PRESCIENT
LIMITED

INTEGRATED REPORT 2013

PRESCIENT
LIMITED

CONTENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2008 (Act No. 71 of 2008). The financial statements have been audited in compliance with this Act.

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Financial and IT Services
Directors	Murray Louw (*Non-executive Chairman*) Herman Steyn (*Chief Executive Officer*) Michael Buckham (*Financial Director*) Monty Kaplan (*Lead Independent Non-executive*) Zane Meyer (*Independent Non-executive*) Keneilwe Moloko (*Independent Non-executive*) Heather Sonn (*Independent Non-executive*) Ronell van Rooyen (*Non-executive)*
Registered office	Prescient House Westlake Business Park Otto Close Westlake 7945 South Africa
Postal address	PO Box 31142 Tokai 7966
Website	www.prescient.co.za
Auditor	KPMG Inc.
Company Secretary	Bianca Pieters Unit 3 Knowledge Park 3 Century Boulevard Century City 7441
Company registration number	1936/008278/06
Audit Committee	Zane Meyer (Chairman) Keneilwe Moloko Heather Sonn
Remuneration Committee	Zane Meyer Keneilwe Moloko Heather Sonn
Nomination Committee	Monty Kaplan Zane Meyer Keneilwe Moloko
Social and Ethics Committee	Michael Buckham Murray Louw Ronell van Rooyen
Sponsors	Bridge Capital Advisors (Proprietary) Limited
Transfer secretaries	Link Market Services South Africa (Proprietary) Limited PO Box 4844 Johannesburg 2000 19 Ameshoff Street Braamfontein 2001

GLOSSARY OF TERMS

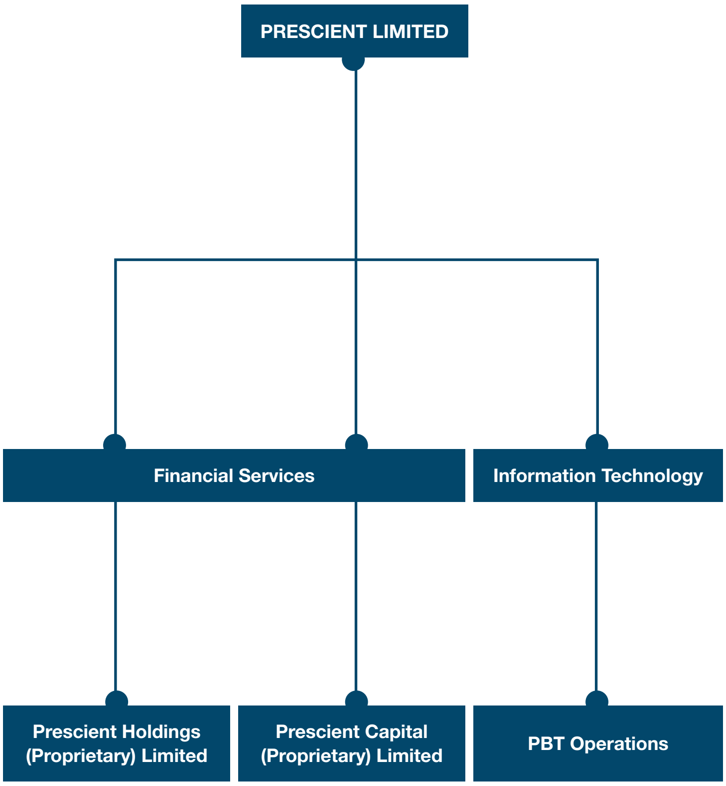
APC	Accounting Practices Committee
ASISA	Association of Savings and Investment in South Africa
AUM	Assets under management
BEE or B-BBEE	Broad-based Black Economic Empowerment
BI-Blue	BI-Blue Consulting (Proprietary) Limited
CEO	Chief Executive Officer
CRISA	Code for Responsible Investing in South Africa
CyberPro	CyberPro Consulting (Proprietary) Limited
DWT	Dividend Withholding Tax
EMH Prescient	EMH Prescient Holdings, including its subsidiaries, EMH Prescient Investment Managers (Proprietary) Limited and EMH Prescient Unit Trust Limited
ESG	Environment, Social and Governance
FEC	Foreign Exchange Contract
FSB	Financial Services Board
Greenfields Institute of Business or Greenfields or GIB	Greenfields Institute of Business (Proprietary) Limited
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IT	Information technology
King III	The King Report on Corporate Governance (2009)
Listing Date	20 August 2012
MOI	Memorandum of Incorporation
MSCI	MSCI World, a stock market index of “world” stocks, maintained by MSCI Inc., formerly Morgan Stanley Capital International
NAMFISA	Namibia Financial Institutions Supervisory Authority
Nedgroup	Nedgroup Investments (Proprietary) Limited
PBT (SA)	PBT Technology Services (Proprietary) Limited
PBT Australia	PBT IT Business Solutions (Australia)
PBT Infosight or Infosight	PBT Infosight (Proprietary) Limited
PBT Insurance Technologies or PBTit	PBT Insurance Technologies (Proprietary) Limited
PBT or the PBT Group	The PBT Group of Companies
PDI	Previously disadvantaged individuals
Prescient Administration Services or PAS	Prescient Administration Services (Proprietary) Limited
Prescient Capital	Prescient Capital (Proprietary) Limited
Prescient Holdings	Prescient Holdings (Proprietary) Limited
Prescient Investment Management or PIM	Prescient Investment Management (Proprietary) Limited
Prescient Ireland	Prescient Asset Management Holdings (Ireland) Limited and its subsidiaries
Prescient Life	Prescient Life Limited
Prescient Khawuleza	Prescient Khawuleza (Proprietary) Limited
Prescient Management Company	Prescient Management Company Limited
Prescient Securities	Prescient Securities (Proprietary) Limited
Prescient Wealth Management	Prescient Wealth Management (Proprietary) Limited
Prescient or Prescient Limited or the Company or the Group or the Prescient Group	Prescient Limited and its subsidiaries
QFII	Qualified Foreign Institutional Investor
RI	Responsible Investment
SAFEX	South African Futures Exchange
SAICA	South African Institute of Chartered Accountants
Stadia Fund Management or Stadia	Stadia Fund Management Limited (Ireland)
STC	Secondary Tax on Companies
The Board	The Board of Directors of Prescient Limited
The Companies Act	The Companies Act, 2008 (Act No. 71 of 2008)
The JSE	The Johannesburg Stock Exchange
UCITS	Undertakings for Collective Investments in Transferable Securities
UNPRI	United Nations Principles of Responsible Investing

