt)	The Arab Republic of Egypt	55.0	55.0
Vodacom Tanzania Public Limited Company and its subsidiaries (Vodacom Tanzania)	The United Republic of Tanzania	75.0	75.0
Vodacom Congo (RDC) SA and its subsidiaries (Vodacom Congo)	The Democratic Republic of the Congo	51.0	51.0
Vodacom Moçambique, S.A and its subsidiaries (Vodacom Mozambique)	The Republic of Mozambique	85.0	85.0
Vodacom Lesotho (Pty) Limited and its subsidiaries (Vodacom Lesotho)	The Kingdom of Lesotho	80.0	80.0

There are no restrictions on any of the subsidiaries ability to access or use assets, and settle liabilities of the Group.

Rm	Vodafone Egypt ¹		Vodacom Tanzania		Vodacom Congo		Vodacom Mozambique		Vodacom Lesotho	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Statement of financial position										
Non-current assets	13 872	18 401	9 360	9 936	11 070	9 151	7 708	7 323	1 106	1 048
Current assets	9 770	7 749	8 199	6 835	6 861	6 730	5 390	5 027	765	663
Total assets	23 642	26 150	17 559	16 771	17 931	15 881	13 098	12 350	1 871	1 711
Equity attributable to owners of the parent	(5 304)	(5 840)	(4 736)	(4 682)	6 016	5 260	(5 527)	(5 470)	(845)	(815)
Non-controlling interests ²	(4 327)	(4 728)	(1 566)	(1 548)	3 729	3 003	(1 018)	(1 008)	(211)	(204)
Non-current liabilities	(788)	(958)	(2 202)	(3 035)	(5 253)	(4 825)	(1 503)	(530)	(100)	(64)
Current liabilities	(13 223)	(14 624)	(9 055)	(7 506)	(22 423)	(19 319)	(5 050)	(5 342)	(715)	(628)
Total equity and liabilities	(23 642)	(26 150)	(17 559)	(16 771)	(17 931)	(15 881)	(13 098)	(12 350)	(1 871)	(1 711)
Income statement										
Revenue	32 502	8 252	9 675	7 838	12 416	10 531	6 814	7 012	1 309	1 204
Net profit/(loss) attributable to equity shareholders	3 587	735	300	261	(464)	203	551	933	143	135
Net profit/ (loss) attributable to non-controlling interests	2 933	600	100	87	(446)	195	97	165	34	34
Net profit/ (loss) and total comprehensive (loss)/income	6 520	1 335	400	348	(910)	398	648	1 098	177	169
Statement of cash flows										
Net cash flows from operating activities	11 602	3 927	4 781	2 741	3 584	4 276	1 607	2 739	498	450
Net cash flows (utilised in)/from investing activities	(4 170)	282	(2 947)	(1 988)	(1 981)	(2 220)	(505)	(1 361)	(342)	(301)
Net cash flows utilised in financing activities	(4 347)	(2 040)	(1 990)	(923)	(2 117)	(1 803)	(806)	(1 227)	(163)	(159)
Net increase/(decrease) in cash and cash equivalents	3 085	2 169	(156)	(170)	(514)	253	296	151	(7)	(10)

Notes:

- Vodafone Egypt was acquired during the prior year (Refer to Note 24). The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022.
- Dividends paid to non-controlling interest amounted to R1 240 million (2023: Rnil million) for Vodafone Egypt; R42 million (2023: Rnil million) for Vodacom Tanzania; R152 million (2023: R154 million) for Vodacom Mozambique; and R28 million (2023: R28 million) for Vodacom Lesotho.

30 Related parties

The Group's related parties are its parent, fellow subsidiaries of the Vodafone Group Plc, joint ventures, associates, pension schemes (Note 27) and key management including directors (Note 30.3). Further details regarding the related party relationship with a prior non-executive director of the Group may be found in Note 18.1.6.

Rm	2024	2023
30.1 Balances with related parties		
Fellow subsidiaries of the Vodafone Group Plc.		
Accounts receivable	382	294
Accounts payable	(2 523)	(3 168)
Borrowings		
Vodafone Investments Luxembourg s.a.r.l. (Note 19) – Fellow subsidiaries of Vodafone Group Plc	(39 240)	(36 985)
Associates of Vodacom Group Limited		
Accounts receivable	206	79
Accounts payable	(47)	(12)
Joint Ventures of Vodacom Group Limited		
Loans receivable from joint ventures	376	350
The outstanding balances listed above are unsecured and will be settled in cash in the ordinary course of business. No guarantees or provision for doubtful debts have been recognised.		
30.2 Transactions with related parties		
Fellow subsidiaries of Vodafone Group Plc	(15 029)	(12 987)
Revenue	452	438
Direct expenses	(78)	(92)
Other operating expenses ¹	(3 236)	(2 423)
Finance costs	(3 578)	(2 358)
Dividends declared	(8 589)	(8 552)
Transactions with entities in which related parties have an interest	(6)	(5)
Associates of Vodacom Group Limited	2 364	3 014
Revenue	61	58
Dividends received	2 375	3 032
Direct expenses	(72)	(76)

Note:

1. Includes cost relating to brand fees, marketing, insurance, secondment fees, software and head office charges.

Rm	2024	2023
30. Related parties continued		
30.3 Directors' remuneration		
Directors		
Executive directors	(108)	(81)
Short-term employee benefits	(59)	(48)
Post-employment benefits	(3)	(2)
Share-based payments	(46)	(32)
Non-executive directors	(13)	(12)
Directors' fees	(13)	(12)
Directors' remuneration payable by the Group	(121)	(93)
Short-term incentives over provided by the Group	(7)	4
Directors' remuneration incurred by Vodafone Group Plc ¹	(11)	(4)
	(139)	(93)

Note:

1. Includes long-term employee benefits provided for MS Aziz Joosub: R8 million (2023: R2 million) and RK Morathi: R3 million (2023: R2 million).

Included in the aggregate remuneration above are the following individual remuneration payable by the Group (further details can be found in the remuneration report):

R	Directors' fee	Salary	Retirements contributions	Other ¹	Expense allowances ²	Short-term incentives (STI) ³	Remuneration report	Long-term incentives and other	Total
2024									
Executive directors									
MS Aziz Joosub	–	16 147 335	1 239 276	–	4 800	20 616 695	38 008 106	35 487 073	73 495 179
RK Morathi	–	9 384 591	1 312 186	2 101 182	6 365	9 513 018	22 317 342	12 289 768	34 607 110
Non-executive directors									
SJ Macozoma [®]	3 701 798	–	–	–	–	–	3 701 798	–	3 701 798
F Bianco [*]	912 711	–	–	–	–	–	912 711	–	912 711
A Dimitrova [~]	260 898	–	–	–	–	–	260 898	–	260 898
SG Kamath [~]	27 130	–	–	–	–	–	27 130	–	27 130
P Klotz [*]	734 891	–	–	–	–	–	734 891	–	734 891
P Mahanyele-Dabengwa [^]	1 076 420	–	–	–	–	–	1 076 420	–	1 076 420
NC Nqweni [^]	980 192	–	–	–	–	–	980 192	–	980 192
JWL Otty [*]	747 836	–	–	–	–	–	747 836	–	747 836
JH Reiter [~]	377 390	–	–	–	–	–	377 390	–	377 390
KL Shuenyane [^]	1 750 621	–	–	–	–	–	1 750 621	–	1 750 621
S Sood [~]	293 615	–	–	–	–	–	293 615	–	293 615
CB Thomson [^]	1 362 746	–	–	–	–	–	1 362 746	–	1 362 746
LS Wood [*]	1 065 129	–	–	–	–	–	1 065 129	–	1 065 129
	13 291 377	25 531 926	2 551 462	2 101 182	11 165	30 129 713	73 616 825	47 776 841	121 393 666

Notes:

* Fees paid to Vodafone and not the individual director.

[^] Excludes an amount of R3 000 paid in September 2023, for incidental expenses while travelling to Board meetings in Egypt.

[®] All inclusive fee and excludes VAT.

[~] Fees paid for a portion of the year.

1. Includes a cash payment for share loss from previous employer.

2. Includes mobile phone benefit and subsistence allowance.

3. STI payable in June 2024, for the year ended 31 March 2024.

30 Related parties continued

30.3 Directors' remuneration continued

Included in the aggregate remuneration above are the following individual remuneration payable by the Group (further details can be found in the remuneration report):

R	Directors' fee	Salary	Retirements contributions	Expense allowances ²	Short-term incentives (STI) ²	Remuneration report	Long-term incentives and other	Total
2023								
Executive directors								
MS Aziz Joosub	–	15 446 694	1 191 212	4 800	14 025 755	30 668 461	21 426 058	52 094 519
RK Morathi	–	9 236 603	859 260	6 235	6 471 806	16 573 904	11 830 190	28 404 094
Non-executive directors								
SJ Macozoma [^]	3 502 922	–	–	–	–	3 502 922	–	3 502 922
DH Brown	325 763	–	–	–	–	325 763	–	325 763
F Bianco*	863 677	–	–	–	–	863 677	–	863 677
A Dimitrova*	301 817	–	–	–	–	301 817	–	301 817
P Klotz*	563 394	–	–	–	–	563 394	–	563 394
P Mahanyele-Dabengwa [^]	1 016 005	–	–	–	–	1 016 005	–	1 016 005
NC Nqweni [^]	927 534	–	–	–	–	927 534	–	927 534
A O'Leary*	249 365	–	–	–	–	249 365	–	249 365
JWL Otty*	563 394	–	–	–	–	563 394	–	563 394
KL Shuenyane [^]	1 325 681	–	–	–	–	1 325 681	–	1 325 681
S Sood*	551 181	–	–	–	–	551 181	–	551 181
CB Thomson [^]	1 069 939	–	–	–	–	1 069 939	–	1 069 939
LS Wood*	1 007 906	–	–	–	–	1 007 906	–	1 007 906
	12 268 578	24 683 297	2 050 472	11 035	20 497 561	59 510 943	33 256 248	92 767 191

Notes:

* Fees paid to Vodafone and not the individual director.

[^] Excludes an amount of R2000 paid in September 2022, for incidental expenses while travelling to Board meetings in Kenya.

1. Includes mobile phone benefit and subsistence allowance.

2. STI payable in June 2023, for the year ended 31 March 2023.

Rm	2024	2023
31 Financial instruments and risk management		
31.1 Net losses on financial instruments		
Net losses on financial instruments analysed by category, are as follows:		
Financial assets and liabilities at fair value through profit or loss	(118)	(135)
Financial assets and liabilities measured at amortised cost	(4 925)	(2 363)
	(5 043)	(2 498)
31.2 Carrying amounts of financial instruments		
Carrying amounts of financial instruments analysed by category, are as follows:		
Net financial liabilities measured at amortised cost	(42 376)	(41 549)
Financial assets at fair value through profit or loss (Note 11.2)	509	472
Financial assets at fair value through other comprehensive income (Note 14)	5 951	4 856
Derivatives designated as fair value hedging instruments (Note 13 and 20)	(108)	(27)
	(36 024)	(36 248)

31 Financial instruments and risk management continued

31.3 Fair value hierarchy

Rm	2024	2023
The table below sets out the valuation basis of financial instruments measured at fair value:		
Level one ¹		
Financial assets at fair value through profit or loss		
Unit trust investments	440	403
Level two ²		
Financial assets at fair value through other comprehensive income		
Finance receivables ³	5 951	4 856
Financial assets and liabilities at fair value through profit or loss		
Derivative financial assets ⁴	25	69
Derivative financial liabilities ⁴	(133)	(96)
	6 283	5 232

Notes:

- Level one classification is used when the valuation is determined using quoted prices in an active market for identical assets or liabilities that the entity can access at the valuation date.
- Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices or indirectly when derived from prices.
- The Group provides financing to customers to acquire devices at an additional contractual charge which is included in finance receivables. The business model under IFRS 9 for finance receivables has been determined to be "hold to collect and sell". Finance receivables are valued using a market approach, with cash flows discounted at the 24-month weighted average credit risk adjusted risk free rate at which finance receivables are sold across multiple financial institutions.
- The fair value of foreign exchange forward contracts and firm commitment assets and liabilities are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates respectively, as at the reporting date.

