

PRESCIENT LIMITED

Registration number: 1936/008278/06

JSE share code: PCT

ISIN: ZAE000163531

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

For the twelve months ended

31 March 2014

Highlights

- Local assets under management of R59.1 billion (2013: R59.6 billion)
- Third party assets under administration of R31.1 billion in South Africa (2013: R16.9 billion) and EUR1.2 billion globally (2013: EUR821.8 million)
- Revenue for the group up by 39% to R664.6 million (2013: R477.3 million)
- Profit before tax from continuing operations up by 11% to R152.2 million (2013: R137.5 million)
- Basic earnings per share for continuing operations up 4% to 7.15 cents per share (2013: 6.88 cents per share)
- Headline Earnings per share of 6.53 cents per share (2013: 7.51 cents per share)
- Headline Earnings per share for continuing operations of 6.96 cents per share (2013: 7.05 cents per share)
- Final gross dividend of 2.6 cents per share

Audited consolidated statement of financial position

	Audited 31 March 2014 R'000	Audited 31 March 2013 R'000
Assets		
Non-current assets	7,331,567	6,674,148
Property and equipment	11,210	14,155
Investment property	24,724	17,711
Goodwill and intangible assets	423,361	472,816
Deferred tax asset	4,841	3,187
Long-term loans and other receivable	70,288	73,607
Investment in equity-accounted investees	1,493	1,398
Financial assets at fair value through profit or loss	105,842	99,260
Linked investments backing policyholder funds	6,689,808	5,992,014
Current assets	527,764	676,985
Inventory	10,506	16,096
Trade and other receivables	171,692	167,139
Amounts owing by clearing houses	-	223,730
Amounts owing by clients	287,082	151,429
Taxation receivable	3,398	11,688
Cash and cash equivalents	55,086	106,903
Total assets	7,859,331	7,351,133
Equity		
Stated capital	637,062	637,062
Reserves	(841)	280
Retained income	96,367	93,595

Total equity attributable to owners of the Company	732,588	730,937
Non-controlling interests	8,461	9,781
Total equity	741,049	740,718
Liabilities		
Non-current liabilities	6,732,401	6,101,012
Deferred tax liability	5,480	7,017
Deferred income	-	3,206
Policyholder investment contract liabilities	6,685,086	5,989,473
Loans payable	41,835	101,316
Current liabilities	385,881	509,403
Trade and other payables	57,594	110,719
Provisions	-	518
Amounts owing to clearing houses	138,738	-
Amounts owing to clients	147,916	374,591
Deferred income	-	2,491
Current tax payable	6,726	14,822
Loans payable	12,865	-
Bank overdraft	22,042	6,262
Total liabilities	7,118,282	6,610,415
Total equity and liabilities	7,859,331	7,351,133

Audited consolidated statement of profit or loss and other comprehensive income

	12 months Audited 31 March 2014 R'000	12 months Audited 31 March 2013 Restated R'000
Continuing operations		
Total income	664,626	477,308
Service fees	638,013	450,760
Interest and dividend income	15,970	16,853
Other investment income	10,643	9,691
Cost of information management services**	(286,599)	(144,232)
Operating expenses	(231,720)	(190,668)
Profit from operations	146,307	142,408
Other income	10,652	1,297
Share of loss of equity-accounted-investees (net of tax)	(573)	(219)
Finance costs	(4,155)	(5,945)
Profit before tax	152,231	137,541
Income tax expense	(39,592)	(40,961)

Profit from continuing operations	112,639	96,580
Discontinued operation (Loss)/profit for the period from discontinued operation	(48,774)	6,378
Profit for the year	63,865	102,958
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences - foreign operations	(1,383)	12,396
Tax on other comprehensive income	-	-
Other comprehensive income for the year, net of tax	(1,383)	12,396
Total comprehensive income for the year	62,482	115,354
Profit attributable to:		
Owners of the Company	63,088	102,456
Non-controlling interests	777	502
Profit for the year	63,865	102,958
Total comprehensive income attributable to:		
Owners of the Company	61,705	114,852
Non-controlling interests	777	502
Total comprehensive income for the year	62,482	115,354
Earnings per share (cents)		
Basic earnings per share	4.03	7.34
Diluted earnings per share	4.03	7.34
Earnings per share - continuing operations (cents)		
Basic earnings per share	7.15	6.88
Diluted earnings per share	7.15	6.88
Headline earnings per share (cents)		
Continuing operations	6.96	7.05
Discontinued operation	(0.43)	0.46
Earnings per share	Audited	Audited
	31 March 2014	31 March 2013
Weighted average number of shares in issue during the period	1,565,528,451	1,396,375,360
Weighted average number of shares potentially in issue	1,565,528,451	1,396,375,360
Actual number of shares in issue at the end of the period	1,598,022,450	1,576,346,232
Treasury shares	26,411,114	24,317,180
Shares in issue net of treasury shares	1,571,611,336	1,552,029,052
Continuing operations	R'000	R'000
Earnings attributable to shareholders	112,639	96,580
Non-controlling interests	(777)	(502)
Earnings attributable to ordinary shareholders	111,862	96,078
Headline earnings attributable to shareholders	108,953	98,439
Discontinued operations		