THE PRESCIENT GROUP

Prescient Limited is listed on the JSE and is a diversified global financial services and IT group. The Prescient Group's main services comprise global financial, business intelligence, and information management solutions services.

The two main operating segments, financial services and IT services, both commenced operations in 1998 as two separate businesses, brought together into a single structure when Prescient Limited listed on the JSE on 20 August 2012 through a reverse acquisition of PBT.

PRESCIENT LIMITED STRUCTURE



BUSINESS MILESTONES

1998
- Launched Prescient Investment Management with interest-bearing and Positive Return mandates
- Launched PBT as Prescient Business Technologies

1999
- Established Prescient Securities

2003
- Established Prescient Management Company

2004
- Commenced 3rd party administration
- Established a staff and BEE shareholding

2006
- Registered Prescient Life and launched Pre- and Post-retirement products
- Launched Equity Active Quant as an investment mandate

2007
- Prescient Investment Management approved as a Promoter and Investment Manager in Dublin, Ireland
- Launch of Global Funds – Global Growth, Income and Positive Return

2008
- Established Prescient Investment Management office in Johannesburg
- Consolidation of Prescient Securities into Group through purchase by Prescient Holdings

2009
- Opened representative office in Shanghai

2010
- Opened offices in Stellenbosch, Pretoria and Durban
- Established Prescient Administration Services
- Listing of PBT on the JSE through reverse acquisition

2011
- Established a joint venture in Namibia (EMH Prescient)
- Established Prescient Wealth
- Approval of Stadia Fund Management as UCITS management company in Dublin
- Launched Africa Equity Fund

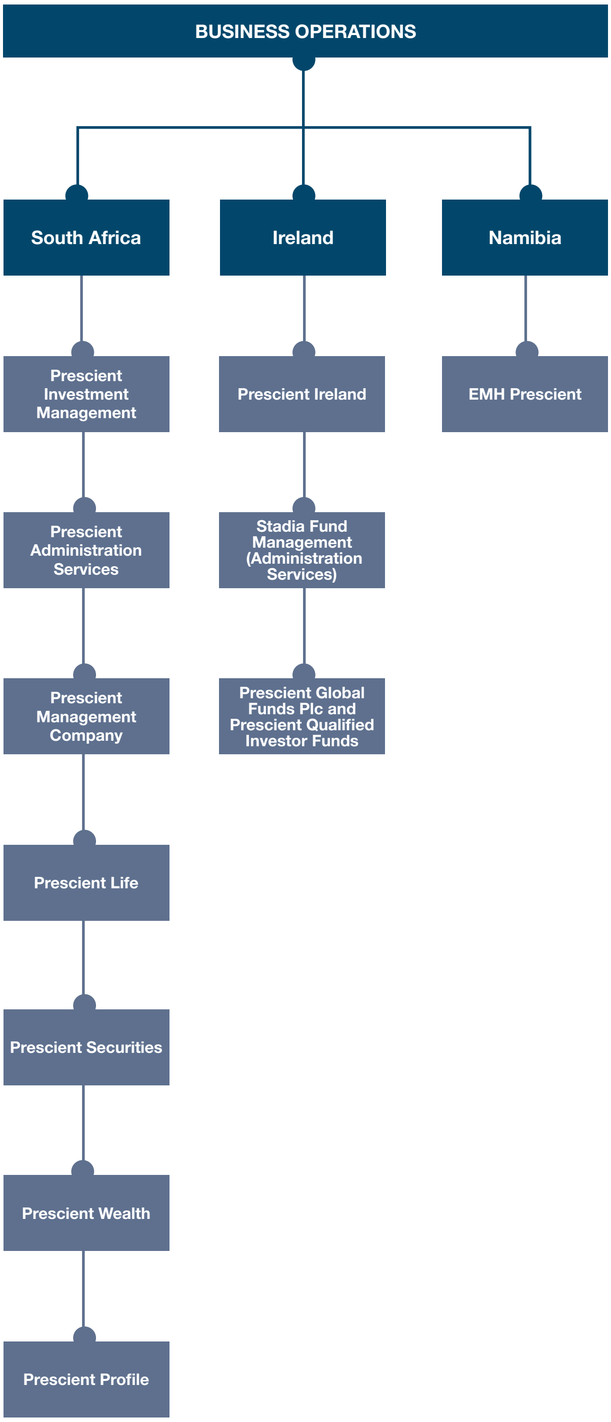
2012
- Acquisition of Prescient Ireland
- Listing of Prescient Holdings on the JSE through reverse acquisition
- Approval of QFII licence
- Acquisition of CyberPro and BI-Blue