31.4 Financial risk management

The Group's normal operations, its sources of finance and changing market conditions expose it to various financial risks, which highlights the importance of financial risk management as an element of control. Principal financial risks faced by the Group are foreign currency, interest rate, equity price, credit, liquidity and insurance risk.

The Group's treasury function provides a centralised service to the Group for co-ordinating access to domestic and international financial markets and the managing of foreign currency, interest rate and liquidity risk. The aforementioned risks are managed, subject to the limitations of the local markets and the regulations of the Central Banks of the countries in which the various Group companies operate. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed annually by the Board.

Where natural hedges do not exist, the Group uses a number of derivative instruments that are transacted for foreign currency and interest rate risk management purposes only. There has been no significant change during the reporting period to the types of financial risks faced by the Group, the measures used to measure them or the objectives, policies and processes for managing them.

The Group has no significant obligation to repay any debt in the short to medium term. The Group continues to monitor its debt exposure between fixed and variable rates (Note 19), to ensure a balanced portfolio in an uncertain and volatile environment.

The Group looks to mitigate risk exposure as best possible and has implemented strategies in order to manage the impact of ratings downgrades through segmented propositions and micro bundles, more relevant data offerings to evolve with customer behaviour, using hedging instruments such as forward contracts, and continuously extending our debt maturity profile to alleviate refinancing and reallocation risk. The Group balances the debt structure between fixed and floating interest rates to protect against upward movement in rates but allowing for participation in downward movements and mitigates revaluation risk on foreign denominated debt by holding the majority of debt in each borrower's local currency.

31.4.1 Market risk management

The Group's activities expose it to the risks of fluctuations in foreign currency exchange rates (Note 31.4.1.1), interest rates (Note 31.4.1.2) and equity prices (Note 31.4.1.3).

Market risk exposures are measured using sensitivity analyses, which show how profit post tax and equity post tax would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date. Sensitivity analyses are for illustrative purposes only as, in practice, market rates rarely change in isolation. Details of changes in the methods and assumptions used in preparing the sensitivity analyses are disclosed in the respective sensitivity analyses.

31 Financial instruments and risk management continued**31.4 Financial risk management continued****31.4.1 Market risk management continued****31.4.1.1 Foreign currency risk management**

Various monetary items exist in currencies other than the functional currencies of the entities within the Group. The tables below disclose the net currency exposure (net carrying amount of foreign-denominated monetary assets/(liabilities) expressed in the presentation currency of the Group) per functional currency. The Group is mainly exposed to the Euro and United States dollar and to a lesser extent to the Egyptian pound, Congolese franc, Pound sterling, Swiss franc, Australian dollar, Tanzanian shilling, Mozambican metical, Mauritian rupee, Lesotho maloti, Nigerian naira, Zambian kwacha, West African franc, Central African franc, Ghanaian cedi, Kenyan shilling and South African rand which are combined as Other.

Rm	Euro	United States dollar	Other
2024			
Functional currency			
South African rand	(655)	(1 155)	–
Egyptian pound	(1 000)	(658)	(79)
United States dollar	(648)	–	11
Tanzanian shilling	(121)	220	(14)
Mozambican metical	(227)	(1 102)	(77)
	(2 651)	(2 695)	(159)
2023			
Functional currency			
South African rand	(472)	(1 278)	13
Egyptian pound	(1 780)	(132)	(39)
United States dollar	–	–	387
Tanzanian shilling	(272)	125	(6)
Mozambican metical	(179)	(620)	(91)
	(2 703)	(1 905)	264

The Group's South African operations manages its exposure to fluctuations in foreign currency exchange rates by entering into foreign exchange forward contracts for foreign-denominated transactions. The contracts are entered into to buy and/or sell specified amounts of various foreign currencies in the future at predetermined exchange rates, primarily for the purchase of capital equipment, inventory and to a lesser extent operating expenditure. The Group's policy is generally that entities within the Group borrow funds denominated in their respective functional currencies, however, in those instances where funds are borrowed in foreign-denominated currencies and a forward market exists, exposure to fluctuations in foreign currency exchange rates is managed by entering into foreign exchange forward contracts.

31 Financial instruments and risk management continued

31.4 Financial risk management continued

31.4.1 Market risk management continued

31.4.1.1 Foreign currency risk management continued

The tables below provide a currency split of the Group's net derivative financial assets and liabilities relating to material open foreign exchange forward contracts at the reporting date:

Rm	2024	2023
Forward contracts to buy foreign currency		
Euro ¹	(14)	10
Pound sterling ²	–	(1)
United States dollar ³	8	(34)
Net derivative financial liability	(6)	(25)

Notes:

Foreign contract values amount to:

1. €68 million (2023: €15million) at an average forward price of R20.78 (2022: R18.78).
2. £3 million (2023: £2 million) at an average forward price of R24.08 (2022: R22.53).
3. US\$126 million (2023: US\$144 million) at an average forward price of R18.98 (2022: R18.04).

Rm	2024	2023
Forward contracts to sell foreign currency		
Euro ¹	–	(2)
United States dollar ²	–	–
Kenyan shilling ³	(98)	(11)
Net derivative financial (liability)/ asset	(98)	(13)

Notes:

Foreign contract values amount to:

1. €0.2 million (2023: €3 million) at an average forward price of R20.67 (2023: R18.80).
2. US\$21 million (2023: US\$1 million) at an average forward price of R19.00 (2023 R17.82).
3. KES 6 930 million (2023: KES 2 450 million) at an average forward price of R0.13 (2023 R0.13).

Of the R104 million net liability (2023: R38 million), R18 million (2023: R24 million) is reported in trade and other receivables and R122 million (2023: R62 million) in trade and other payables.

31 Financial instruments and risk management continued

31.4 Financial risk management continued

31.4.1 Market risk management continued

31.4.1.1 Foreign currency risk management continued

Foreign currency sensitivity analysis

The analysis below, expressed in the Group's presentation currency, discloses the Group's sensitivity to the specified percentage change in the material functional currencies against the relevant foreign currencies exposed to. Management's assessment of a reasonable possible change in prevailing non-African and African foreign currency exchange rates is based on estimated interest rate differentials.

The analysis includes outstanding foreign-denominated monetary items only and adjusts their translations, at the reporting date, to the relevant functional currencies with the specified percentage change.

A positive number indicates an increase and a negative number a decrease in profit post tax, where the functional currencies are expected to strengthen against the relevant foreign currencies. For the same percentage weakening the impact would be equal and opposite.

	Euro	United States dollar	Other
2024			
Functional currency			
South African rand (%)	1.2	2.1	4.3 - 7.9
Egyptian pound (%)	16.4	15.6	12.8
United States dollar (%)	0.9	–	2.1 - 5.2
Tanzanian shilling (%)	1.7	2.6	0.5 - 1.2
Mozambican metical (%)	1.7	2.7	0.6 - 1.1
Profit post tax (Rm)	125.4	82.1	308.5
2023			
Functional currency			
South African rand (%)	3.0	5.3	0.6-24.8
Egyptian pound (%)	13.9	20.8	12.8-27.1
United States dollar (%)	8.0	–	0.1-20.8
Tanzanian shilling (%)	3.6	4.7	0.6-24.3
Mozambican metical (%)	5.1	3.1	0.7-23.2
Profit post tax (Rm)	216.0	265.4	25.0

Closing exchange rates used at the reporting date are as follows:

	Euro	United States dollar	Pound sterling
2024			
Functional currency			
South African rand	20.5	18.9	23.9
Egyptian pound	51.2	47.4	59.9
United States dollar	1.1	–	1.3
Tanzanian shilling	2 767.5	2 562.5	3 237.0
Mozambican metical	69.0	63.9	80.7
2023			
Functional currency			
South African rand	19.3	17.7	21.9
Egyptian pound	33.5	30.8	38.1
United States dollar	1.1	–	1.2
Tanzanian shilling	2 542.3	2 340.0	2 893.2
Mozambican metical	69.4	63.9	79.0

31 Financial instruments and risk management continued**31.4 Financial risk management continued****31.4.1 Market risk management continued****31.4.1.2 Interest rate risk management**

The Group is exposed to fair value and cash flow interest rate risk as a result of its fixed and floating rate loans receivable, borrowings, finance receivables, and bank balances. The Group's interest rate profile can be summarised as follows:

Rm	2024	2023
Financial assets		
Fixed rate financial assets	15 428	12 175
Floating rate financial assets	27 473	26 362
	42 901	38 537
Financial liabilities		
Fixed rate financial liabilities	(27 304)	(26 134)
Floating rate financial liabilities	(46 175)	(44 203)
	(73 479)	(70 337)

Included in the fixed rate financial assets above is mobile financial deposits relating to M-Pesa customers for which the Group has an obligation to pay the interest earned on the deposit to the M-Pesa customer, after deducting expenses. The interest payable is included in the fixed rate financial liabilities.

The floating rates which the Group is exposed to, are the South African prime, Jibar, South African money market, SOFR, Lesotho prime, Democratic Republic of Congo Central Bank lending rate and Tanzanian reference treasury bill rates.

The Group's policy is to maintain an appropriate mix between fixed and floating rate instruments. The Group specifically manages its exposure to interest rate risk relating to interest bearing borrowings through a target ratio of fixed and variable rate borrowings. The Group is targeting to balance the debt structure between fixed and floating interest rates to protect against upward movements in rates but allowing for participation in downward movements. To achieve this ratio, the Group may borrow at fixed rates or enter into approved derivative financial instruments.

Interest rate sensitivity analysis

The analysis below, expressed in the Group's presentation currency, discloses the Group's sensitivity to the specified basis point change in the market interest rates exposed to. Management's assessment of a reasonable possible change in market interest rates are based on economic forecasts as published by Bloomberg.

The analysis includes both derivative and non-derivative instruments at the reporting date and in the case of floating rate instruments, the analysis is prepared assuming the amount outstanding at the reporting date was outstanding for the whole year.

A negative number indicates a decrease in profit post tax if interest rates were higher by the specified basis points. If interest rates were lower by the specified basis points, the impact would be equal and opposite. There would be no material impact on equity.

	2024	2023
South African prime, Jibar and South African money market rates		
Basis point increase	75	50
Profit post tax (Rm)	(183)	(127)

A reasonable possible change in the remaining interest rates exposed to, being SOFR, Lesotho prime, Democratic Republic of Congo Central Bank lending rate and Tanzanian reference treasury bill rates, would have no material impact on profit post tax.

31.4.1.3 Equity price risk

The Group is only exposed to equity price risk to a very small extent and therefore a reasonable possible change in equity prices will not have a material impact on profit post tax.

31 Financial instruments and risk management continued

31.4 Financial risk management continued

31.4.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The carrying amounts of financial assets, which are net of impairment losses, represent the Group's maximum exposure to credit risk, with the exception of financial guarantees granted where the amount the Group could be required to pay or fund, if called on, represents the Group's maximum exposure. The Group considers its maximum exposure per geographical class, without taking into account any collateral and financial guarantees, to be as follows:

Rm	Credit risk exposure	Non-South Africa					
		Vodacom South Africa		Egypt		Other international markets	
		2024	2023	2024	2023	2024	2023
Finance receivables	Limited credit risk*	5 951	4 856	–	–	–	–
Trade receivable	Note 31.4.2.1	11 251	12 049	4 056	3 533	1 791	1 736
Other receivables	Limited credit risk**	1 573	1 523	114	–	412	360
Contract assets	Note 31.4.2.1	5 613	5 135	41	–	435	339
Mobile financial deposits	Limited credit risk*	72	32	–	–	11 054	9 800
Restricted cash	Limited credit risk*	–	27	–	–	925	508
Cash and cash balances	Limited credit risk*	12 499	9 919	4 153	2 575	7 058	9 456
Loans receivable	Limited credit risk*	447	421	–	–	276	330
Derivative financial instruments	Limited credit risk*	25	69	–	–	–	–
Total		37 431	34 031	8 364	6 108	21 951	22 529

Notes:

* Credit risk is limited for loans receivable due to collateral held and for finance receivables, cash and cash equivalents, mobile financial deposits and restricted cash as they are placed with reputable financial institutions. Credit risk relating to investments and derivatives is minimised by limiting the counterparties to major local and international banks, which are closely monitored, and the Group does not expect to incur any losses as a result of non-performance by these counterparties.