Earnings/(losses) attributable to shareholders	(48,774)	6,378
Non-controlling interests	-	-
Earnings attributable to ordinary shareholders	(48,774)	6,378
Headline earnings attributable to shareholders	(6,664)	6,378

* The prior year comparative has been restated to reflect Prescient Ireland as a discontinued operation

** Cost of information management services in the prior year has been adjusted to include consulting fees amounting to R8.85 million that were previously included in operating expenses. The reason for the reclassification is to better reflect the nature of these expenses. The net effect on profit from operations is nil.

Abridged audited consolidated segment report

	Financial Services			
	Audited		Audited	
	31 March		31 March	
	2014		2013	
	R'000		R'000	
	Continuing	Discontinued	Continuing	Discontinued
Segment external revenue	287,124	94,906	273,548	126,788
Segment profit/(loss) before tax	108,080	(48,824)	112,873	5,842

	Information Management Services			
	Audited		Audited	
	31 March		31 March	
	2014		2013	
	R'000		R'000	
	Continuing	Discontinued	Continuing	Discontinued
Segment external revenue	377,502	-	203,760	-
Segment profit/(loss) before tax	44,151	-	24,668	-

	Group			
	Audited		Audited	
	31 March		31 March	
	2014		2013	
	R'000		R'000	
	Continuing	Discontinued	Continuing	Discontinued
Segment external revenue	664,626	94,906	477,308	126,788
Segment profit/(loss) before tax	152,231	(48,824)	137,541	5,842

Abridged audited consolidated statement of cash flows

	2014	2013
	R'000	R'000
Cash flows from operating activities		
Profit for the year	63,865	102,958
Income tax expense	39,592	40,424
Non-cash movements and adjustments to profit before tax	(62,825)	(638,260)
Cash generated from policyholder activities	98,935	622,667
Contributions and investment income	1,794,917	3,117,168
Withdrawals by policyholders	(1,695,982)	(2,494,501)
Changes in working capital	(54,374)	(10,213)
Dividends received	272	544
Dividends paid	(62,496)	(88,137)

Interest received	15,698	16,309
Interest paid	(10,233)	(12,735)
Taxation paid	(45,920)	(51,433)
Net cash outflow from operating activities	(17,486)	(17,876)
Cash flows from investing activities		
Net acquisition of equipment	(1,892)	(7,463)
Acquisition of subsidiary, net of cash acquired	(313)	82,343
Net (acquisition)/disposal of intangible assets	(5,021)	8,150
(Investment)/disposal in equity-accounted investees	(811)	711
Dividends from equity-accounted investees	143	2,124
Disposal/(acquisition) of financial assets at fair value through profit or loss	496	(15,875)
Repayment / (advances) of long-term loans receivable	3,455	(3,328)
Disposal of discontinued operation, net of cash disposed of	(8,029)	-
Cash (outflow)/inflow from investing activities	(11,972)	66,662
Cash flows from financing activities		
Acquisition of own shares	(263)	(922)
Additional investment in subsidiary	-	(4,323)
Decrease in deferred income	-	(1,804)
Decrease in loans payable	(47,481)	(2,706)
Cash outflow from financing activities	(47,744)	(9,755)
Net (decrease)/increase in cash and cash equivalents	(77,202)	39,031
Effect of exchange rate fluctuations on cash held	9,605	8,779
Cash and cash equivalents at beginning of the year	100,641	52,831
Cash and cash equivalents at end of the year	33,044	100,641

