

PBT Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1936/008278/06)
Share code: PBG
ISIN: ZAE000256319
("PBT Group" or "the Company" or "the Group")

Unaudited Interim Results
for the six months ended 30 September 2018

COMMENTARY

FINANCIAL RESULTS

During the period under review, PBT Group Limited (PBT Group or the Group) finalised and implemented the disposal of two non-core assets, i.e. Prescient Capital Proprietary Limited and its subsidiaries (Prescient Capital) and equity shares in Prescient Holdings Proprietary Limited (Prescient Holdings).

Accordingly, this has been accounted for as discontinued operations in the financial statements. Subsequent to this transaction and the 1-for-10 share consolidation, the total number of shares in issue reduced to 136 418 749. PBT Group Limited, at the date of this report, owns 27 018 804 PBT Group Limited shares as treasury shares. Refer to note 4 for more information.

Total revenue from continuing operations for the period was R281 million (September 2017: R283.5 million) with profit before tax for continuing operations being R13.8 million (September 2017: R11.6 million). The total profit after tax for continuing operations was R7.2 million (September 2017: loss of R1.6 million).

Operating expenses increased over the period mainly as a result of large once-off expenditures relating to the expansion into Europe and resultant setup costs. Due to internal restructuring some expenses were reallocated from cost of sales to operating expenses during the period.

As a result of the decrease in our Middle East and Africa (MEA) business unit, foreign withholding taxes have decreased from R10 million to R2.6 million, which has normalised the tax for the current period in comparison to the prior period.

Earnings per share (EPS) for continuing operations was 0.22 cents per share (September 2017: loss of 0.33 cents per share) and headline earnings per share (HEPS) was 0.23 cents per share (September 2017: loss of 0.33 cents per share). The EPS and HEPS were calculated prior to the share consolidation and cancellation of treasury shares which occurred after the interim period.

REVIEW OF OPERATIONS

During the period under review, PBT Group operationally had three major areas of activity:

- The exiting and reassignment of employees of the MEA business unit.
- Establishment of PBT Group in Europe;
- The strategic appliance and adjustment to modern data processing and availability with the South African market.

Reassignment of the MEA business unit

PBT Group has, for all practical purposes, exited its operations in the MEA segment of the business. We are pleased to report that the bulk of the revenue lost has been replaced by growth in the remaining components of the business.

Reassigning consultants whilst phasing out existing contractual obligations towards clients in the region was challenging and required a fine balancing act and dedicated effort. During the reassignment phase, the local market had to be protected to avoid a perception of flooding, whilst significant cost was absorbed by the local business units with regards to reskilling during the transition phase. It was successfully achieved in the midst of a rather poor economic climate and a strong indication of change in data trends. The initiative to expand into the United Kingdom and Europe followed, providing the opportunity to research new data trends, whilst creating a new revenue stream.

Establishment of PBT Group in Europe

The Group embarked on this new venture with a Merger and Acquisition approach, whilst also participating in various

Proof of Concept (PoC) exercises. PBT Group's approach to data was compared to that of the first world, focusing on three major aspects namely Artificial Intelligence (AI), Data Engineering and Visualisation. During an eight-month period, 37 companies across the Netherlands, United Kingdom, Ireland and Sweden were engaged. It was soon evident that change was on the horizon, especially with the adoption of AI and the impact it will have on our Company's core strength, data engineering. Our current Advanced Analytics approach is not AI, but an array of static statistical models and the difference is mostly seen when Machine Learning (ML) is applied within the AI world. As a result of a high adoption and productionisation rate in Europe, especially the Netherlands, PBT Group had to enter into strategic relationships with selected companies. This enabled the Group to be exposed to the combination of AI, ML, Data Engineering, Visualisation and the relative cloud platforms. Strategic partnerships have been signed with four companies in the Netherlands and two in Ireland, whilst negotiations with a British company is in an advanced stage.