** Credit risk is limited for other receivable as the Group does not expect to incur any losses as a result of non-performance by these counterparties.

The Group generally transacts with counterparties rated the equivalent of investment grade and above. This information is supplied by independent rating agencies or credit bureaus, where available. If not available, other publicly available financial information, the financial standing of counterparties, the Group's own trading records or the Group's internal grading system is used for rating the credit quality of counterparties. Contractual arrangements are entered into with network operator customers as determined by regulatory requirements and industry norms. Credit exposure is further controlled by defining credit limits per counterparty which are reviewed and approved by the credit risk department. The Group's exposure and credit ratings of counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. In determining the recoverability of trade receivables, the Group considers changes in credit quality.

The Group consider customers to be in default when the receivable is more than 90 days past due or the customer has failed to honour a repayment arrangement. The default policy and terms are determined by guidance from our credit collection policies and actual customer payment behaviour.

The Group's largest customer, represents 6.8% (2023: 17.6%) of the total trade receivable balance. With the exception of the aforementioned, the credit risk for trade receivables is generally limited due to the customer base being large and unrelated in conjunction with stringent credit approval processes.

The Group has financial assets classified and measured at amortised cost and fair value through other comprehensive income that are subject to the expected credit loss model requirements of IFRS 9.

31 Financial instruments and risk management continued

31.4 Financial risk management continued

31.4.2 Credit risk continued

Expected credit loss

31.4.2.1 Trade receivables and contract assets

Customer credit risk is managed by the Group's business units which each have policies, procedures and controls in place relating to customer credit risk management.

Outstanding trade receivables and contract assets are regularly reviewed to monitor any changes in credit risk with concentrations of credit risk considered to be limited given that the Group's customer base is large and unrelated.

Simplified approach

The Group applies the simplified approach and records lifetime expected credit losses for trade receivables and contract assets. The expected credit loss model measures the expected credit loss allowance on a customer segment basis which are compiled based on various product and/or customer types using historical cash collection data for periods of at least 24 months wherever possible. The historical loss rates are adjusted to reflect forward-looking information.

Provision matrix

For trade receivables the expected credit loss provision is calculated using a provision matrix. ECLs are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historical/proxy write-offs to the payment profile of the sales population. In instances where there was no evidence of historical write-offs management used a proxy write-off.

Forward-looking information consideration

Historical credit loss rates are adjusted by a forward-looking estimate when there is reason to believe that forward-looking information will have a significant impact. Where relevant forward-looking information can be based on the future projections of macro economics and other available market information, for example changes in interest rates or unemployment rates, or other commercial factors which are expected to have a significant impact when determining future expected credit loss rates. None of the forward-looking information applied by the markets within the expected credit loss models during the current and prior financial period had a material impact on the measurement of the expected credit loss allowances.

Trade receivables and contract assets are written off when each business unit determines there to be no reasonable expectation of recovery and enforcement activity has ceased.

Movements in the allowance for expected credit losses during the year were as follows:

Rm	Trade receivables held at amortised cost		Contract assets	
	2024	2023	2024	2023
1 April	(2 027)	(1 374)	(248)	(195)
Foreign currency translation differences	121	(115)	–	–
Net charged to the profit or loss	(802)	(736)	(12)	(53)
Utilised	958	772	1	–
Acquisition of subsidiary	–	(574)	–	–
31 March	(1 750)	(2 027)	(259)	(248)

Expected credit losses are presented as net credit losses on financial assets within operating profit and subsequent recoveries of amounts previously written off are credited against the same line item.

The average legally agreed credit period on trade receivables is between 0 and 60 days, for all reporting periods, for the South African operations and between 30 and 54 days, for all reporting periods, for the non-South African operations.

The Group holds collateral to the value of R5 110 million (2023: R4 781 million) over certain trade receivables to the gross carrying value of R1 361 million (2023: R 4 190 million), which is made up of demand guarantees from financial institutions, exercisable on overdue invoices. The Group did not recognise ECLs on these trade receivables.

The prior year ended 31 March 2023 credit risk disclosures for the international market has been disaggregated to be provided separately for the Egypt and other International markets, as well as the prior year credit risk ageing buckets have been updated to better align to the manner in which the credit risk information is provided to key management personnel.

As part of the Group's ongoing credit risk management, management frequently assess on a holistic and granular level whether there is any significant changes in the gross carrying amount of financial instruments and their related ECL per risk grading. The Group concluded that there were no significant changes that had a material impact on credit risk.

31 Financial instruments and risk management continued

31.4 Financial risk management continued

31.4.2 Credit risk continued

31.4.2.1 Trade receivables and contract assets continued

Set out below is the information, per credit rating grades, for the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

Rm	South Africa							
	Trade receivables							
	2024				2023			
	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount
Due but not past due	0.5 %	9 206	(50)	9 156	0.3 %	10 450	(31)	10 419
Past due								
<30 days	6.4 %	407	(26)	381	1.9 %	615	(12)	603
30 – 60 days	15.5 %	241	(37)	204	8.0 %	236	(19)	217
61- 180 days	13.0 %	719	(93)	626	14.4 %	658	(95)	563
+180 days	22.1 %	1 136	(252)	884	49.3 %	488	(241)	248
Total		11 709	(458)	11 251		12 447	(398)	12 049

The ECL loss rate deteriorated in line with the general market conditions. For the +180 days past due credit risk rating grade, the gross carrying amounts for a select group of receivables deteriorated, but the credit quality remained stable.

Rm	Contract assets							
	2024							
	2024				2023			
	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount
Due but not past due	4.3 %	5 867	(254)	5 613	4.6 %	5 383	(248)	5 135

The contract asset balance increased due to an increase in the uptake of 36 month contracts in lieu of 24 month contracts, with the credit quality of the customer base remaining mainly unchanged.

Rm	International market – Egypt							
	Trade receivables							
	2024				2023			
	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount
Due but not past due	0.1 %	3 766	(3)	3 763	0.8 %	2 720	(23)	2 697
Past due								
<30 days	9.4 %	159	(15)	144	2.1 %	435	(9)	426
30 – 60 days	35.3 %	48	(17)	31	7.6 %	145	(11)	134
61- 180 days	38.5 %	179	(69)	110	19.5 %	216	(42)	174
+ 180 days	97.5 %	317	(309)	8	82.7 %	591	(489)	102
Total		4 469	(413)	4 056		4 107	(574)	3 533

The increase in outstanding accounts not yet past due predominantly arises from fresh initiatives, particularly those involving government entities, thereby indicating a low credit risk. Additionally, there has been an increase in Expected Credit Losses (ECL) denominated in local currency compared to the previous year, largely due to the local economic conditions. However, this increase is partially offset by the devaluation of the Egyptian pound in March 2024.

Rm	Contract assets							
	2024							
	2024				2023			
	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount
Due but not past due	3.1 %	42	(1)	41	*	*	*	*

Note:

* Less than R1 million.

31 Financial instruments and risk management continued

31.4 Financial risk management continued

31.4.2 Credit risk continued

31.4.2.1 Trade receivables and contract assets continued

Other international markets								
Trade receivables								
	2024				2023			
	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount
Due but not past due	1.8 %	669	(12)	657	0.4 %	784	(3)	781
Past due								
<30 days	5.7 %	106	(6)	100	47.2 %	613	(289)	323
30 – 60 days	3.7 %	190	(7)	183	63.0 %	281	(177)	104
61-180 days	3.6 %	467	(17)	450	54.0 %	210	(114)	97
+ 180 days	67.6 %	1 237	(836)	401	52.4 %	906	(475)	431
Total		2 669	(878)	1 791		2 794	(1 058)	1 736

The change in ECL per risk grading is mainly a result of Vodacom Congo's proactive management of debt collection during the current year. The increase in ECL for accounts overdue by more than 180 days is in line with the increase of the related gross carrying amount.

Contract assets								
	2024				2023			
	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount	Average expected credit loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount
Due but not past due	0.9 %	439	(4)	435	1.2 %	343	(4)	339

31.4.3 Liquidity risk management

The tables below disclose the maturity profile of the Group's non-derivative financial liabilities and those financial assets used for managing liquidity risk. The amounts disclosed are the future undiscounted contractual cash (outflows)/inflows and therefore differ from both the carrying amount and the fair value. The tables have been drawn up based on the earliest date on which the Group can be required to settle or can require settlement and include both estimated interest and principal cash flows. Estimated interest for floating interest rate financial liabilities is calculated with reference to the applicable zero coupon yield curves, at the reporting date, as published by Bloomberg. The Class A preferences shares are not included in the liquidity table below as the contractual payments during the funding term is dependent on available cash resources and subject to interest roll up of a maximum of 135%. The ultimate maturity of the A preferences shares is 31 August 2028. (2023: 13 September 2024).

Rm	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
2024							
Financial liabilities							
Interest bearing borrowings	(16 797)	(14 995)	(11 280)	(21 633)	(19 104)	(12 444)	(96 253)
Trade and other payables	(35 206)	–	–	–	–	–	(35 206)
Mobile financial payables	(11 126)	–	–	–	–	–	(11 126)
Bank overdraft	(2 197)	–	–	–	–	–	(2 197)
	(65 326)	(14 995)	(11 280)	(21 633)	(19 104)	(12 444)	(144 782)
Financial assets							
Trade and other receivables	19 165	–	–	–	–	–	19 165
Mobile financial deposits	11 126	–	–	–	–	–	11 126
Cash and cash equivalents	23 710	–	–	–	–	–	23 710
	54 001	–	–	–	–	–	54 001

31 Financial instruments and risk management continued

31.4 Financial risk management continued

31.4.3 Liquidity risk management continued

Rm	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
2023							
Financial liabilities							
Interest bearing borrowings	(10 895)	(15 730)	(12 491)	(8 492)	(18 364)	(20 071)	(86 043)
Trade and other payables	(33 843)	–	–	–	–	–	(33 843)
Mobile financial payables	(9 832)	–	–	–	–	–	(9 832)
Bank overdraft	(1 323)	–	–	–	–	–	(1 323)
	(55 893)	(15 730)	(12 491)	(8 492)	(18 364)	(20 071)	(131 041)
Financial assets							
Trade and other receivables	18 795	–	–	–	–	–	18 795
Mobile financial deposits	9 832	–	–	–	–	–	9 832
Cash and cash equivalents	22 054	–	–	–	–	–	22 054
	50 681	–	–	–	–	–	50 681

The tables below disclose the maturity profile of the Group's derivative financial assets and liabilities which include foreign exchange forward contracts. The amounts disclosed are the future undiscounted contractual cash (outflows)/inflows, however, for those derivative financial instruments for which gross settlement has been agreed, the cash outflows are matched in part by cash inflows, which are not reported in the tables below and if reported, the cash flows presented would be substantially lower.