Abridged audited statement of changes in equity

R'000	Stated capital	Translation reserve	Treasury shares	Retained income	Total	Non-controlling interests	Total equity
Balance at 1 April 2012	53,309	-	(13,038)	63,963	104,234	-	104,234
Total comprehensive income for the year	-	-	-	102,456	102,456	502	102,958
Profit for the year	-	12,396	-	-	12,396	-	12,396
Total other comprehensive income	-	12,396	-	102,456	114,852	502	115,354
Total comprehensive income for the year	-	12,396	-	102,456	114,852	502	115,354
Transactions with owners recognised directly in equity							
Contributions by and distributions to owners of the Company							
Treasury shares sold	-	-	922	-	922	-	922
Dividends declared during the year	-	-	-	(51,218)	(51,218)	-	(51,218)
Issue of ordinary shares related to business combinations	583,753	-	-	-	583,753	-	583,753
Total contributions by and distributions to owners of the Company	583,753	-	922	(51,218)	533,457	-	533,457
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests	-	-	-	(21,606)	(21,606)	9,279	(12,327)
Total changes in ownership interests in subsidiaries	-	-	-	(21,606)	(21,606)	9,279	(12,327)
Total transactions with owners of the Company	583,753	-	922	(72,824)	511,851	9,279	521,130
Balance at 31 March 2013	637,062	12,396	(12,116)	93,595	730,937	9,781	740,718

R'000	Stated capital	Translation reserve	Treasury shares	Retained income	Total	Non-controlling interests	Total equity
Balance at 1 April 2013	637,062	12,396	(12,116)	93,595	730,937	9,781	740,718
Total comprehensive income for the year							
Profit for the year	-	-	-	63,088	63,088	777	63,865
Total other comprehensive income	-	(1,383)	-	-	(1,383)	-	(1,383)
Total comprehensive income for the year	-	(1,383)	-	63,088	61,705	777	62,482
Transactions with owners recognised directly in equity							
Contributions by and distributions to owners of the Company							
Treasury shares sold	-	-	262	-	262	-	262
Dividends declared during the year	-	-	-	(60,316)	(60,316)	(2,180)	(62,496)
Total contributions by and distributions to owners of the Company	-	-	262	(60,316)	(60,054)	(2,180)	(62,234)
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests	-	-	-	-	-	83	83
Total changes in ownership interests in subsidiaries	-	-	-	-	-	83	83
Total transactions with owners of the Company	-	-	262	(60,316)	(60,054)	(2,097)	(62,151)
Balance at 31 March 2014	637,062	11,013	(11,854)	96,367	732,588	8,461	741,049

Notes to the abridged audited consolidated financial statements

Basis of preparation and accounting policies

Statement of compliance

The abridged audited consolidated financial information has been prepared in accordance with IAS 34 Interim Financial Reporting, as well as the AC 500 standards as issued by the Accounting Practices Board, the requirements of the South African Companies Act, Act No.71 of 2008 and the Listings Requirements of the JSE. The abridged audited consolidated financial statements do not include all of the information

required for full annual financial statements. The abridged audited consolidated financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments and investment property which are stated at fair value. The abridged audited consolidated financial statements are presented in Rand, rounded to the nearest thousand. The accounting policies applied in the presentation of the abridged audited consolidated financial statements are in accordance with International Financial Reporting Standards and are consistent with those presented in the previous annual financial statements.

The abridged audited consolidated financial statements have been extracted from audited information but have not, in themselves, been audited. The audited financial statements are available for inspection at the Company's registered office.

These abridged audited consolidated financial statements were prepared under the supervision of Michael Buckham, CA (SA) CFA (Financial Director) and approved by the Board of Directors on 30 June 2014.

Restatement

The comparative period in the statement of profit or loss and other comprehensive income has been restated as Prescient Asset Management Holdings (Ireland) ("Prescient Ireland") was reclassified as a discontinued operation in terms of IFRS 5 Non-current Assets-Held-for-Sale and Discontinued Operations.

Judgements and estimates

Preparing the abridged audited consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported

amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these abridged audited consolidated financial statements significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the previous annual financial statements as at and for the year ended 31 March 2013.

Related party transactions

The Group entered into various inter-company transactions with related parties in the ordinary course of business.

Subsequent events

There were no material events subsequent to the reporting date.

Review of operations

Results of continuing operations

Revenue for the group increased by 39% from R477.3 million in 2013 to R664.6 million in 2014. The substantial increase in revenue was primarily attributable to the inclusion of 12 months of results for the PBT

Group in the current financial year whilst in the prior year the PBT Group was only consolidated for a period of 7 months. The annualisation of the 7 months of revenue implies an increase in revenue of 10%.

Profit before tax for continuing operations of R152.2 million (2013: R137.5 million) was 10% higher than the comparative from the previous year.