South African market

Despite a challenging South African economy, the phasing out of the MEA business unit and adopting new learnings, all in the same period under review, PBT Group has positioned itself well for the future. As a direct result of successful PoC's in Europe, projects have been secured on the three major cloud platforms, namely Google Cloud Platform (GCP), Microsoft Azure and Amazon Web Services (AWS), whilst we are also at the forefront with regards to Visualisation trends. The local business is involved in two major initiatives. The cognitive project at one of the leading financial institutions in South Africa is a stepping stone to strategically position ourselves as the leading data and analytics company, not only in South Africa, but potentially in Europe as well. The open source technology applied in this project is in high demand worldwide across industries. Another project of importance is the renewal project in partnership with one of the leading global business consulting and audit firms. The technology used in this instance broadens our industry scope to manufacturing, an industry with considerable AI possibilities. The reskilling of the existing PBT Group consulting base will inevitably require capital investment to adopt to new data trends. Our more traditional business remains stable and in demand and should remain as such for the foreseeable future. The capacity model for Europe is taking shape, which will not only create foreign revenue, but also opportunity to apply experience vice versa, as well as the prospect for consultants to work abroad. Altogether, a period full of action, with a foundation having been laid for a new wave and exciting time ahead.

B-BBEE

Various measures have been put in place during the first six months of the financial year to address the impact which the ICT Amended Codes of Good Practice have had on PBT Group's B-BBEE status. These initiatives will ensure that the Group significantly and satisfactorily improves its B-BBEE rating by the end of the 2019 financial year.

During 2018, PBT Group successfully completed another Business Intelligence internship programme and was able to provide permanent employment opportunities to all of the participating candidates. In addition to this bespoke initiative which was initiated in 2004, the Group also identified an opportunity to partner with an external training provider to support a learnership focused on educating and upskilling disabled BEE candidates. This partnership will further enhance the Group's contribution towards transformation in South Africa and upliftment of our society.

DIVIDEND

Biannually, the directors 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.

No dividend has been declared for the six months ended 30 September 2018 (30 September 2017: Rnil).

CHANGES TO THE BOARD OF DIRECTORS

There were no changes to the Board during the period and subsequent to the end of the period under review.

FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements with respect to the financial condition and results of the operations of PBT Group 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.

STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 September 2018 Note	Unaudited as at 30 September 2017 R'000	Audited as at 31 March 2018 R'000
ASSETS			
Non-current assets	172 340	303 665	170 297
Property and equipment	5 170	7 226	6 031
Goodwill and intangible assets	136 011	262 694	136 341
Deferred tax asset	3 093	3 768	2 139
Other financial assets	28 066	29 977	25 786
Current assets	140 811	286 237	187 615
Inventory	-	9 887	-
Trade and other receivables	91 541	119 461	91 269
Other financial assets	2 313	-	3 206
Taxation receivable	3 264	174	1 817
Cash and cash equivalents	43 693	49 752	34 202
Assets held-for-sale	-	106 963	57 121
Total assets	313 151	589 902	357 912
EQUITY			
Share capital	4 117 935	121 286	117 805
Translation reserve	1 995	19 064	12 909
Treasury shares	(94 600)	(49 596)	(52 446)
Retained income	233 418	406 243	221 402
Total equity attributable to owners of the Company	258 748	496 997	299 670
Non-controlling interests	11 016	9 755	6 916
Total equity	269 764	506 752	306 586
LIABILITIES			
Non-current liabilities	180	28 125	184
Deferred tax liability	180	3 125	184
Loans payable	-	25 000	-
Current liabilities	43 207	55 025	51 142
Trade and other payables	33 587	26 604	35 853
Current tax payable	962	3 928	1 774
Provisions	8 457	12 124	6 791
Bank overdraft	201	59	152
Liabilities held for sale	-	12 310	6 572
Total liabilities	43 387	83 150	51 326
Total equity and liabilities	313 151	589 902	357 912

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited six months ended 30 September 2018 Notes	Unaudited six months ended 30 September 2017 R'000	Audited for the year ended 31 March 2018 R'000
Continuing operations			
Revenue	281 033	283 485	556 094
Cost of sales	(213 215)	(234 993)	(457 972)
Gross profit	67 818	48 492	98 122
Other income	1 182	2 184	2 867
Profit/(loss) on exchange differences	2 562	601	(4 409)
Impairment losses	-	-	(127 041)
Other operating expenses	(58 757)	(40 393)	(87 682)
Operating profit/(loss)	12 805	10 884	(118 143)
Investment income	1 486	2 791	6 035
Finance costs	(524)	(2 109)	(5 191)
Other non-operating losses	-	-	(53)
Profit/(loss) before taxation	13 767	11 566	(117 352)
Taxation	5 (6 575)	(13 157)	(22 018)
Profit/(loss) from continuing operations	7 192	(1 591)	(139 370)