2013
- Established the Prescient China Balanced Fund with a $50 million allocation through the QFII licence

THE PRESCIENT GROUP

FINANCIAL SERVICES

Prescient was launched in 1998 as a quantitative investment management firm and soon thereafter established stockbroking and information technology firms. Over the years, Prescient has evolved into a partnership of people and companies servicing a broad range of clients. Our business has been structured to efficiently and seamlessly meet the needs of our clients and the investing community.



PRESCIENT INVESTMENT MANAGEMENT

Prescient Investment Management is a leading quantitative investment management firm specialising in the delivery of superior risk adjusted returns across a range of mandates. Mandates are structured to manage downside risk in absolute terms or relative to an agreed benchmark.

PIM is well represented in the savings market and has, since inception, grown to be the eleventh largest asset manager in South Africa measured by third party assets. Our process of limiting losses is well suited to clients who are concerned about benchmark relative losses, and also those focusing on absolute capital preservation. This focus on downside volatility is key, particularly in the current environment where interest-bearing assets offer negative or low real yields and equity market uncertainty is high as economic conditions remain tentative.

PIM has enjoyed strong organic growth, with mandates largely growing across institutional (retirement, multi-manager and corporate) clients on a word-of-mouth basis. Considering the size of the South African retail market, our penetration has been low and we see that as a growth opportunity. We have grown our retail team and now have representatives in Cape Town, Johannesburg, Pretoria, Durban and Stellenbosch. The development of investment tools, which aid Independent Financial Advisors in making fund and asset allocation choices, should further bolster our efforts in this market.

PIM has invested in staff and research over the years and see the equity market as a specific area of growth. The renewed focus on cost effective delivery make index funds, which have traditionally not gained favour in South Africa, more attractive and we have index as well as quantitative equity products available to the market. The focus on reducing the Total Expense Ratio of funds is key in the retail market and our equity offering is an attractive core – for broker and fund – of funds products.

The ability to compete not only in South Africa but in a global context has become more important and we will continue to do so as exchange control is lifted. In this regard, the Group acquired Prescient Ireland, a Dublin-based investment management firm. The acquisition has increased the Group's asset base and also enhanced the investment skill set.

Our quantitative process is complemented by a fundamental stock selection approach. We exploit market behaviour that tends towards emphasising and extrapolating short-term data on companies, and incorrectly values the persistency of returns.

The Group currently has a representative office in Shanghai and global expansion will include offering investment products into China and African products to Chinese investors. Prescient has been granted a Qualified Foreign Institutional Investor licence and in so doing has become the first South African asset management company with this licence.

PRESCIENT ADMINISTRATION SERVICES AND STADIA FUND MANAGEMENT

Prescient Administration Services is the administration backbone of the Group and performs administration and accounting for PIM, Prescient Management Company and Prescient Life using Eagle Investment Systems as its primary administration system. PAS offers specialist outsourced administration services to external asset managers, multi-managers and other institutional investment providers. The services include segregated portfolio administration, unitisation, daily pricing and client/member record keeping. PAS invested in and switched to the global administration software provider, Eagle Investment Systems, in 2010. The software is housed in Boston and allows for assets managed anywhere in the world to be administered on the same platform. The software is one of the few integrated valuation, accounting and reporting systems available globally. The outsourced administration market in South Africa is limited in the number of providers and we believe the strength of our administration platform will result in growth.

Prescient believes that administration is a core competency and forms an integral part of the service offering to clients. As a base for the global expansion, Stadia Fund Management was established in Dublin in 2009. Stadia provides the valuation and pricing services for all Prescient's global funds, including three UCITS approved unit trusts and five Qualified Investor Funds.

PRESCIENT MANAGEMENT COMPANY

Prescient Management Company offers a range of Collective Investment Schemes (unit trusts) available to institutional as well as individual retail investors, directly or via Linked Platform suppliers. The Prescient unit trust range forms the base of the Group's offering to the retail market.

Prescient Management Company also selectively enters into co-name partner arrangements with other asset managers, where Collective Investment Schemes are "hosted" for these managers. Many managers wish to focus only on asset selection and prefer to outsource administration to a provider of service excellence.