Rm	0-1 year	2 years	3 years	4 years	5 years	Not determinable	Total
2024							
Net settled	5	–	–	–	–	–	5
Gross settled	(2 530)	–	–	–	–	–	(2 530)
	(2 525)	–	–	–	–	–	(2 525)
2023							
Net settled	3	–	–	–	–	–	3
Gross settled	(2 374)	–	–	–	–	–	(2 374)
	(2 371)	–	–	–	–	–	(2 371)

The Group ensures that adequate funds are available to meet its expected and unexpected financial commitments through undrawn borrowing facilities. At the reporting date the Group had undrawn rand-denominated borrowing facilities of R10 396 million (2023: R13 022 million) and undrawn foreign-denominated borrowing facilities as below available to manage its liquidity.

	2024		2023	
	Rm	Foreign currency million	Rm	Foreign currency million
Egyptian pound	4 053	10 146	5 814	10 093
United States dollar	707	37	764	43
Tanzanian shelling	554	75 000	–	–
Lesotho maloti	50	50	50	50
Mozambican metical	974	3 215	612	2 202

The Group uses bank facilities and the normal operating cycle to manage short-term liquidity. The Group raises funds in bank markets and via loan funding from Vodafone Investments Luxembourg s.a.r.l and ensures a reasonable balance is maintained between the period over which assets generate funds and the period over which the respective assets are funded to manage long-term liquidity. Liquidity on long-term borrowings is managed by maintaining a varied maturity profile thereby minimising refinancing risk.

31.4.4 Insurance risk management

The Group is exposed to insurance risk as a result of its asset base as well as its customer commitments and value added services rendered. The Group is adequately covered in terms of its insurance risk profile. The annual financial statements of Vodacom Insurance Company (RF) Limited and Vodacom Life Assurance Company (RF) Limited are available at the registered office of the Group and contain further details of the value-added services and insurance risk.

31 Financial instruments and risk management continued

31.5 Capital risk management

The Group finances its operations through a mixture of cash generated from operations, retained earnings, bank and other long-term borrowings. These borrowings together with surplus cash may be loaned internally or contributed as equity to certain subsidiaries.

The capital structure of the Group consists of net debt and equity. The Group manages its capital to ensure that entities within the Group will be able to continue as going concerns while maximising return to shareholders. Capital is monitored on the basis of net debt to EBITDA.

Net debt comprises interest bearing borrowings, non-interest bearing borrowings, derivative financial instruments, bank and cash balances, bank overdrafts and financial guarantees.

EBITDA comprises earnings before interest, taxation, depreciation, amortisation, impairment losses, BBBEE charge, profit/loss on disposal of property, plant and equipment, intangible assets, subsidiaries.

Adjusted equity comprises fully paid share capital, treasury shares, retained earnings and other reserves less trademarks and goodwill.

The Group's strategy is to maintain a net debt to EBITDA multiple of less than two. The Group's overall strategy remains unchanged from prior reporting periods. This internal ratio establishes levels of debt that the Group should not exceed other than for relatively short periods of time and it is reviewed on a semi-annual basis to ensure it is being met. The Group complied with this ratio throughout the year.

The Group is subject to capital requirements in terms of funding agreements entered into (refer to Note 19) as well as capital requirements in relation to M-Pesa activities in certain of its market. All requirements are within the Group's capital risk management strategy parameters.

Rm	2024	2023
Bank and cash balances	21 513	20 732
Borrowings (excluding leases) and derivative financial instruments	(55 955)	(54 633)
Net debt (excluding leases)	(34 442)	(33 901)
Equity	(103 828)	(97 427)
Capital	(138 270)	(131 328)
EBITDA and the net debt to EBITDA multiple at the reporting date is as follows:		
EBITDA	56 116	45 144
Net debt (including leases)/ EBITDA (times)	0.9	1.1

32 Other matters

Independent Communications Authority of South Africa (ICASA) assignment of high demand spectrum (HDS)

On 17 March 2022, the Group secured spectrum for an amount of R5 382 million. The spectrum licence was effective from 1 July 2022 and the Group paid R3 196 million in the prior year for this spectrum. The outstanding amount was paid to ICASA on 30 October 2023, with the spectrum fully available for use.

Vodacom Congo (RDC) SA (Vodacom Congo)

Vodacom Congo is not in compliance with the minimum capital requirements as set out under the OHADA. Vodacom Congo has to increase its share capital to meet the minimum OHADA requirements. A non-compliance gap remains, and the matter is continuously being discussed by the Board and shareholders of Vodacom Congo.

MAZIV (Pty) Limited (MAZIV)

On 10 November 2021, the Group announced an investment into a joint venture incorporated as Maziv (Pty) Limited (Maziv) that will house the material fibre network assets of Vodacom South Africa and Community Investment Ventures Holdings (Pty) Limited. The operating companies of Maziv include Dark Fibre Africa (Proprietary) Limited (DFA) and Vumatel (Proprietary) Limited. During October 2022, ICASA approved the transaction subject to the incorporation of conditions relating to the provision of open-access network services, along with limitations on ownership and control, into DFA's licences. In August 2023, the Competition Commission advised the Competition Tribunal that the transaction not be recommended. The next regulatory step is for the transaction to be presented to the Competition Tribunal where the full merits of the transaction will be reviewed. The Competition Tribunal hearing commenced in May 2024, and is ongoing.

Separate income statement

for the year ended 31 March

Rm	Notes	2024	2023
Revenue	1	16 649	16 259
Staff expenses		(1 026)	(783)
Other operating expenses	2	(530)	(384)
Finance income	3	1 462	972
Finance costs	3	(1 687)	(952)
Gain on the redemption of subsidiary preference shares		1 058	–
Net (loss)/gain on remeasurement and disposal of financial instruments	4	(588)	425
Impairment loss reversal	9	167	–
Depreciation and amortisation	7, 8	(7)	(5)
Profit before tax		15 498	15 532
Taxation	5	(389)	(444)
Net profit		15 109	15 088

Separate statement of comprehensive income

for the year ended 31 March

Rm	2024	2023
Net profit	15 109	15 088
Other comprehensive income		
Mark-to-market of cash flow hedge, net of tax ¹	–	294
Total comprehensive income	15 109	15 382

Note:

1. The other comprehensive income will subsequently be recognised in profit or loss on the disposal or impairment of the hedged asset.

Separate statement of financial position

for the year ended 31 March

Rm	Notes	2024	2023
Assets			
Non-current assets		115 743	114 610
Property, plant and equipment	7	7	9
Intangible assets	8	20	27
Investments	9	107 808	108 909
Finance lease receivables		116	144
Trade and other receivables	11	3	3
Financial assets	10	7 789	5 518
Current assets		17 063	16 485
Finance lease receivables		52	41
Trade and other receivables	11	6 405	7 428
Financial assets	10	60	1 147
Tax receivable		79	1
Cash and cash equivalents	18	10 467	7 868
Total assets		132 806	131 095
Total equity			
		110 062	107 941
Fully paid share capital	12	89 918	89 918
Treasury shares	12	(1 353)	(1 296)
Retained earnings		19 078	17 094
Other reserves	13	2 419	2 225
Non-current liabilities		13 196	11 346
Borrowings	14	13 000	11 000
Trade and other payables	15	179	306
Deferred tax	5	17	40
Current liabilities		9 548	11 807
Borrowings	14	44	5
Trade and other payables	15	9 466	11 763
Provisions	16	2	2
Tax payable		26	23
Dividends payable		10	14
Total equity and liabilities		132 806	131 094

Separate statement of changes in equity

for the year ended 31 March

Rm	Notes	Fully paid share capital	Treasury shares	Other reserves			Retained earnings	Total equity
				Share-based payment reserve	Cash flow hedging reserve ¹	Profit on sale of treasury shares		
1 April 2022		57 073	(1 288)	2 063	(264)	54	16 067	73 705
Shares issued on acquisition of subsidiary ²	12	32 845	–	–	–	–	–	32 845
Total comprehensive income		–	–	–	294	–	15 088	15 382
Net profit		–	–	–	–	–	15 088	15 088
Other comprehensive income – Mark-to-market of cash flow hedge net of tax. ¹		–	–	–	294	–	–	294
Share-based payment vesting	13.1,13.3	–	345	(345)	–	–	–	–
Advanced distribution		–	–	350	–	–	–	350
Share-based payment expense	6 & 13	–	–	69	–	–	–	69
Repurchase and sale of shares		–	(353)	–	–	4	–	(349)
Dividends	6	–	–	–	–	–	(14 061)	(14 061)
31 March 2023		89 918	(1 296)	2 137	30	58	17 094	107 941
Total comprehensive income		–	–	–	–	–	15 109	15 109
Net profit		–	–	–	–	–	15 109	15 109
Share-based payment vesting	13.1,13.3	–	346	(346)	–	–	–	–
Advanced distribution		–	–	445	–	–	–	445
Share-based payment expense	6 & 13	–	–	110	–	–	–	110
Repurchase and sale of shares		–	(403)	–	–	(15)	–	(418)
Dividends	6	–	–	–	–	–	(13 125)	(13 125)
31 March 2024		89 918	(1 353)	2 346	30	43	19 078	110 062

Notes:

1. The other comprehensive income accumulated within the cash flow hedge reserve will subsequently be recognised in profit or loss on the disposal or impairment of the hedged asset.
2. Net of share issue costs of R3 million.

Separate statement of cash flows

for the year ended 31 March

Rm	Notes	2024	2023
Cash flows from operating activities			
Cash (utilised in) /generated from operations	17	(90)	768
Finance income received		208	107
Dividends received		15 280	15 017
Finance costs paid		(1 197)	(646)
Dividends paid – equity shareholders		(13 128)	(14 062)
Tax paid		(485)	(673)
Net cash flows generated from operating activities		588	511
Cash flows from investing activities			
Additions to property, plant and equipment and intangible assets		(26)	(20)
Proceeds from the redemption of subsidiary preference shares	9.1	2 508	–
Acquisition of subsidiary	9.1	(425)	(10 571)
Acquisition of joint venture	9.2	(114)	–
Loan to joint venture	10	–	(116)
Investment money market movement		(279)	655
Repayments of loans granted to related parties	10	1 158	2 179
Loans granted to subsidiary		(2 000)	–
Repayment of finance lease receivable		33	59
Other investing activities		101	(27)
Net cash flows generated from/ (utilised in) investing activities		956	(7 841)
Cash flows from financing activities			
Repurchase of shares		(511)	(482)
Sale of shares		93	133
Borrowings incurred	14	2 000	7 800
Net cash flows generated from financing activities		1 582	7 451
Net increase in cash and cash equivalents		3 126	121
Cash and cash equivalents at the beginning of the year		7 868	7 747
Exchange loss on cash and cash equivalents		(527)	–
Cash and cash equivalents at the end of the year	18	10 467	7 868

Notes to the separate financial statements

for the year ended 31 March

	Rm	2024	2023
1	Revenue		
	Management fees	853	759
	Dividends received	15 309	15 059
	Interest on loans receivable from subsidiaries and related party	487	441
		16 649	16 259

Interest revenue on financial assets not at fair value through profit or loss amounted to R487 million (2023: R441 million).

	Rm	2024	2023
2	Other operating expenses		
	Auditor's remuneration – current year audit fees	(21)	(18)
	Consulting and professional fees	(71)	(54)
	Net foreign exchange gain/(loss)	4	(4)

	Rm	2024	2023
3	Finance income and finance cost		
	Interest income		
	Banks	189	98
	Interest from money market receivable	1 156	786
	Other finance income	117	88
	Total interest income	1 462	972

Interest income on financial assets not at fair value through profit or loss amounted to R1 462 million (2023: R972 million).

	Rm	2024	2023
	Finance costs		
	Borrowings*	(1 177)	(539)
	Interest on money market payable*	(500)	(396)
	Other finance costs	(10)	(17)
		(1 687)	(952)

Note:

* The interest on money market payables for the year ended 31 March 2023 of R396 million has been disaggregated from the finance cost on borrowings. The disaggregation had no impact on the Company's earnings nor on any amounts presented on Company's statement of financial position.
Interest expense on financial liabilities not at fair value through profit or loss amounted to R1 687 million (2023: R952 million).