Discontinued operations				
Profit/(loss) from discontinued operations	3	9 114	897	(42 281)
Profit/(loss) for the period/year		16 306	(694)	(181 651)
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations		(10 915)	(8 882)	193
Other comprehensive (loss)/income for the period/year net of taxation		(10 915)	(8 882)	193
Total comprehensive income/(loss) for the period/year		5 391	(9 576)	(181 458)
Profit/(loss) attributable to:				
Owners of the parent:				
From continuing operations		3 092	(5 255)	(145 836)
From discontinued operations		9 114	897	(42 281)
		12 206	(4 358)	(188 117)
Non-controlling interest:				
From continuing operations		4 100	3 664	6 466
Total comprehensive income/(loss) attributable to:				
Owners of the parent		1 291	(13 240)	(187 924)
Non-controlling interest		4 100	3 664	6 466
		5 391	(9 576)	(181 458)
Notes to the statement of comprehensive income				
Number of shares issued (thousands)	1 669 251	1 669 251	1 669 251	1 669 251
Weighted average number of shares (thousands)	1 395 729	1 585 272	1 499 206	1 499 206
Diluted weighted average number of shares (thousands)	1 395 729	1 585 272	1 499 206	1 499 206
Earnings per share (cents)				
- Continuing operations		0.22	(0.33)	(9.73)
- Discontinued operations		0.65	0.06	(2.82)
Diluted earnings per share (cents)				
- Continuing operations		0.22	(0.33)	(9.73)
- Discontinued operations		0.65	0.06	(2.82)
Headline earnings per share (cents)				
- Continuing operations	2	0.23	(0.33)	(1.35)
- Discontinued operations	2	0.09	0.06	(0.20)
Diluted headline earnings per share (cents)				
- Continuing operations	2	0.23	(0.33)	(1.35)
- Discontinued operations	2	0.09	0.06	(0.20)
Dividends and distributions per share (cents)				
Interim dividend		-	-	-
Capital reduction distribution		-	-	1.57

STATEMENT OF CHANGES IN EQUITY

R'000	Share capital	Translation reserve	Treasury shares	Retained income	Total	Non-controlling interest	Total equity
Balance at 1 April 2017	144 015	12 716	(7 316)	410 600	560 015	12 434	572 449
(Loss)/profit for the period	-	-	-	(4 357)	(4 357)	3 664	(693)
Total other comprehensive income	-	6 348	-	-	6 348	-	6 348
Total comprehensive income for the period	-	6 348	-	(4 357)	1 991	3 664	5 655
Treasury shares bought	-	-	(42 280)	-	(42 280)	-	(42 280)
Capital distribution	(22 729)	-	-	-	(22 729)	-	(22 729)
Dividends declared during the period	-	-	-	-	-	(3 430)	(3 430)
Loss of control	-	-	-	-	-	(2 913)	(2 913)
Total contributions by and distributions to owners of the Company	(22 729)	-	(42 280)	-	(65 009)	(6 343)	(71 352)
Balance at 30 September 2017	121 286	19 064	(49 596)	406 243	496 997	9 755	506 752
Balance at 1 October 2017	121 286	19 064	(49 596)	406 243	496 997	9 755	506 752
(Loss)/profit for the period	-	-	-	(184 841)	(184 841)	2 802	(182 039)
Total other comprehensive income	-	(6 155)	-	(191)	(6 346)	-	(6 346)
Total comprehensive income for the period	-	(6 155)	-	(185 032)	(191 187)	2 802	(188 385)
Treasury shares bought	-	-	(2 850)	-	(2 850)	-	(2 850)
Capital distribution	(3 481)	-	-	-	(3 481)	-	(3 481)
Dividends declared during the period	-	-	-	-	-	(5 635)	(5 635)
Change in ownership	-	-	-	-	-	(6)	(6)
Total contributions by and distributions to owners of the Company	(3 481)	-	(2 850)	-	(6 331)	(5 641)	(11 972)
Balance at 31 March 2018	117 805	12 909	(52 446)	221 211	299 479	6 916	306 395
Balance at 1 April 2018	117 805	12 909	(52 446)	221 211	299 479	6 916	306 395
Profit for the period	-	-	-	12 206	12 206	4 100	16 307
Total other comprehensive income	-	(10 914)	-	-	(10 914)	-	(10 914)
Total comprehensive income for the period	-	(10 914)	-	12 206	1 292	4 100	5 392
Transfer of own shares	-	-	(42 709)	-	(42 709)	-	(42 709)
Adjustment to treasury shares	130	-	555	-	685	-	685
Total contributions by and distributions to owners of the Company	130	-	(42 154)	-	(42 024)	-	(42 024)
Balance at 30 September 2018	117 935	1 995	(94 600)	233 418	258 748	11 016	269 764