PRESCIENT LIFE

Prescient Life holds a linked life licence under which it issues investment linked policies. Prescient Life offers retail retirement and savings products such as living annuities and endowment policies. It also offers various Prescient Investment Management products in pooled vehicles which can be accessed by institutional clients. Similar to Prescient Management Company, the Prescient Life pooling vehicles are also available to other assets managers under a white-labelled arrangement with full administration services. This has been an attractive offering to multi-managers, in particular, requiring fund valuation and administration services.

PRESCIENT SECURITIES

Prescient Securities is a niche BEE stockbroker, primarily focused on the institutional market. Prescient Securities attributes their success to their client-focused culture.

The value proposition stands on four pillars, being:

- Quality execution
- Focused value-added research
- Strong BEE credentials
- Confidentiality

The trade services span the Equity, Derivative and Fixed Income markets. They also provide focused research across these markets, coupled with an overarching economic research product, both in SA and the rest of Africa.

Trade Platforms

Prescient Securities has an established equity and derivative trade offering in South Africa and a Global Trade Platform for institutional clients. The offering is:

- A global equity trade facilitated platform
- Global equity settlement service
- A commission management service
- Trade costs analysis (TCA) service

The offering also includes a growing local and international Private Client stockbroking service, as well as a private client portfolio management service.

PRESCIENT WEALTH MANAGEMENT

Prescient Wealth Management was established in December 2010 as a private client wealth management company. To Prescient, this market is largely untapped and we will enter this market over time, either by acquiring desired skills or potential joint ventures. Over time, the offering should include investment advice, fund of fund or multi-manager funds, stockbroking services, tax and will services.

EMH PRESCIENT

EMH Prescient Investment Management

EMH Prescient Investment Management was established on 26 January 2011 in Namibia and is an independent investment management company specialising in the portfolio and risk management of institutional, pension, provident fund and retail assets.

EMH Prescient's expertise encompasses the management of portfolios comprising interest-bearing, equity and derivative instruments. EMH Prescient also formulates and implements risk management structures to enhance the risk-adjusted return profiles of portfolios.

EMH Prescient Unit Trust

In April 2012, EMH Prescient Unit Trust Limited was awarded its trading licence from NAMFISA to provide a pooled solution to our segregated clients and the retail market at large.

The management company offers a range of unit trust funds to the institutional and retail market in Namibia.

PRESCIENT CAPITAL

Prescient Capital was established as an investment holding company for the diversified interests of the Prescient Group outside of investment management and stockbroking. The primary interests of Prescient Capital include an investment in a wholly-owned subsidiary, Stadia Capital Limited, a property -owning entity with its primary interest in an exclusively located building in Upper Mount Street in Dublin. In addition Prescient Capital owns a share in a property-owning entity in South Africa.

THE PRESCIENT GROUP

Prescient Capital has a 50% shareholding in Greenfields Institute of Business.

Greenfields Institute of Business

Greenfields Institute of Business, is a South African accredited training and business solutions company. Greenfields offers face-to-face training, call centre capabilities, marketing research and assessments as well as strategic and customer-oriented consulting. Greenfields has an established contact centre as well as sophisticated market research online tools.

Greenfields Health and Risk, a division of Greenfields Institute of Business has its own cell captive business through Guardrisk and provides life, disability, health insurance as well as income protector products underwritten by Gen Re.

Stadia Capital

Stadia Capital holds the shares of Stadia International Limited, which owns Stadia Fund Management Limited, a company which provides fund administration services in Ireland.

PBT GROUP

The PBT Group conducts business intelligence and information management services to large national and international clients in South Africa, Africa, Middle East and Australia. In addition, the PBT Group provides specialist healthcare management solutions and services. PBT has remained focused on achieving its vision to be the preferred business intelligence and information management service provider to large national and international clients.

BUSINESS OPERATIONS

- **South Africa**
  - PBT Technology Services
  - PBT Infosight
  - Strictlands Tetra Cape
  - PBT Insurance Technologies
  - BI-Blue
  - CyberPro
  - Technique Business Intelligence Software
- **Australia**
  - PBT IT Business Solutions

PBTit, a provider of specialist healthcare management solutions and services, was incorporated under the PBT banner, due to the strong alignment in organisational values and with the view to exploit mutually beneficial synergies and opportunities. In addition, as a result of the tremendous growth within the company, the acquisition of InfoSight, the inclusion of PBTit and, in order to structurally align and position itself with its vision, Prescient Business Technologies changed its name to PBT Group.

PBT Australia opened its doors in Melbourne in 2008 providing a service offering encompassing the focus areas of both its respective sister companies, PBT (SA) and PBTit.

PBT Group has a global base of highly respectable clients in a variety of industries, including banking, insurance, medical healthcare and telecommunications.

The Group has a staff complement of more than 350 highly skilled and professional consultants having worked in more than 25 countries around the world.

ACHIEVEMENTS

The 2013 financial year was a year in which the Prescient Group embarked on a number of corporate and structural changes, including a listing on the JSE and the expansion of the Group through a number of acquisitions. The operational units, however, continued to focus on their core strengths, resulting in a number of exciting initiatives being offered to the market and some of the Prescient funds and services generating recognition amongst peers and in the industry. Our focus at Prescient is to lay the necessary foundations in order that our skilled staff can deliver effectively to our clients.