	Rm	2024	2023
4	Net (loss)/gain on remeasurement and disposal of financial instruments		
	Net loss on derivatives	(168)	(134)
	Net (loss)/gain on translation of foreign denominated assets and liabilities ¹	(354)	666
	Impairment remeasurement of loans receivable	(66)	(107)
		(588)	425

Note:

1. The Company experienced volatility in exchange rate gains and losses due to the weakening of the rand against major currencies that the Company is exposed to, refer to (Note 23.3.1.1).

Rm	2024	2023
5 Taxation		
5.1 Income tax expense		
South African current tax	–	(400)
Current year	–	(400)
Withholding tax	(412)	(283)
Current year	(412)	(283)
Total current tax	(412)	(683)
Deferred tax on origination and reversal of temporary differences:		
South African deferred tax	23	239
Current year	23	239
Total deferred tax	23	239
Total income tax expense	(389)	(444)
Components of deferred tax charged to profit or loss		
Capital allowances	1	2
Foreign exchange	–	252
Provisions	22	(15)
	23	239
Factors affecting tax expense for the year		
Expected income tax expense on profit before tax at the South African statutory tax rate	(4 184)	(4 194)
Adjusted for:		
Non-deductible operating expenditure	(44)	(29)
Non-deductible finance cost	(283)	(92)
Net non-taxable/(non-deductible) remeasurements and impairment reversals	313	(28)
Unrecognised deferred tax asset	(56)	–
Irrecoverable foreign taxes: Withholding tax	(412)	(276)
Non-taxable dividend and other income	4 277	4 175
Total income tax expense reconciliation	(389)	(444)

The South African statutory tax rate is 27% (2023: 27%). The effective tax rate is 2.5% (2023: 2.9%).

Rm	2024	2023
5 Taxation continued		
5.2 Deferred tax		
Deferred tax liability	(17)	(40)
Components		
Gross deferred taxation before offset of balances:		
Deferred tax asset	65	42
Provisions	64	40
Capital allowances	1	2
Deferred tax liability	(82)	(82)
Foreign exchange	(42)	(42)
Other	(40)	(40)
	(17)	(40)
Reconciliation of net deferred tax balance		
1 April	(40)	(170)
Charged to profit or loss	23	239
Charged directly to other comprehensive income – Mark-to-market of cash flow hedge	–	(109)
31 March	(17)	(40)
5.3 Factors affecting the tax charge in future years		
Estimated unused tax losses	206	–
Effect on deferred tax liability of unrecognised tax losses	56	–

The gross amounts and expiry dates of unused tax losses, for which no deferred tax asset is recognised, are as follows:

Rm	Unlimited	Total
2024		
Estimated unused tax losses	206	206

6 Dividends per share

Dividends per share calculations are based on a declared dividend of R13 194 million (2023: R14 136 million) and shares of 2 077 841 204 (2023: 1 835 864 961) for the relevant reporting periods. R5 million (2023: R5 million) of the dividend declared was expensed as staff expenses and R64 million (2023: R69 million) was offset against the FSP reserve.

7 Property, plant and equipment

Rm	Equipment and motor vehicles	Other assets	Total
1 April 2022	9	1	10
Cost	32	9	41
Accumulated depreciation	(23)	(8)	(31)
Additions	2	*	2
Depreciation	(3)	*	(3)
31 March 2023	8	1	9
Cost	34	9	43
Accumulated depreciation	(26)	(8)	(34)
Depreciation	(2)	*	(2)
31 March 2024	6	1	7
Cost	34	9	43
Accumulated depreciation	(28)	(8)	(36)

Note:

* The depreciation expense for the year was below R1 million.

8 Intangible assets

Rm	Computer software
1 April 2022	4
Cost	37
Accumulated amortisation	(33)
Additions	25
Amortisation	(2)
31 March 2023	27
Cost	62
Accumulated amortisation	(35)
Additions	26
Disposals	(28)
Amortisation	(5)
31 March 2024	20
Cost	60
Accumulated amortisation	(40)

Rm	2024	2023
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9 Investments

9.1 Investment in subsidiaries and indirect investment in associate	107 514	108 729
9.2 Investment in joint venture	294	180
	107 808	108 909

9.1 Investment in subsidiaries and indirect investment in associate

Vodafone Kenya Limited and indirect investment in Safaricom PLC (Safaricom)	43 131	43 131
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On 7 August 2017, the Company acquired 87.5% of Vodafone Kenya Limited from Vodafone International Holdings B.V. (VIHBV). Vodafone Kenya Limited holds a 39.93% stake in Safaricom, the Republic of Kenya's leading integrated communications company. The investment in Vodafone Kenya has been treated as an investment in a subsidiary in terms of IAS 27: Separate Financial Statements.

Vodacom (Pty) Limited	10 938	10 938
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Egypt Telecommunications S.A.E. (Vodafone Egypt)	43 844	43 844
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On 8 December 2022, the Company acquired a 55% shareholding in Egypt Telecommunications S.A.E. (Vodafone Egypt) from Vodafone Group Plc (Vodafone). The purchase consideration to Vodafone consisted of 241 976 243 shares of the Company issued at a value of R32 848 million, together with a R10 720 million cash consideration, of which R361 million was only settled during the current year ended 31 March 2024. The Company also capitalised directly attributable acquisition-related costs of R260 million, of which R64 million was settled in cash during the current financial reporting period ended 31 March 2024. Subsequent to acquiring Vodafone Egypt, the Group acquired an additional stake of 0.02%, for a cash consideration of R15 million also during the prior year ended 31 March 2023. Also refer to Note 24 in the Notes to the consolidated financial statements for further detail on the acquisition of Vodafone Egypt.

Vodacom Siyanda Employee Trust (Siyanda)	1 050	1 050
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Capital contribution	1 050	1 050
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Vodacom International Limited (VIL)	2 564	3 845
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Ordinary shares at cost	*	*
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Capital contribution	7	7
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Preference shares at cost	5 127	6 490
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Accumulated impairment	(2 570)	(2 652)
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There was a reversal of impairment of the preference shares of R82 million during the current financial year due to the redemption of the preference shares.

Balance carried forward	101 527	102 807
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Rm	2024	2023
9 Investments continued		
9.1 Investment in subsidiaries and indirect investment in associate continued		
Balance brought forward	101 527	102 807
Vodacom International Holdings (Pty) Limited	197	131
Capitalised financial guarantee	197	131
Wheatfields Investments 276 (Pty) Limited	*	*
Ordinary shares at cost	*	*
Vodacom UK Limited	489	489
Ordinary shares at cost	*	*
Preference shares at cost	6 505	6 505
Accumulated impairment	(6 016)	(6 016)
Vodacom Tanzania Public Limited Company (Vodacom Tanzania)	5 172	5 172
Ordinary shares at cost	5 017	5 017
Capital contribution	155	155
Vodacom Congo (RDC) SA	129	129
Capitalised financial guarantee	129	129
Vodacom Business Africa Holdings Limited (Guernsey)	–	–
Preference shares at cost	386	434
Accumulated impairment	(386)	(434)
There was a reversal of impairment of the preference shares of R48 million during the current financial year due to the redemption of the preference shares.		
Vodacom Business Africa (Mauritius) Limited	–	–
Preference shares at cost	74	74
Accumulated impairment	(74)	(74)
Vodacom Business Africa Group (Pty) Limited (VBA)	–	–
Ordinary shares at cost	165	165
Accumulated impairment	(165)	(165)
Vodacom Business Africa Group Services Limited	–	–
Preference shares at cost	240	240
Accumulated impairment	(240)	(240)
Vodacom Business Africa International Limited (Guernsey)	–	–
Preference shares at cost	–	37
Accumulated impairment	–	(37)
There was a reversal of impairment of the preference shares of R37 million during the current financial year due to the redemption of the preference shares.		
	107 514	108 729
Note:		
* Amounts less than R1 million.		
9.2 Investment in joint venture		
M-Pesa Africa Limited	294	180
During the current year both shareholders subscribed for additional equity shares in M-Pesa Africa Limited of R114 million each. The additional funding will be used to accelerate M-Pesa's growth into new African markets. Safaricom and the Company each hold 50% of the equity shares in M-Pesa Africa Limited.		
	294	180
Timing		
Non-current	107 808	108 909

Rm	2024	2023
10 Financial assets		
10.1 Loans receivable		
YeboYethu (RF) Limited	5 440	5 168
Related party loan	5 440	5 168
The related party loan with a nominal value of R5 252 million (2023: R5 252 million), bears interest at 70% of the South Africa prime rate. The loan is unsecured and is payable on 13 September 2028. Capital repayments amounting to R77m were repaid during the prior year in line with the preference shares agreement with Yebo Yethu (RF) Limited whereby voluntary redemption can occur should there be surplus cash after considering their priority of payments.		
Vodacom (Pty) Limited	2 033	
Shareholder loan	2 033	–
The shareholder loan with a nominal value of R2 billion was issued in the current financial year. R1 billion bears interest at a rate of 3 months Jibar + 1.48% and R1 billion bears interest at a rate of 3 month Jibar + 1.25%. Interest is payable quarterly and the capital is payable on or before 31 January 2031. Refer to Note 14 for further details.		
Vodacom International Limited	–	1 120
Shareholder loan	–	1 120
The shareholder loan with a nominal value of US\$180 million (2023: US\$180 million), bears interest at a rate of 3 months Libor + 2.30%, payable on or before 31 March 2027. During the financial year capital and interest repayments were made amounting to R 1 158m. Final payment was made during May 2023.		
Congolese Wireless Network s.p.r.l.	–	–
Shareholder loan	511	445
Accumulated impairment	(511)	(445)
The loan with a nominal value of US\$11.5 million is unsecured and was payable on 6 July 2014. The loan is currently in default and the South African High Court passed a judgement on 29 October 2019 ordering Congolese Wireless Network s.p.r.l. (CWN) to pay the sum of US\$11.5 million together with interest of US\$7.1 million. CWN was further ordered to pay interest on the US\$18.6 million at 10.0% up to date of payment.		
M-Pesa SA (Pty) Limited	376	350
Shareholder loan	376	350
A loan facility of R350 million was issued to M-Pesa SA (Pty) Limited in the prior year. The facility is fully drawn down at year end, bears interest at 3 months Jibar + 1,65%, is unsecured, and repayable on 26 April 2024. This loan was converted to equity on 15 April 2024 after all shareholder and regulatory approvals were obtained.		
Total loans receivable	7 849	6 638
10.2 Other financial assets	–	27
Total financial assets	7 849	6 665
Timing		
Non-current	7 789	5 518
Current	60	1 147
	7 849	6 665

The carrying value of loans receivable and other financial assets approximates their fair values.

Rm	2024	2023
11 Trade and other receivables		
Money market receivable	6 129	7 233
Amounts owed by subsidiaries and related parties	126	89
Prepayments	18	31
Derivative financial instruments	–	6
Other receivables	135	72
	6 408	7 431
Timing		
Non-current	3	3
Current	6 405	7 428
	6 408	7 431

The carrying values of trade and other receivables normally approximates their fair values due to their short-term maturities. Generally no interest is charged on external trade receivables. Intercompany trade receivables are charged interest after 30 days.

Derivative financial instruments are carried at fair value through profit or loss. The fair value of foreign exchange forward contracts is determined with reference to quoted market prices for similar instruments, being the mid forward rates as at the reporting date. These forward exchange contracts are categorised as level two within the fair value hierarchy. Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices or indirectly when derived from prices.