STATEMENT OF CASH FLOWS

	Unaudited six months ended 30 September 2018 R'000	Unaudited six months ended 30 September 2017 R'000	Audited for the year ended 31 March 2018 R'000
Cash flows from operating activities			

Cash generated from operations	19 327	75 292	100 371
Dividends received	-	1 868	1 868
Interest received	1 486	922	4 167
Interest paid	(524)	(2 109)	(5 191)
Tax paid	(9 986)	(20 433)	(30 059)
Net cash flows from discontinued operations	791	2 072	-
Net cash inflow from operating activities	11 094	57 612	71 156
Cash flows from investing activities			
Acquisition of property and equipment	(657)	(1 442)	(2 017)
Sale of property and equipment	53	-	340
Acquisition of intangible assets	(214)	(134)	(273)
Advance of long-term loans receivable	-	(2 334)	-
Acquisition of financial assets at fair value	(2 195)	-	(1 941)
Sale of financial assets	893	-	5 970
Net cash inflow from discontinued operations	(937)	(1 301)	-
Net cash (outflow) from investing activities	(3 057)	(5 211)	2 079
Cash flows from financing activities			
Acquisition of own shares	-	-	(8 053)
Capital distribution	-	(22 729)	(26 210)
Repayment of other financial liabilities	-	(10 000)	(35 000)
Net cash flows from discontinued operations	407	(94)	-
Cash inflow/(outflow) from financing activities	407	(32 823)	(69 263)
Net increase in cash and cash equivalents	8 444	19 578	3 972
Effect of exchange rate fluctuations on cash held	998	40	(13)
Net cash and cash equivalents at the beginning of the period	34 050	30 075	30 091
Net cash and cash equivalents at the end of the period	43 492	49 693	34 050

NOTES TO THE CONDENSED
CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

REPORTING ENTITY

PBT Group is a holding company domiciled in South Africa, listed on the JSE Limited under the category Technology: Software and Computer Services. The unaudited condensed consolidated interim results of the Company comprise the Company and its subsidiaries (together referred to as the Group or PBT Group).

STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim results have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008 of South Africa and the JSE Listings Requirements.

BASIS OF PREPARATION

The accounting policies applied in the presentation of the unaudited condensed consolidated interim results are consistent with those presented in the previous annual financial statements, except for the new standards that became effective for the Group's financial period beginning 1 April 2018.

The unaudited condensed consolidated interim results have not been audited or reviewed by the Group's external auditors.

These unaudited condensed consolidated interim results have been prepared in accordance with the historical cost basis, under the supervision of the financial director, Murray Low.

The unaudited condensed consolidated interim results are presented in Rand, which is the Group's functional and presentation currency, rounded to the nearest thousand.

The Board of Directors approved these interim results on 28 November 2018.

CHANGE IN ACCOUNTING POLICIES

The Group has adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 April 2018. IFRS 15 does not have a material effect on the Group's financial statements.

JUDGEMENTS AND ESTIMATES

Preparing the unaudited condensed consolidated interim results 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 expense. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim results, 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 consolidated financial statements as at and for the year ended 31 March 2018.

SUBSEQUENT EVENTS

On 30 October 2018, as a result of the implementation of Special Resolution Number 1 at the general meeting held on 28 September 2018, 305 062 917 treasury shares were cancelled and delisted. Refer to note 4.