GIVING ORDINARY SOUTH AFRICAN INVESTORS ACCESS TO THE CHINESE STOCK MARKET

Prescient became the first investment house in Africa to be awarded a QFII licence by Chinese authorities in 2012 and launched the Prescient China Balanced Fund, giving ordinary South African investors access to the Chinese stock market. South African investors are now able to access the Prescient China Balanced Fund in one of two ways; by subscribing to units directly in Ireland by using their offshore exchange control allowance, or by investing via the rand-denominated Prescient China Balanced Feeder Fund in South Africa. Prescient raised $50m for the first tranche into China and the money was invested in March this year. A second allocation will be sought during September 2013.

PERFORMANCE FOR AFRICA

The Prescient Africa Equity Fund was the number one performing fund across all unit trust funds in South Africa in 2012, delivering a return of 48.5%. The Prescient Africa Equity Fund is accessed by most clients indirectly as it forms a portion of the Prescient Balanced QuantPlus® Fund, but it is available directly. Regulation 28 allows for an additional 5% offshore allocation as an investment in Africa.

PRESCIENT SECURITIES

Prescient Securities' stature as a niche participant in the South African stockbroking industry is affirmed with a strong performance in the following industry surveys:

2013 *Financial Mail* Rating of the Analysts (Equities & Derivatives) – Highlights

- #1 – Financial and Industrial Small & Medium Market Cap Companies
- #2 – Derivatives Research, Derivatives Trading, Risk Management, Electronic & Electrical Equipment
- #3 – Hotels, Travel & Leisure
- #4 – Resources Small & Medium Market Cap Companies, Quantitative Analysis

2012 Spire Awards (Fixed Income & Derivatives) – Highlights

- #1 – Best Agency Broker: Interest Rate Derivatives – Volumetric,
- #1 – Best Agency Broker: Forex – Volumetric
- #3 – Best Agency Broker: Cash Bonds

PRESCIENT INVESTMENT MANAGEMENT

Prescient Investment Management was the recipient of several nominations in recognition of excellence and was awarded Overall Investments/Asset Manager and Absolute Returns Manager of the Year during this tenure.

2008

- Balanced Fund – Raging Bull Award – Risk adjusted returns by a Domestic Collective Investment Scheme for a five-year period ending December 2009

2010

- Morningstar five Star Award for Balanced Fund
- Raging Bull Award for Nedgroup Bond QuantPlus Fund
- Nominated Cash Manager of the Year
- Nominated Equities Manager of the Year

2011

- Raging Bull Award – Bond Fund - Top Performance for a three-year period ending 31 December 2010
- Raging Bull Award – Bond Fund - Best Performance Risk Adjusted for a five year period ending 31 December 2010
- Nominated Cash Manager of the Year
- Nominated Overall Investment Manager of the Year

2012

- Morningstar Award – Category winner ZAR Diversified Bond
- Awarded Overall Investments/Asset Manager of the Year

2013

- Nominated Cash Manager of the Year
- Awarded Absolute Return Manager of the Year

CHAIRMAN'S REPORT

"THE KEY FOCUS FOR PRESCIENT REMAINS ITS SERVICE DELIVERY TO CLIENTS, PROVIDING THE RIGHT PRODUCTS, AT THE RIGHT TIME, TO ENSURE THAT CLIENTS' NEEDS ARE CATERED FOR IN ALL CIRCUMSTANCES."

The 2013 financial year was a significant year in the evolution of the Prescient Group, representing a period of consolidation to provide a platform for future growth. The listing of Prescient Holdings on the JSE, through a reverse acquisition of PBT Group Limited, created a structure that will take the Group into the next phase of its development as a diversified international financial services and IT business.

This Integrated Report is the first produced in terms of the current structure of the Group and is the first step in our journey towards producing a comprehensive Integrated Report. The Financial Director highlights key financial features in his report on pages 16 to 18.

The two main business segments – financial services and IT services – appear, on the surface, to be divergent operating segments. However, both rely on dedicated and focused teams which employ similar disciplines and intellectual protocols. Through their collaboration, these form a progressive new synergistic unit. Both segments are highly cash generative and do not require significant reinvestment of these cash resources to sustain growth. The two segments will continue to focus on their core areas of expertise, driven by a combined vision at a Group level.

Since its inception in 1998, the financial services segment, through its investment management operating unit, has delivered a quantitative investment philosophy to clients that provide a risk-managed approach, designed to reduce the degree of uncertainty inherent in declining markets, while also ensuring a steady return when markets are positive. The segment as a whole has diversified across all areas of the investment industry, bringing numerous products to the market, ranging from stockbroking, administration and retirement products to traditional unit trusts. The latter has received far greater exposure following the resignation of the Nedgroup mandates, which has allowed Prescient to market its flagship portfolios under its own banner.

Furthermore, the acquisition of Prescient Ireland has given the Group greater access to an expanded jurisdiction in which its investment philosophy is well suited. Controlling costs and diversifying the client base will be key features in the short- to medium-term.