Rm	2024	2023
12 Share capital		
Authorised		
4 000 000 000 ordinary shares with no par value		
Issued		
Fully paid share capital		
2 077 841 204 (2023: 2 077 841 204) ordinary shares with no par value	89 918	89 918
Treasury shares		
10 587 895 (2023: 9 479 301) ordinary shares with no par value	(1 353)	(1 296)
	88 565	88 622

	2024	2023
Movements in the number of ordinary shares outstanding:		
1 April	2 068 361 903	1 826 004 549
Statutory shares in issue	2 077 841 204	1 835 864 961
Treasury shares held by the Company	(9 479 301)	(9 860 412)
Repurchase of shares ¹	(4 583 774)	(3 366 930)
Forfeited shares sold	826 895	1 018 538
Vesting of shares	2 648 285	2 729 503
Share movements – shares issued	–	241 976 243
31 March	2 067 253 309	2 068 361 903
Statutory shares in issue	2 077 841 204	2 077 841 204
Treasury shares held by the Company	(10 587 895)	(9 479 301)
Treasury shares held by:		
Vodacom Group Limited	10 587 895	9 479 301

The unissued share capital is under the control of the current shareholders and the directors do not have the authority to issue any unissued shares.

Note:

1. Forfeitable and restricted shares held by employees are treated as treasury shares since shares awarded under the forfeitable share plan have not fully vested for the purposes of IFRS 2: Share-based Payment until the potential forfeiture period has expired (Note 13).

13 Other reserves

The following equity-settled share-based payment expense is recognised in profit or loss in terms of IFRS 2: Share-based Payments.

Rm	2024	2023
Share plans (Notes 13.1 and 13.3)	(150)	(108)
BBBEE staff expense (Note 13.4)	(3)	(8)
	(153)	(116)

13.1 Forfeitable share plan (FSP) reserve

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Under the FSP, awards of performance shares are granted to executive directors and selected employees of the Company. The vesting of these shares is subject to continued employment, and is conditional upon achievement of performance targets, measured over a three-year period, for directors, senior management and other selected employees. The performance conditions are based on targets set around operating free cash flow (60%), Total Shareholder Return (TSR) (30%) and Environmental Social and Governance (ESG) (10%). The Company is responsible to procure the settlement of the benefits in terms of the FSP to the participants employed by its subsidiaries participating in the scheme (Employer Companies) on award date. The Employer Companies have the obligation to reimburse the Company for such settlement upon the award being made. The up-front reimbursement received from the Employer Companies are treated as an advance distribution received and deferred as a liability (refer to Note 16), which is amortised to zero over the vesting period as the IFRS 2 reserve is recognised. The staff costs relating to the Employer Companies' employees are expensed by each of the individual Employer Companies.

Share awards	2024		2023	
	Weighted average fair value at grant date R	Number of shares	Weighted average fair value at grant date R	Number of shares
Movements in non-vested shares				
1 April	130.02	3 136 097	129.58	2 966 970
Granted ¹	122.40	1 628 890	141.27	1 218 885
Forfeited	130.00	(351 572)	130.16	(228 040)
Vested	131.19	(909 721)	119.00	(821 718)
31 March	125.78	3 503 694	130.02	3 136 097
Ordinary shares available for utilisation:				
1 April		94 726 407		82 338 979
Shares issued (5%)		–		12 098 812
Granted		(4 583 774)		(3 366 930)
Forfeited		826 895		946 553
Vested		2 617 594		2 708 993
31 March		93 587 122		94 726 407

Note:

1. The fair value of the share awards on grant date were measured using the quoted market price of a Vodacom Group Limited share without adjusting for expected dividends and non-market performance conditions. Market conditions are adjusted for.

13 Other reserves continued

13.2 Conditional share plan (CSP)

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Under the Vodacom Group Limited 2022 Share Plan, conditional shares are offered to members of the senior leadership team (SLT). Unlike FSPs, CSPs are not registered in the name of the participant, but rather represent a conditional right to receive shares at a future vesting date. The vesting of these shares is subject to continued employment, and is conditional upon achievement of performance targets, measured over a three-year period. The performance conditions are based on targets set around operating free cash flow (60%), Total Shareholder Return (TSR) (30%) and Environmental Social and Governance (ESG) (10%).

In respect of an award of CSP shares, the remuneration committee may direct the payment of a dividend equivalent, in cash or in shares, on the vesting date. Whenever an ordinary or special dividend is declared between the award date and the settlement date, a number of dividend equivalent shares will be added to the number of CSPs comprising an award (including dividend equivalent shares already included in the award), where the number is determined as the amount of the applicable dividend per share, divided by the market value of the share on the date that the dividend is paid. Any dividend equivalent shares which are awarded are subject to the same conditions applicable to the underlying award, including performance conditions (if applicable) and other vesting conditions. The weighted average remaining contractual life of the CSP shares in issue as at 31 March 2024 is one year.

Share awards	2024		2023	
	Weighted average fair value at grant date R	Number of shares	Weighted average fair value at grant date R	Number of shares
Movements in non-vested shares				
1 April	67.13	284 490	–	–
Granted	47.91	416 348	67.13	268 207
Dividend equivalents granted	49.91	42 001	67.13	16 283
31 March	55.27	742 839	67.13	284 490

The grant date fair value was calculated using the Monte Carlo option pricing model, which is reflective of the underlying characteristics of the CSPs. The following inputs and assumptions were used at the time to determine the fair value at the grant date:

	2024	2023
Grant date	19 June 2023	17 June 2022
Risk-free rate (%) ¹	8.4 – 10.7	4.7 – 7.4
Expected volatility (%) ²	21.7	24.8
Dividend yield (%) ³	2.7-3.1	3.0 – 3.5
Performance period (option life)	1 April 2023 to 31 March 2026	1 April 2022 to 31 March 2025
Vodacom Group Limited share price at grant date (rand)	122.00	134.01

Notes:

1. Determined using the South African swap curve.
2. Determined using historical share prices of Vodacom Group Limited.
3. Determined using dividend forecasts in conjunction with projected future share prices as at each dividend payment date.

13 Other reserves continued

13.3 Restricted share plan reserve

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Executives who have a conditional benefit in terms of their previous service contract have the option to convert a portion or all of their benefit to restricted shares for the purpose of meeting the shareholding guidelines. These shares are subject to the same conditions as those of the underlying conditional benefit. The fair value of the share awards on grant date were measured using the quoted market price of a Vodacom Group Limited share without adjusting for expected dividends.

Share awards	2024		2023	
	Weighted average fair value at grant date R	Number of shares	Weighted average fair value at grant date R	Number of shares
1 April	112.71	344 417	112.75	364 927
Vested	–	–	113.42	(20 510)
31 March	112.71	344 417	112.71	344 417

13.4 Broad-based Black Economic Empowerment (BBBEE) transaction

In the 2019 financial year, the Company entered into a BBBEE transaction by issuing shares in Vodacom Group Limited. Refer to Note 18.1.5 of the consolidated financial statements on page 60 for details of the transaction.

The BBBEE transaction meets the requirements of an IFRS 2: Share-based Payment arrangement and is accounted for as equity-settled. The transaction resulted in a once off share-based payment charge, as well as a recurring share-based payment charge for Siyanda, which will be expensed over the vesting period. Vodacom Group Limited currently has no intention to settle the BBBEE transaction in cash.

Summary of the financial impact of share based payment arrangements

Rm	2024	2023
Equity-settled share based payment reserve		
Employees	(921)	(868)
Black Public and Business Partners	(550)	(550)
Strategic Partners	(600)	(600)
	(2 071)	(2 018)

13.4.1 Funding

YeboYethu raised vendor funding and third party financing, in the form of preference shares, in order to subscribe for additional Vodacom Group shares.

Third party funding

The subscribers to the original Class A preference shares were ABSA Bank Limited, FirstRand Bank Limited and Depfin Investments Proprietary Limited. FirstRand Bank Limited opted to reduce its preference shareholding and Depfin Investments Proprietary Limited elected to exit its preference shareholding. ABSA Bank Limited and Momentum Metropolitan Holdings ('MMH') agreed to subscribe for the preference shares that was redeemed from the aforesaid original preference share subscribers. Finance cost was recognised at a rate of 68% of prime (non tax-deductible) on the outstanding balance of the Class A preference shares. Interest on the Class A preference shares accrues daily, is capitalised monthly and is settled semi-annually, subject to a permitted interest roll up to a maximum of 135%. On 31 August 2023, the company refinanced its Class A preference shares at an improved dividend rate of 67% of the prime rate, from the previous rate of 68% as well as extended its redemption date to 31 August 2028. The amount paid to FirstRand Bank Limited and Depfin Investments Proprietary Limited was the outstanding balance as at 31 August 2023 in proportion to the shareholding with the equivalent amount subscribed for by ABSA Bank Limited and MMH. The borrowing is secured by the shares that YeboYethu Investment holds in Vodacom Group, with a target share cover ratio of above three times the debt with a breach occurring at two times share cover. The share cover ratio at 31 March 2024, based on a five day volume-weighted average price of R97.01 (2023: R123.74), was 3.18 (2023: 3.88). The funding is not a liability of the Company and details are provided to assist in understanding the transaction which the Company is responsible for settling to the BEE participants.

Vendor funding

The Company provided vendor funding of R5 252 million in the form of preference shares with a dividend rate of 70% of prime issued by YeboYethu to the Company (class B preference shares). (Note 10)

13.5 Vodafone performance share plan reserve

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Under this plan, awards of shares are granted to executive directors and prescribed officers and certain executive management of the Company. During the current year 2 069 362 (2023: 1 398 485) shares were granted to Company employees, assignees and co-investment participants and 526 216 (2023: 308 586) of the shares issued in prior years, vested. The vesting of these shares is subject to continued employment, and, for some awards, is conditional upon achievement of performance targets, measured over a three year period. A charge is recognised based on the fair value of the award on the grant date.

14 Borrowings

	2024 Rm	2023 Rm	Denominated currency and nominal value Rm	Interest rate	Final maturity
Borrowings incurred					
Investec Bank Limited	508	–	500 ZAR *	Variable 3 months Jibar +1.25%	31/01/2027
China Construction Bank Corporation	508	–	500 ZAR *	Variable 3 months Jibar +1.25%	31/01/2027
Old Mutual Life Assurance Company (South Africa) Limited	1 016	–	1 000 ZAR *	Variable 3 months Jibar +1.48%	31/01/2031
Borrowings carried over from prior year					
Vodafone Investments Luxembourg s.a.r.l.	3 203	3 202	3 200 ZAR	Fixed 9.36%	30/03/2027
Vodafone Investments Luxembourg s.a.r.l.	2 002	2 001	2 000 ZAR	Variable 3 months Jibar + 1.40%	12/12/2028
Vodafone Investments Luxembourg s.a.r.l.	4 271	4 266	4 265 ZAR	Variable 3 months Jibar + 1.34%	28/11/2027
Vodafone Investments Luxembourg s.a.r.l.	235	235	235 ZAR	Variable 3 months Jibar + 1.34%	12/12/2027
Vodafone Investments Luxembourg s.a.r.l.	1 301	1 301	1 300 ZAR	Fixed 9.52%	12/12/2027
	13 044	11 005	13 000		

Note:

* These loans are linked to selected sustainability performance targets focusing on key performance indicators related to gender diversity and financial inclusion and work off the basis of a sustainability margin adjustment which may be adjusted either upwards or downwards, dependent on the achievement of the specified key performance indicators.

In terms of the memorandum of incorporation of Vodacom Group Limited, the borrowing powers of the Company are unlimited.

The aggregate fair value, if determinable, of interest bearing borrowings with a carrying amount of R13 044 million (31 March 2023: R11 005 million) amounts to R13 076 million (31 March 2023: R11 068 million). Fair value is based on level two of the fair value hierarchy. Estimated interest rates for fixed interest rate financial liabilities are calculated with reference to the applicable zero coupon yield curves at the reporting date, as published by Bloomberg. Where the fair value could be determined by using the discounted cash flow method (with a discount rate based on market-related interest rates) the discount rate varied between 9.46% and 9.62% (31 March 2023: 9.16% and 9.84%) for rand-denominated borrowings.