On 2 November 2018, as a result of the implementation of Special Resolution Number 2 at the general meeting held on 28 September 2018, a share consolidation on the basis of one ordinary share for every 10 authorised and issued ordinary shares, with all fractional entitlements rounded down to the nearest whole number, was effective. Refer to note 4.

2. HEADLINE EARNINGS PER SHARE RECONCILIATION

	Unaudited six months ended	Unaudited six months ended	Audited year ended
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	30 September 2018		30 September 2017		31 March 2018	
	Gross R'000	Net R'000	Gross R'000	Net R'000	Gross R'000	Net R'000
Continuing operations						
Profit attributable to equity holders of the parent		3 093		(5 255)		(145 836)
Adjusted for:						
Add: Losses on disposal of property, plant and equipment	141	110	-	-	-	-
Add: Impairment loss on goodwill and intangible assets	-	-	-	-	125 600	125 600
Headline earnings		3 203		(5 255)		(20 236)
Discontinued operations						
Profit attributable to equity holders of the parent		9 114		897		(42 281)
Adjusted for:						
Add: Fair value measurement on discontinued operations	12 842	12 842	-	-	-	-
Less: Foreign currency translation reserve released to profit or loss	(20 723)	(20 723)	-	-	-	-
Add: Restatement to fair value of discontinued operations	-	-	-	-	16 371	16 371
Add: Impairment loss on goodwill and investments	-	-	-	-	26 477	26 477
Less: Change in fair value of investment property	-	-	-	-	(3 545)	(3 545)
Headline earnings		1 233		897		(2 978)
Headline earnings per share (cents)						
- Continuing operations		0.23		(0.33)		(1.35)
- Discontinued operations		0.09		0.06		(0.20)
Diluted headline earnings per share (cents)						
- Continuing operations		0.23		(0.33)		(1.35)
- Discontinued operations		0.09		0.06		(0.20)

SUBSEQUENT TO INTERIM PERIOD

Should the cancellation of treasury shares and share consolidation have been effective on 30 September 2018, earnings per share and diluted earnings per share from continuing operations would have been 2.84 cents, earnings per share and diluted earnings per share from discontinuing operations would have been 8.36 cents, headline earnings per share and diluted headline earnings per share from continuing operations would have been 2.94 cents and headline earnings per share and diluted headline earnings per share from discontinuing operations would have been 1.13 cents.

Headline earnings per share has been calculated in accordance with Circular 4/2018 issued by the South African Institute of Chartered Accountants.

Diluted earnings per share is equal to basic earning per share. Diluted headline earnings per share is equal to headline earnings per share.

3. DISCONTINUED OPERATIONS

On 28 September 2018, shareholders approved the transactions as previously communicated to shareholders in the Circular and Supplementary Circular posted on 23 March 2018 and 28 August 2018 respectively.

The proposed transaction included the disposal by the PBT Group of Prescient Capital Proprietary Limited and its subsidiaries ("Prescient Capital"), where the AQC purchased Prescient Capital from the PBT Group by offering the PBT Group shares owned by the AQC to the PBT Group. In addition, the AQC purchased the Prescient Holdings shares owned by the PBT Group from the PBT Group by offering the PBT Group shares owned by the AQC to the PBT Group.

The proposed transactions have been completed, and Prescient Capital no longer forms part of PBT Group Limited. The repurchased shares were treated as treasury shares from the date of the approval and thereafter cancelled and delisted. Refer to note 4.

	Unaudited	Unaudited	Audited
	six months ended 30 September 2018 R'000	six months ended 30 September 2017 R'000	for the year ended 31 March 2018 R'000
Results of discontinued operations			
Revenue	4 816	2 687	11 543
Other income	1 124	191	2 315
Expenses	(4 770)	(1 881)	(56 302)
Operating profit/(loss)	1 170	997	(42 444)
Foreign currency translation reserve released to profit or loss*	20 723	-	-
Fair value measurement on discontinued operations*	(12 842)	-	-
Profit/(loss) before taxation	9 051	997	(42 444)
Taxation	63	(100)	163
Results from operating activities, net of tax	9 114	897	(42 281)
Profit for the period	9 114	897	(42 281)
Earnings per share (cents)	0.65	0.06	(2.82)
*IFRS adjustments from non-operating activities.			
Cash flows from/(used in) discontinued operations			
Net cash from operating activities	791	2 072	24 816
Net cash used in investing activities	(937)	(1 301)	30 405
Net cash from financing activities	407	(94)	(54 363)