The IT services segment continues to operate well with an international client base. A number of acquisitions during the year expanded the range of services offered by PBT and this provides a sound basis for ongoing earnings growth.

There remain considerable opportunities for growth, and the Group continues to experience strong demand for its products and services. As a result, we remain committed to investing in our people and to developing their skills, which will ensure we are able to capitalise on these opportunities.

The key focus for Prescient remains its service delivery to clients, providing the right products, at the right time, to ensure that clients' needs are catered for in all circumstances.

I look back on the 2013 financial year as a year in which we achieved many of the objectives we set ourselves and I look forward to the challenges and opportunities that face the Prescient Group in the future.

Finally, I would like to extend my thanks to all our staff for their passion, dedication and hard work.

Murray Louw

Chairman

13 September 2013

CHIEF EXECUTIVE OFFICER'S REPORT

"Prescient's founding philosophy was, and remains, the creation of an organisation which embraces the positive spirit, growth and development that a partnership with full equity participation produces."

Prescient Limited is a diversified financial services and IT group. It was launched in 1998 as a quantitative investment manager, expanding to include a stockbroking business the following year. Since then, Prescient has evolved to include an administration services division, a wealth manager, retail product offerings, a linked life company, and retirement products.

On 20 August 2012, through a reverse acquisition of PBT, Prescient Holdings listed on the JSE in the Financial Services sector.

Prescient's founding philosophy was, and remains, the creation of an organisation which embraces the positive spirit, growth and development that a partnership with full equity participation produces.

Prescient operates in an environment that demands intellectual capital and client-centric service. Two key factors to our success have been our loyal client base, which we have grown steadily over time, and the excellence of our financial and information technology. We believe that our growth will be sustained by remaining true to ideals which have brought us this far.

Investment management is central to Prescient's character. We understand risk and, as a quantitative investment manager, risk management is inherent to our investment philosophy. We define risk as the probability factor of not achieving clients' investment needs and objectives. For most clients, the significant risks they face are those of capital losses in the short-term and of not achieving investment returns above inflation in the longer-term. We are single-minded about these objectives as we manage clients' portfolios. And, as a result of consistent application of our investment philosophy, we were recognised as the Best Absolute Returns Manager in South Africa for 2013 by the Principal Officers' Association. Prior to this, Prescient was voted Best Overall Investment Manager of 2011.

Our view of risk applies equally to our institutional client base and to our retail investors. Since 2012, we have established a direct relationship with our retail clients, and through steady interaction with retail investors and financial advisors we have developed a greater understanding of their needs. Our focus will be to continually engage with them.

The global financial crisis has highlighted the need for an investment philosophy which seeks to mitigate downside exposure. This, together with the gradual transition from defined benefit to defined contribution retirement funds, has meant that individuals are now far more responsible for managing their own investment risk rather than leaving it to their employers, as was the case in the past. Prescient's risk-focused investment philosophy should thus be central to any investor's savings accumulation and retirement income provision strategies.

In Southern Africa, Prescient has offices in Johannesburg, Pretoria, Durban, Stellenbosch, Cape Town and Windhoek. However, we are also part of the global market, where we are able to offer clients the same level of service. As such, we have established an investment and administrative management capability in Dublin through the acquisition of the Dublin-based investment management business, AIB Asset Management Holdings, now Prescient Ireland.

It is important for investment managers to include China in their portfolios. Prescient is proud to be the first African financial institution to be awarded a QFII licence. This enables us to invest directly in the Chinese equity, bond, interbank and derivative markets. Our China Balanced Fund offers this capability to investors.

Africa is another fast-growing region offering exciting opportunities. The Prescient Africa Fund enables investors to take advantage of

investment opportunities through this fund, which was the top performing unit trust for the year ended 31 December 2012.

We have always made considerable investments in our administrative capabilities, believing, as we do, in the accountability we take in safeguarding our clients' assets. Through our administration businesses – Prescient Administration Services and Stadia Fund Management – this is achieved through strong processes, inculcating a culture of accountability among our skilled administrators, strong relationships with our bankers and custodians and a commitment to leading systems which provide accurate processes and reporting transparency. With our systems and people, we believe we are well placed for growth in a market that requires strong administration, which, in turn, enables us to deliver on the growing reporting and regulatory demands facing our clients.

Through Prescient Securities we offer institutional and individual client services execution in South Africa and globally. Our strong technology base allows for a single access point for all market execution. Prescient Securities also has proven research capabilities and received a number of top three ratings in the latest *Financial Mail* ratings of equities and derivatives analysts, as well as for the latest Spire Awards for fixed income and derivatives.

Prescient Life offers a full range of pre- and post-retirement products to institutional and individual clients. We strongly believe that the overriding problem in the defined contribution retirement fund environment is the dislocation between pre- and post-retirement. As a result, we have developed a process to overcome this, which we call "Seamless Transition". We have great expectations for this solution that will considerably reduce the cost burden on retirees ensuring that there is a strong link between pre- and post-retirement investment strategies.