Rm	2024	2023
Timing		
Non-current	13 000	11 000
Current	44	5
	13 044	11 005

Rm	2024	2023
----	------	------

15 Trade and other payables

Money market payables	8 452	10 401
Trade and other payables	310	288
Amounts owed to subsidiaries and other related parties	352	790
Derivative financial liabilities	100	13
Advance distributions received from subsidiaries	431	577
	9 645	12 069
Timing		
Non-current	179	306
Current	9 466	11 763
	9 645	12 069

Trade and other payables are carried at amortised cost which normally approximates fair value, due to the short-term maturity.

Derivative financial instruments are carried at fair value through profit and loss. The fair value of foreign exchange forward contracts is determined with reference to quoted market prices for similar instruments, being the mid forward rates as at the reporting date. These forward exchange contracts are categorised as level two within the fair value hierarchy. Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices or indirectly when derived from prices.

Rm	Employee benefit provisions
16 Provisions	
1 April 2022	2
Net movement	*
31 March 2023	2
Net movement	*
31 March 2024	2

Note:

* The Net movement and Service cost/(benefit payment) for the year was below R1 million rand.

Rm	2024	2023
Timing		
Current	2	2
	2	2

Employee benefit provisions

The provision is measured based on contractually agreed terms and increases as the employee renders the related service. The provision is utilised when eligible employees terminate their service as set out in the agreement.

Rm	2024	2023
17 Cash (utilised in)/generated from operations		
Profit before tax	15 498	15 532
Adjusted for:		
Finance income	(1 462)	(972)
Finance costs	1 687	952
Dividend income	(15 309)	(15 059)
Net loss/(gain) on remeasurement and disposal of financial instruments	588	(425)
Share-based payment expense	154	–
Impairment loss reversal	(167)	–
Gain on the redemption of subsidiary preference shares	(1 058)	–
Depreciation and amortisation	7	5
Cash flows (utilised in)/generated from operations before working capital changes	(62)	33
Decrease in trade and other receivables	170	179
(Decrease)/Increase in trade and other payables and provisions	(198)	556
Cash (utilised in)/generated from operations	(90)	768

Rm	2024	2023
18 Cash and cash equivalents		
Bank and cash balances	10 467	7 868

The carrying amount of cash and cash equivalents normally approximates its fair value due to short-term maturity.

19 Contingent liabilities

19.1 Various legal contingencies

The Company is currently involved in various legal proceedings and has in consultation with its legal counsel, assessed the outcome of these proceedings. The Company estimated these proceedings to have no financial impact. Following the assessment, the Company's management has determined that no provision is required in respect of these legal proceedings as at 31 March 2024 and 31 March 2023. Litigations, current or pending, are not likely to have a material adverse effect on the Company.

20 Post-employment benefits

The Company's pension plans are provided through defined contribution schemes. Defined contribution schemes offer employees individual funds that are converted into benefits at the time of retirement. Current contributions to the defined contribution schemes amounted to R34 million (2023: R31 million). South African funds are governed in terms of the Pension Funds Act of 1956. The assets in the funds are held in separate accounts and funds are raised through payments from employees and the Company.

21 Events after the reporting period

21.1 Dividend declared after the reporting period and not recognised as a liability

A final dividend of R5 922 million (285 cents per ordinary share) for the year ended 31 March 2024, was declared on 10 May 2024, payable on 24 June 2024 to shareholders recorded in the register at the close of business on 21 June 2024. The net dividend after taking into account dividend withholding tax for those shareholders not exempt from dividend withholding tax is 228.00000 cents per share. This is in line with the Group's dividend policy to pay dividends of at least 75% of the Group's headline earnings.

22 Related parties

The Company's related parties are its parent, associates, joint venture, pension schemes, subsidiaries, fellow subsidiaries of the Vodafone Group Plc and key management including directors.

Rm	2024	2023*
22.1 Balances with related parties		
Accounts receivable		
Fellow subsidiaries of the Vodafone Group Plc.	3	12
Subsidiaries of Vodacom Group Limited	123	79
Associates of Vodacom Group Limited	43	14
Joint venture of Vodacom Group Limited	11	3
Money market receivables – subsidiaries of Vodacom Group Limited	6 129	7 233
Finance lease receivable – subsidiaries of Vodacom Group Limited	170	185
Loans receivable		
Subsidiaries of Vodacom Group Limited	7 473	6 288
Joint venture of Vodacom Group Limited	376	–
Accounts payable		
Fellow subsidiaries of the Vodafone Group Plc.	(69)	(410)
Subsidiaries of Vodacom Group Limited	(275)	(1 017)
Associates of Vodacom Group Limited	(9)	(3)
Money market payables – subsidiaries of Vodacom Group Limited	(8 452)	(10 401)
Borrowings		
Vodafone Investments Luxembourg s.a.r.l (Note 15) – Fellow subsidiary of Vodafone Group Plc	(11 012)	(11 005)
22.2 Transactions with related parties		
Fellow subsidiaries of the Vodafone Group Plc.	(9 709)	(9 056)
Revenue	1	10
Staff expenses	(20)	(14)
Other operating expenses	(54)	(29)
Finance costs	(1 047)	(471)
Dividends declared	(8 589)	(8 552)
Subsidiaries of Vodacom Group Limited	16 294	16 236
Revenue	16 612	16 234
Other operating expenses	(134)	(72)
Staff expenses	(13)	(16)
Finance income	1 184	1 525
Finance costs	(510)	(412)
Dividends declared	(845)	(1 023)
Associates of Vodacom Group Limited	53	64
Revenue	36	46
Staff recoveries	8	18
Other operating recoveries	9	–
Joint ventures of Vodacom Group Limited		
Finance income	35	18

Note:

* The company disaggregated related party disclosures to reflect balances and transactions associated separately for each related party category. This exercise resulted in the reclassification of immaterial amounts in this note in order to facilitate comparability. The reclassification of the comparative amounts had no impact on the Company's earnings or on any amounts presented in the statement of financial position.

Refer to Note 30.3 in the Notes to the consolidated financial statements for the year ended 31 March 2024 for detailed disclosure on the Companies directors remuneration.

Rm	2024	2023
23 Financial instruments and risk management		
23.1 Net (losses)/gains on financial instruments analysed by category, are as follows:		
Financial assets and liabilities at fair value through profit or loss	(168)	160
Financial assets held at amortised cost	1 529	1 979
Financial liabilities held at amortised cost	(1 687)	(942)
	(326)	1 197
23.2 Carrying amounts of financial instruments		
Carrying amounts of financial instruments analysed by category, are as follows:		
Derivative financial assets at fair value through profit or loss	–	6
Net financial asset/liability measured at amortised cost	2 896	(409)
Derivative financial liabilities at fair value through profit or loss	(100)	(13)
	2 796	(416)

The financial assets and liabilities at fair value through profit or loss represent foreign exchange contracts which are classified as level 2 financial instruments as the fair value is determined with reference to quoted market prices for similar instruments, being the mid forward rates, as at the reporting date.

23.3 Financial risk management

The Company's normal operations, its sources of finance and changing market conditions exposes it to various financial risks, which highlights the importance of financial risk management as an element of control. Principal financial risks faced by the Company are foreign currency, interest rate and credit and liquidity risk.

The Company's treasury function provides a centralised service to the Company for co-ordinating access to domestic and international financial markets and the managing of foreign currency, interest rate and liquidity risk. The aforementioned risks are managed, subject to the limitations of the local markets in which the Company operates and the South African Reserve Bank Regulations. Group treasury operations are conducted within a framework of policies and guidelines authorised and reviewed annually by the Board.

23.3.1 Market risk management

The Company's activities expose it primarily to the risks of fluctuations in foreign currency exchange rates (Note 23.3.1.1) and interest rates (Note 23.3.1.2).

Market risk exposures are measured using sensitivity analysis which shows how profit post tax and equity post tax would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date. Sensitivity analysis are for illustrative purposes only as, in practice, market rates rarely change in isolation.

23.3.1.1 Foreign currency risk management

Foreign currency risk arises on recognised financial assets and liabilities which are denominated in a currency that is not the entity's functional currency. The Company aims to maintain its foreign currency exposure within internally determined parameters, however, this depends on the market conditions in the geographies where the Company operates. Group treasury reports on the status of foreign currency positions or derivatives to the Group Treasury Committee on a regular basis. Where possible, entities in the Company use forward contracts to hedge their actual exposure to foreign currency.

Various monetary items exist in currencies other than the functional currency. The tables below disclose the net currency exposure (net carrying amount of foreign-denominated monetary assets/(liabilities) expressed in the presentation currency of the Company) per functional currency. The Company is mainly exposed to the Euro, United States dollar, and Pound sterling.

Rm	Euro	United States dollar	Pound sterling	Other	Total
2024					
South African rand	(60)	(4)	(24)	(2)	(90)
2023					
South African rand	(393)	30	(9)	2	(370)

Foreign currency sensitivity analysis:

The analysis below, expressed in the Company's presentation currency, discloses the Company's sensitivity to the specified percentage change in its functional currency against the relevant foreign currencies exposed to. Management's assessment of a reasonable possible change in prevailing non-African and African foreign currency exchange rates is based on estimated interest rate differentials.

The analysis includes outstanding foreign-denominated monetary items only and adjusts their translations, at the reporting date, to the Company's functional currency with the specified percentage change.

23 Financial instruments and risk management continued

23.3 Financial risk management continued

23.3.1 Market risk management continued

23.3.1.1 Foreign currency risk management continued

Foreign currency sensitivity analysis continued

A positive number indicates an increase and a negative number a decrease in profit post tax, where the Company's functional currency are expected to strengthen against the relevant foreign currencies. For the same percentage weakening the impact would be equal and opposite.

	Euro	United States dollar	Pound sterling
2024			
South African rand	1.2%	2.1%	1.7%
Profit/(loss) post tax (Rm)	*	*	*
2023			
South African rand	3%	5.3%	4.3%
Profit/(loss) post tax (Rm)	8	(1)	*

Note:

* Value below R1 million.

Rm	2024	2023
The closing exchange rates against the South African rand are:		
Egyptian pound	0.39	0.58
Kenyan shilling	0.14	0.13
Euro	20.5	19.3
Pound sterling	23.9	21.9
United States dollar	18.9	17.7

The tables below provide a currency split of the Company's net derivative financial assets and liabilities relating to material open foreign exchange forward contracts at the reporting date:

Rm	2024	2023
Forward contracts to buy foreign currency		
Euro ¹	(2)	(6)
Pound sterling ²	*	*
United States dollar ³	*	*
Net derivative financial liability	(2)	(6)

Notes:

Foreign contract values amount to:

- €2 million (2023: €4 million) at an average forward price of R21.24 (2023: R17.73). During the prior year a forward exchange contract was entered into in order to hedge the Company against foreign exchange movements relating to the Euro cash consideration payable for the acquisition of Vodafone Egypt Telecommunications SAE.
- £1.4 million (2023: £0.7 million) at an average forward price of R24.03 (2023: R22.68).
- US\$1.0 million (2023: US\$0.2 million) at an average forward price of R19.15 (2023: R18.49).

* Value below R1 million.

Rm	2024	2023
Forward contracts to sell foreign currency		
Euro ¹	–	(1)
Kenyan shilling ²	(98)	*
Net derivative financial liability	(98)	(1)

Notes:

Foreign contract values amount to:

- €0 million (2023: €2 million) at an average forward price of R0.00 (2023: R18.83).
- KES 6 930 million (2023: KES 2 450 million) at an average forward price of R0.13 (2023: R0.13).

* Value below R1 million.

The R100 million net liability (2023: R7 million), Rnil million (2023: R6 million) is reported in trade and other receivables and R100 million (2023: R13 million) in trade and other payables.