Net cash flow for the period	261	677	858
Major classes of assets and liabilities held for sale			
Property and equipment	-	120	48
Investment property	-	51 297	36 428
Goodwill and intangible assets	-	22 722	-
Long-term loans receivable	-	161	288
Investment in equity-accounted investee	-	289	-
Financial assets at fair value through profit or loss	-	26 225	17 777
Trade and other receivables	-	4 009	920
Taxation receivable	-	18	128
Cash and cash equivalents	-	2 123	1 532
Deferred tax liability	-	(930)	(303)
Long-term loans payable	-	(8 004)	(5 260)
Trade and other payables	-	(3 377)	(1 009)
Net assets and liabilities	-	94 653	50 549
Consideration received in cash**	-	-	(4 789)
Cash and cash equivalents	-	(2 123)	(1 532)
Net cash inflow	-	(2 123)	(6 321)

**A deposit of R4.8 million was received from Prescient Capital on 6 October 2017.

4. SHARE CAPITAL

	Unaudited six months ended 30 September 2018 R'000	Unaudited six months ended 30 September 2017 R'000	Audited for the year ended 31 March 2018 R'000
Authorised			
2 000 000 000 ordinary shares of no par value**	-	-	-
Reconciliation of number of shares issued (thousands)			
Reported as at 1 April	1 669 251	1 669 251	1 669 251
Number of shares as at 30 September	1 669 251	1 669 251	1 669 251
Treasury shares cancelled*	(305 063)	-	-
Share consolidation**	(1 227 769)	-	-
Number of shares as at date of report	136 419	1 669 251	1 669 251
63 581 251 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.			
Issued			
Ordinary shares of no par value	117 935	121 286	117 805
Reconciliation of treasury shares during the period (thousands)			
Opening balance as at 1 April	270 188	9 872	9 872
Purchased by PBT Group Limited	-	-	47 777
Purchased by subsidiary	-	2 221	2 221
Specific repurchase as per specific authority granted*	305 063	209 407	210 318
Treasury shares as at 30 September	575 251	221 500	270 188
Treasury shares cancelled*	(305 063)	-	-
Share consolidation**	(243 169)	-	-
Treasury shares as at date of report***	27 019	-	-

* On 28 September 2018, the shareholders approved Special Resolution Number 1 for the specific repurchase of 305 062 917 ordinary shares and the subsequent cancellation of the treasury shares. The effective date of the cancellation of the treasury shares was 30 October 2018 and the shares were delisted.

** On 28 September 2018, the shareholders approved Special Resolution Number 2 for a share consolidation on the basis of one ordinary share for every 10 authorised and issued ordinary shares, with all fractional entitlements rounded down to the nearest whole number. The effective date of the share consolidation was 2 November 2018. As a result of the share consolidation, the number of authorised shares in issue as at the date of this report is 200 000 000.

*** The Treasury shares as disclosed, are shares held by PBT Group Limited. As per Section 35(5) of the Companies Act, shares that are acquired by a company have the same status as shares that have been authorised but not issued. In light of a number of share transactions and pending corporate actions, the directors have decided to disclose the shares held by PBT Group Limited as Treasury shares as contemplated in IAS 32.33.

5. INCOME TAX EXPENSE

	Unaudited six months ended 30 September 2018 R'000	Unaudited six months ended 30 September 2017 R'000	Audited for the year ended 31 March 2018 R'000
Tax recognised in profit or loss			
Current year			

Local income tax - current period	5 094	6 500	8 431
Local income tax - recognised in current tax for prior periods	(191)	-	(1 570)
Securities transfer tax	-	-	22
Withholding tax - Section 6quat(1C) - current period	1 261	6 523	6 826
Withholding tax - Section 6quat(1C) - prior period	1 369	3 496	8 832
	7 533	16 519	22 541
Deferred tax expense			
Originating and reversal of temporary differences	(958)	(3 362)	(523)
Income tax expense on continuing operations	6 575	13 157	22 018

6. SEGMENT REPORT

The reportable segments for the current financial year are according geographical areas, namely South Africa, Middle East/Africa, Australia and Europe.