The emphasis placed by National Treasury on the cost of managing retirement funds is welcomed, and we believe that if retirement reform principles are correctly implemented, they will put the industry on a firmer footing. We expect that these reforms will have a significant impact on the structure of the industry and that Prescient Life is well positioned to support the retirement fund industry in this endeavour.

PBT was founded in the same year as Prescient Investment Management and has grown to be a significant participant in the IT environment. The main services are business intelligence consulting and medical aid administration software. PBT provides these services in South Africa, 19 other African countries, the Middle East and Australia. As with the financial services segment, the key to PBT's successes over the years has been in providing customised solutions to a client base that demands innovation and efficiency in execution.

With the scope and diversity of our businesses, which are focused on enabling our clients to achieve their objectives, we believe that Prescient is well positioned to grow in what is sure to be a dynamic global environment.

We will look back on 2013 as a watershed year. We have brought together a diverse range of operating entities with a comprehensive product offering that reduces product concentration risk and ensures all our businesses continue to focus on enabling our clients to achieve their objectives.

Given the scope and diversity of our businesses, we believe that Prescient is well positioned to grow in a dynamic global environment and we look forward to continuing in the path we set for ourselves in 1998.

CHIEF EXECUTIVE OFFICER'S REPORT

We are grateful for the clients who have supported us and have been part of our growth over the years.

I would also like to acknowledge the enormous dedication and commitment amongst Prescient's people through the course of a year in which they were thrown so many different challenges. We have shown that hard work and an entrepreneurial spirit can achieve much in the competitive industries within which we operate.

Herman Steyn

Chief Executive Officer

13 September 2013

FINANCIAL DIRECTOR'S REPORT

"Profit before tax for the Group increased by 21% from R118.2m to R143.4m with profit after tax increasing by 44% from R71.3m to R103.0m. Revenue for the Group for the year increased by 119% from R276.6m to R605.4m."

REVIEW OF OPERATIONS

Prescient Holdings listed on the JSE, in the Financial Services sector, through a reverse acquisition of PBT on 20 August 2012.

The first six months of the year were highlighted by numerous expansion initiatives resulting in structural changes to the Group.

The most significant of these initiatives was the purchase by Prescient Holdings on 31 May 2012 of the Dublin-based investment management business, Prescient Ireland.

The financial results for the year ended 31 March 2013 include twelve months of operations for Prescient Holdings, ten months of operations for Prescient Ireland and seven months of operations for PBT.

Revenue for the Group for the year increased by 119% from R276.6m to R605.4m. The significant increase in revenue is largely attributable to the acquisitions during the year. Profit before tax for the Group increased by 21% from R118.2m to R143.4m with profit after tax increasing by 44% from R71.3m to R103.0m.

Basic earnings per share increased by 15% from 6.36 cents to 7.34 cents. Headline earnings per share increased by 18% from 6.36 cents to 7.51 cents. Included in earnings is a fair value gain of R14.3m relating to the reversal of a portion of the contingent purchase price for Prescient Ireland. The contingent purchase price is a function of AUM at Prescient Ireland at 31 May 2013 and 30 November 2013. In addition there were costs incurred relating to the Prescient Ireland acquisition and restructure of R14.8m.

FINANCIAL SERVICES

Financial Services revenue for the year was R401.6m (March 2012: R276.6m) with profit before tax of R118.7m (March 2012: R118.2m).

The increase in revenue is largely attributable to the acquisition of Prescient Ireland.

The investment management and administration businesses continue to focus on delivering appropriate investment portfolios to clients and service excellence in administration.

The investment philosophy at Prescient Investment Management focuses on risk management for clients and Prescient Positive Return will remain a core strategy. Lower equity returns during the period between the beginning of 2011 to the middle of 2012 resulted in weaker performance for the Prescient Positive Return strategy with no opportunities to lock in equity returns while still continuing to pay for protection. Since the middle of 2012, equity performance has picked up, resulting in improved returns for Positive Return.

In October 2012, Prescient Investment Management announced that it had given notice on four mandates that it managed for Nedgroup. Prescient had a retail relationship with Nedgroup where a number of Prescient's flagship mandates were marketed under the Nedgroup brand. Prescient has reached a point in its development and growth strategy where it is critical to market and sell all products under its own brand. The termination of these mandates resulted in an outflow of approximately R11.3bn of AUM.

The resignation of these mandates will allow Prescient to offer improved servicing to its client base through the consolidation of its mandates through a single entry point.

South African AUM as at 31 March 2013 was R59.6bn

Prescient launched its Prescient China Balanced Fund on 26 March 2013 with an initial quota of US$50m. The fund will invest in equity, bonds, cash and derivatives with the objective of generating inflation-beating returns at acceptable risk levels.

The Prescient Africa Equity Fund continues to deliver strong performance, gaining 53.8% for the year ended 31 March 2013. It was the top performing South African unit trust for the year to 31 December 2012.

Administration outsourcing has grown significantly throughout the year with third party assets under administration of R15.8bn at the end of the year. The growth has arisen from existing co-name partner clients and an increase in the number of new outsourced relationships. The administration business continues to invest in technology and is well placed to offer a comprehensive, cost-effective solution to clients, assisting them in complying with the increased regulatory requirements.