23 Financial instruments and risk management continued

23.3 Financial risk management continued

23.3.1 Market risk management continued

23.3.1.2 Interest rate risk management

The Company's interest rate profile consists of fixed and floating rate loans receivable and borrowings. The Company is exposed to fair value and cash flow interest rate risk as a result of its interest rate profile and can be summarised as follows:

Rm	2024	2023
Financial assets		
Floating rate financial assets	7 849	6 665
Financial liabilities		
Floating rate financial liabilities	8 540	6 502
Fixed rate financial liabilities	4 504	4 503
	13 044	11 005

The Company's policy is to maintain an appropriate mix between fixed and floating rate instruments. The Company specifically manages its exposure to interest rate risk relating to interest bearing borrowings through a target ratio of fixed and variable rate borrowings. The Company is targeting to balance the debt structure between fixed and floating interest rates to protect against upward movements in rates but allowing for participation in downward movements. To achieve this ratio, the Company may borrow at fixed rates or enter into approved derivative financial instruments.

The floating rates which the Company is exposed to are the South African prime and Jibar.

The Company is keeping abreast of developments relating to interest rate benchmark reform, as and when communicated by the relevant financial authorities. As at 31 March 2024, none of the interest rate benchmarks that the Company is exposed to had transitioned to alternative rates. In addition to the table above, refer to Note 10 and Note 14 for details on financial assets and financial liabilities, respectively, with floating interest rates subject to the IBOR reform.

The analysis below, expressed in the Company's presentation currency, discloses the Company's sensitivity to the specified basis point change in the market interest rates exposed to. The analysis includes non-derivative instruments at the reporting date and in the case of floating rate instruments, the analysis is prepared assuming the amount outstanding at the reporting date was outstanding for the whole year.

A positive number below indicates an increase and a negative number a decrease in profit post tax if interest rates were higher by the specified basis points. If interest rates were lower by the specified basis points the impact would be equal and opposite.

	2024	2023
South African prime and Jibar		
Basis point increase	75	50
Profit post tax (Rm)	(16)	(3)

23.3.2 Credit risk management

Loans receivable, money market investments, trade and other receivables, finance lease receivables, cash and cash equivalents and financial guarantees granted potentially expose the Company to credit risk.

The carrying amounts of financial assets listed above, which are net of impairment losses, represent the Company's maximum exposure to credit risk, with the exception of financial guarantees granted where the amount the Company could be required to pay or fund, if called on, represents the Company's maximum exposure. The Company considers its maximum exposure per geographical class without taking into account any collateral, financial guarantees and money market funding activities for the Company, to be R7 826 million (2023: R5 575 million) from South Africa, and Rnil million (2023: R1 120 million) from Mauritius.

23 Financial instruments and risk management continued

23.3 Financial risk management continued

23.3.2 Credit risk management continued

The Company provided intercompany money market funding, being the money market receivables of R6 129 million (2023: R7 233 million). These funds net of intercompany money market deposits received, being the money market payables amounting to R8 452 million (2023: R10 401 million) are either invested or funded through money markets held with external banks which forms part of the cash and cash equivalents of R10 467 million (2023: R7 868 million). The credit risk exposure from the money market receivables is considered to be low as it is purely due from related parties and the provision of money market funding by the company is dependent on money market deposits received from the related parties that forms part of the Company's cash and cash equivalents.

The Company only transacts with external counter parties rated the equivalent of investment grade and above as well as related parties. This information is supplied by independent rating agencies or credit bureaus, where available. If not available, other publicly available financial information, the financial standing of counterparties, the Company's own trading records or the Company's internal grading system is used for rating the credit quality of counter parties. Credit exposure is further controlled by defining credit limits per counterparty which are reviewed and approved by the credit risk department. The Company's exposure and credit ratings of counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. In determining the recoverability of trade receivables the Company considers changes in credit quality.

The Company's largest customer, Vodacom Moçambique, S.A, a related party, represents 12.05% (2023: 18.79% Vodacom Moçambique, S.A) of the total trade receivables. The credit risk exposure from the trade receivables, finance lease receivables and other receivables is considered to be low as it is mainly due from related parties. Credit risk is limited for cash and cash equivalents as they are placed with high credit quality financial institutions.

The Company's strong financial position as at 31 March 2024, and the availability of sufficient funds and committed facilities (Note 23.3.3), will assist to address liquidity risk that may arise in the normal course of business.

The Company has not renegotiated the terms of any of its past due not impaired financial assets to the extent that they were no longer past due or impaired.

23.3.3 Liquidity risk management

The Company ensures that adequate funds are available to meet its expected and unexpected financial commitments through undrawn borrowing facilities. At the reporting date the Company had undrawn rand denominated facilities of R9 810 million (2023: R9 810 million) available to manage its liquidity. The Company uses bank facilities and the normal operating cycle to manage short-term liquidity. The Company raises funds in bank markets and ensures reasonable balance is maintained between the period over which assets generate funds and the period over which the respective assets are funded to manage long-term liquidity.

The Company uses bank facilities to manage short-term liquidity and manages long-term liquidity by raising funds on capital markets. The Company manages liquidity on long-term borrowings by maintaining a varied maturity profile with a cap on the level of debt maturing in any one calendar year therefore minimising refinancing risk.

The table below discloses the maturity profile of the Company's non-derivative financial liabilities and for those financial assets used for managing liquidity risk. The amounts disclosed are the future undiscounted contractual cash (outflows)/inflows which therefore differ from both the carrying amount and the fair value. The tables have been drawn up based on the earliest date on which the Company can be required to settle or can require settlement and include both estimated interest and principal cash flows. Estimated interest for floating interest rate financial liabilities is calculated with reference to the applicable yield curves as at the reporting date, as published by Bloomberg. The YeboYethu (RF) Limited loan receivable is not included in the liquidity table below as the contractual payments receivable during the funding term is dependent on available cash resources. The ultimate maturity of the loan is 13 September 2028.

23 Financial instruments and risk management continued

23.3 Financial risk management continued

23.3 Liquidity risk management continued

Rm	0-1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
2024							
Financial liabilities							
Interest bearing borrowings	(1 285)	(1 243)	(5 426)	(6 467)	(2 233)	(1 180)	(17 834)
Trade and other payables ¹	(8 967)	–	–	–	–	–	(8 967)
Financial guarantee	(280)	–	(1 231)	–	(2 066)	–	(3 577)
	(10 532)	(1 243)	(6 657)	(6 467)	(4 299)	(1 180)	(30 378)
Financial assets							
Trade and other receivables ¹	227	–	–	–	–	–	227
Cash and cash equivalents	10 467	–	–	–	–	–	10 467
	10 694	–	–	–	–	–	10 694
2023							
Financial liabilities							
Interest bearing borrowings	(1 047)	(1 055)	(1 054)	(4 253)	(6 373)	(2 137)	(15 919)
Trade and other payables ¹	(11 401)	–	–	–	–	–	(11 401)
Financial guarantee	(250)	–	(1 160)	–	(2 066)	–	(3 476)
	(12 698)	(1 055)	(2 214)	(4 253)	(8 439)	(2 137)	(30 796)
Financial assets							
Trade and other receivables ¹	161	–	–	–	–	–	161
Cash and cash equivalents	7 868	–	–	–	–	–	7 868
	8 029	–	–	–	–	–	8 029

Note:

1. Includes money market payables. Money market receivables are excluded from trade receivables as these assets are not used to manage liquidity of money market payables.

Amounts included in the statement of financial position related to financial guarantees are:

Rm	2024		2023	
	Guarantee provided	Included in statement of financial position	Guarantee provided	Included in statement of financial position
Financial guarantees ¹	(3 577)	(189)	(3 476)	(215)

Note:

1. Of the total R3 577 facility, R2 883 million is drawn down as at 31 March 2024.

23.4 Capital risk management

The Company finances its operations through a mixture of cash generated from operations, retained earnings, bank borrowings and other long-term borrowings. These borrowings together with surplus cash may be loaned internally or contributed as equity to certain subsidiaries.

The Company manages its capital to ensure it will be able to continue as a going concern while maximising return to shareholders. Capital is monitored on the basis of solvency and liquidity ratios. The Company's strategy is to maintain a positive solvency and liquidity position. This is achieved through the management of current and non-current borrowings.

Addendum A

As at 31 March

Interest in material subsidiaries

The information discloses interests in subsidiaries material to the financial position of Vodacom Group Limited. The interest in ordinary share capital is representative of the voting power except for 'B' ordinary shares where each share entitles the holder to two votes.

RSA – The Republic of South Africa; UK – The United Kingdom of Great Britain; EGP – The Arab Republic of Egypt; LES – The Kingdom of Lesotho; TZN – The United Republic of Tanzania; MZ – The Republic of Mozambique; DRC – The Democratic Republic of the Congo; and MAU – The Republic of Mauritius.

	Country of incorporation	Issued share capital		% Interest in issued share capital	
		2024	2023	2024	2023
Cellular network operators					
Direct					
Vodacom (Pty) Limited	RSA				
Ordinary share capital		R45 337	R45 337	100.0	100.0
A' ordinary share capital		R1 673	R1 673	100.0	100.0
Vodacom Tanzania Public Limited Company	TZN				
Ordinary share capital		TZS112 000 015 000	TZS112 000 015 000	75.0	75.0
Vodafone Egypt Telecommunications S.A.E.	EGP				
Ordinary share capital		EGP1 200 000 000	EGP1 200 000 000	55.0	55.0
Indirect					
Vodacom Lesotho (Pty) Limited	LES				
Ordinary share capital		LSL4 180	LSL4 180	80.0	80.0
Vodacom Moçambique, S.A.	MZ				
Ordinary share capital		MZN2 760 000 000	MZN2 760 000 000	85.0	85.0
Vodacom Congo (RDC) SA	DRC				
Ordinary share capital		US\$1 000 000	US\$1 000 000	51.0	51.0
Service providers					
Direct					
Vodacom UK Limited	UK				
B' ordinary share capital		US\$1	US\$1	100.0	100.0
Preference share capital		US\$710 999 999	US\$710 999 999	100.0	100.0
Vodacom Business Africa Group Services Limited	UK				
Ordinary share capital		£49 567 569	£49 567 569	100.0	100.0
Preference share capital		US\$20 790 572	US\$20 790 572	100.0	100.0
Indirect					
Vodacom UK Limited	UK				
A' ordinary share capital		US\$100	US\$100	100.0	100.0
Other					
Direct					
Vodacom International Limited	MAU				
Ordinary share capital		US\$100	US\$100	100.0	100.0
Preference share capital		US\$646 403 577	US\$773 403 577	100.0	100.0

Interest in material associates and joint ventures

The Group has an effective 34.94% interest in Safaricom PLC¹ (Note 12 of the consolidated financial statements and Note 9 of the separate financial statements) held indirectly via its subsidiary Vodafone Kenya Limited¹ (VKL), in which the Group has a 87.5% holding.

The Group has an effective interest of 5.74% (2023: 6.19%) in Global Partnership for Ethiopia B.V.² (Note 12 of the consolidated financial statements and Note 9 of the separate financial statements) held indirectly via its subsidiary Vodacom International Holdings (Pty) Limited³. The Group has representation on the board and participates in policy decision making and consequently has significant influence, and therefore accounts for the investment as an associate.

The Group has a 50% interest in a joint venture, M-Pesa Africa Limited¹ (Note 12 of the consolidated financial statements and Note 9 of the separate financial statements).

Notes:

1. Country of incorporation Republic of Kenya.
2. Country of incorporation Federal Democratic Republic of Ethiopia.
3. Country of incorporation Republic of South Africa.

Interest in material structured entities

The Group consolidates 100% of YeboYethu (RF) Limited, YeboYethu Investment Company (RF) (Pty) Limited and the Siyanda Employee Trust, material structured entities that form part of the Group's broad-based black economic empowerment transaction (Note 18 of the consolidated financial statements).