Basic earnings per share for continuing operations in 2014 was 7.15 cents per share (2013: 6.88 cents per share). Headline earnings per share for continuing operations decreased slightly from 7.05 cents per share to 6.96 cents per share. It is worth noting that the only adjustment between earnings per share and headline earnings per share in 2013 and 2014 related to the revaluation of our property in Ireland. In 2013 the property was valued downwards by €200,000 and with the recovery in the property market in Ireland in 2014, the downward valuation of €200,000 was reversed.

Financial services

Revenue from Financial Services increased from R273.5 million to R287.1 million which represents an increase of 5%. There was an increase in performance fees during the year, increased revenue from third party administration clients and a strong performance from Prescient Securities however, this increase was muted as a result of a lower average AUM for the year.

Information management services

The PBT Group of companies has changed its business definition from "IT services" to "Information Management Services", which more accurately reflects the services offered in terms of the management of clients' data and the application thereof. The latter includes master data, transformation, models, and business analytics

A like-for-like revenue comparison with the previous financial year for the Information Management Services segment of the company is difficult due to the fact that the prior year only included 7 months of operations. The revenue for the 7 months in the prior year amounted to R203.8 million whilst it amounted to R377.5 million for the full reporting period. Segmental profit before tax for the year was R44.1 million (2013: R24.7 for 7 months).

The sale of Prescient Ireland

Prescient Holdings sold the entire issued share capital of Prescient Ireland, the stand-alone asset manager

with a mainly Irish client base, to J&E Davy, an Irish investment management and stockbroking firm. In terms of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, Prescient Ireland has been treated as a discontinued operation during the current year. This has enhanced the ease of use of the financial results as it has allowed users to assess the ongoing operations of the Group separately from Prescient Ireland.

Dividend

A final gross dividend of 2.6 cents per share was declared by the directors on 30 June 2014. Combined with the interim gross dividend paid to shareholders on 27 January 2014, the company distributed a total gross dividend of 5.1 cents per share.

Biannually, the directors will consider the payment of a dividend, taking into account prevailing circumstances and future cash and capital requirements of the Group in order to determine the appropriate dividend in respect of a particular financial reporting period.

There are 1 598 022 450 shares in issue at the dividend declaration date, of which 26 411 114 are held as treasury shares. The total dividend amount payable is R40.0 million (March 2013: R39.4 million).

This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. Dividends declared after 31 March 2012, are no longer subject to the 10% Secondary Tax on Companies (STC) regime, which levied the tax on the declaring company, but are now subject to a 15% Dividends Tax (DT) which is a withholding tax levied on non-exempt shareholder recipients of the dividend. The net dividend payable to shareholders who are subject to dividend tax is 2.21 cents per share, while it is 2.6 cents per share to those shareholders who are exempt from dividend tax. Prescient's income tax reference number is 9725/148/71/3.

In compliance with the Listings Requirements of the JSE, the following dates are applicable:

Last day to trade cum dividend	Friday, 25 July 2014
Shares trade ex dividend	Monday, 28 July 2014
Record date	Friday, 1 August 2014
Payment date	Monday, 4 August 2014

Share certificates may not be dematerialised or rematerialised between Monday, 28 July 2014 and Friday, 1 August 2014; both dates inclusive.

Posting of the Integrated Report and Notice of Annual General Meeting

The Integrated Report for the year ended 31 March 2014, including a Notice of the Annual General Meeting, has been issued and posted to shareholders today and is available on the Company's website at www.prescient.co.za.

The Annual General Meeting will be held at 11h00 on Tuesday, 5 August 2014, at Prescient House, Westlake Business Park, Otto Close, Westlake, 7945.

The record date on which shareholders must be registered in the Company's share register in order to attend, participate and vote at the annual general meeting is Friday, 1 August 2014.

The last day to trade in order to be entitled to vote at the annual general meeting will therefore be Friday, 25 July 2014.

Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition and results of the operations of Prescient Limited that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. These may relate to

future prospects, opportunities and strategies. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may differ from those anticipated. By consequence, none of the forward-looking statements have been reviewed or reported on by the Group's auditors.

Company information

Directors: AM Louw (Chairman), HC Steyn (CEO), M Buckham (Financial Director), M Kaplan (Lead Independent non-executive), H Sonn (Independent non-executive), K Moloko (Independent non-executive), Z Meyer (Independent non-executive), R van Rooyen (Non-executive)

There has been no change to the Board of Directors during the year under review.

Registered office: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945, South Africa

Postal address: PO Box 31142, Tokai, 7966

Registration number: 1936/008278/06

Auditor: KPMG Inc.

Sponsor: Bridge Capital Advisors (Proprietary) Limited

Transfer secretaries: Link Market Services

JSE share code: PCT

ISIN: ZAE000163531

Website: www.prescient.co.za