-South Africa includes consulting and implementation of data, management information software and healthcare administration services in the Republic of South Africa.

-Australia includes consulting and implementation of data, management information software and healthcare administration services in Australia.

-Europe includes consulting and implementation of data, management information software in Europe.

-Middle East/Africa includes consulting and implementation of data, management information software in Middle East and Africa.

	South Africa			Australia			CONTINUING OPERATIONS Europe			Middle East/Africa			Other			Total		
	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Segment revenue	219 846	200 193	410 270	29 496	38 846	64 383	3 476	-	-	28 215	44 446	80 958	-	-	483	281 033	283 485	556 094
Segment profit/(loss) before tax	13 871	19 829	30 536	(608)	3 499	1 693	1 869	-	-	1 072	(18 672)	(46 377)	(2 437)	6 910	380	13 767	11 566	(13 768)
Segment assets*	109 173	108 004	90 493	23 348	26 749	20 283	3 435	-	-	14 247	57 140	26 046	27 281	37 119	28 305	177 484	229 012	165 125
Segment liabilities	(28 063)	(26 924)	(27 633)	(6 583)	(7 851)	(4 748)	(56)	-	-	(7 712)	(34 122)	(7 424)	(973)	(1 944)	(4 948)	(43 387)	(70 841)	(44 754)

	South Africa			Australia			DISCONTINUED OPERATIONS Europe			Middle East/Africa			Other			Total		
	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	4 816	-	11 543	4 816	-	11 543
Segment profit/(loss) before tax	-	-	-	-	-	-	-	-	-	-	-	-	9 051	897	(19 559)	9 051	897	(19 559)
Segment assets*	-	-	-	-	-	-	-	-	-	-	-	-	-	84 241	57 121	-	84 241	57 121
Segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	(12 310)	(6 572)	-	(12 310)	(6 572)

	South Africa			Australia			GROUP Europe			Middle East/Africa			Other			Total		
	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	Mar 2018	Sept 2018	Sept 2017	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Segment revenue	219 846	200 193	410 270	29 496	38 846	64 383	3 476	-	-	28 215	44 446	80 958	4 816	-	12 026	285 849	283 485	567 636
Segment profit/(loss) before tax	13 871	19 829	30 536	(608)	3 499	1 693	1 869	-	-	1 072	(18 672)	(46 377)	6 614	7 807	(19 179)	22 818	12 463	(33 328)
Segment assets*	109 173	108 004	90 493	23 348	26 749	20 283	3 435	-	-	14 247	57 140	26 046	27 281	121 360	85 426	177 484	313 253	222 246
Segment liabilities	(28 063)	(26 924)	(27 633)	(6 583)	(7 851)	(4 748)	(56)	-	-	(7 712)	(34 122)	(7 424)	(973)	(14 254)	(11 520)	(43 387)	(83 150)	(51 326)

* Goodwill is not managed as part of segment assets and has therefore been excluded.

COMPANY INFORMATION

Country of incorporation:	South Africa
Nature of business and principal activities:	Information management and data analytics services
Directors:	Tony Taylor (Independent Non-Executive Chairman) Pierre de Wet (Chief Executive Officer) Murray Louw (Financial Director) Cheree Dyers (Independent Non-Executive Director) Herman Steyn (Non-Executive Director) Arthur Winkler (Independent Non-Executive Director)
Audit and Risk Committee:	Arthur Winkler (Chairman) Cheree Dyers Tony Taylor
Remuneration and Nomination Committee:	Cheree Dyers (Chairman) Herman Steyn Tony Taylor Arthur Winkler
Social and Ethics Committee:	Cheree Dyers Tony Taylor Elizna Read
Company Secretary:	Bianca Pieters PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa

Registered office: PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa
Postal address: PO Box 276, Century City, 7446, South Africa
Registration number: 1936/008278/06
Auditors: BDO Cape Incorporated
Sponsor: Sasfin Capital, a member of the Sasfin Group
Transfer secretaries: Link Market Services South Africa Proprietary Limited
PO Box 4844, Johannesburg, 2000, South Africa
19 Ameshoff Street, Braamfontein, 2001, South Africa
JSE share code: FBG
ISIN: ZAE000256319
Website: www.pbtgroup.co.za