Prescient Securities performed well in a very competitive market due to its client-centric focus, coupled with tight cost controls.

Prescient Ireland incurred a loss of R1.2m since acquisition. This is primarily due to voluntary redundancy costs of R5.1m that were undertaken during February 2013 and March 2013.

In addition to the operational costs incurred in Prescient Ireland there were non-recurring expenses incurred in South Africa relating to pre-acquisition and lease breakage costs of R9.7m associated with the acquisition of Prescient Ireland. The business has been restructured to a large degree, but there will still be further restructuring costs incurred in the next financial period. The main focus remains the retention of the current client base and reducing the cost base.

IT SERVICES

The reverse listing of Prescient Holdings resulted in PBT's results being consolidated for seven months only. PBT contributed strongly to the Group's results, producing earnings before tax of R24.7m. Revenue of R203.8m was achieved for the period, of which R91m was derived from international operations. Strong growth in the South African operations has resulted in the percentage of international revenue to total revenue declining to 46.2% for the year from approximately 50% historically.

ACQUISITIONS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Prescient Ireland

The Group obtained control of Prescient Ireland, an investment manager based in Dublin, Ireland, by acquiring the entire issued share capital of the company for an initial R72.2m, with a further contingent amount of R16.6m. The acquisition was a continuation of the Group's expansion into the international market, will diversify the Group's earnings and client base, and provide the local client base with seamless access to global markets. Prescient's risk management and asset allocation skills fit well in the Irish market, where retirement funds' assets are still predominantly defined benefit and largely underfunded. AUM at 31 March 2013 was €4.8bn.

Reverse acquisition of PBT

On 20 August 2012 PBT acquired the entire issued share capital of Prescient Holdings. This acquisition was classified as a reverse acquisition in terms of IFRS 3 *Business Combinations* and PBT was treated as the accounting acquiree.

Prescient Capital

Prescient Capital was acquired on the listing date. Prescient Capital is an investment holding company with numerous interests in property holding companies and a Dublin-based investment administrator. Prescient Capital was acquired for a consideration of R71.7m.

FINANCIAL DIRECTOR'S REPORT

Other acquisitions included

- A 75% investment in Greenfields Institute of Business, 50% of which was acquired through Prescient Capital and a direct acquisition of 25% for a consideration of R6.2m. GIB provides marketing research and consulting services to large corporates;
- 51% of CyberPro for a consideration of R6.5m. CyberPro is a leading Microsoft-Certified software services company, and
- 100% of BI-Blue for a consideration of R8m. BI-Blue offers business intelligence services, specialising in SAP technology, to assist clients in harnessing data to improve decision-making.

If all acquisitions had taken place at the beginning of the period under review, revenue for the Group would have increased by R155.5m and profit before tax would have increased by R15.7m.

The purchase price, in excess of net identifiable assets, has been provisionally determined as goodwill. The allocation between intangible assets and goodwill will be determined during the following financial period.

PROSPECTS

The prospects for continued growth in existing products, the international expansion of the Group in Europe, the QFII licence as well as the expanded range of Prescient products in the retail market have opened the doors for a number of exciting growth opportunities in the future. The investment philosophy at Prescient will continue to be applied consistently across all our mandates to ensure that we deliver stability to our clients.

Furthermore, the administration capability at Prescient will allow for strong growth in administration to a growing client base.

Prescient Securities remains focused on offering its clients a value-add research and trade offering, enhanced by strong BEE credentials. Prescient Securities is exploring various innovative initiatives to increase its market share in South Africa and expand its trade offering to include international markets.

PBT is experiencing strong demand and growth in its South African operations and all indications are that this trend will continue throughout the next financial period. Our Oracle, IBM, SAP and Microsoft service offerings are highly regarded and in great demand. Continuous investment in these services is cementing PBT's leading position in data and information management and healthcare software.

DIRECTORATE

Executive Directors

Herman Steyn (52)

CHIEF EXECUTIVE OFFICER

Herman has been involved in the investment management industry since 1985, having held senior management positions in several established asset management companies. He began his investment management career when awarded a bursary from Old Mutual, studying a BBusSc majoring in Actuarial Science, Statistics (Hons) and Economics at the University of Cape Town, completing his BBusSc (Hons) in 1984. In 1998 Herman founded Prescient Investment Management which specialises in quantitative investment management. Herman has been involved at Prescient ever since.

Herman was appointed to the Board of Prescient Limited as the Chief Executive Officer on 13 December 2012.

Michael Buckham (40)

FINANCIAL DIRECTOR

Michael attended the University of Cape Town (UCT), completing a BBusSc with Finance and Accounting Honours in 1994. He furthered his studies with a Post-Graduate Diploma in Accounting at UCT in 1995, then qualifying as a Chartered Accountant in 1996. Michael completed his accounting articled period at Arthur Andersen & Co. in 1998. Following his articled period Michael has spent 15 years working in finance in the financial services industry. Michael obtained his CFA in 2002.

He joined Prescient in 2007 and initially took full responsibility for Prescient Life but soon expanded his scope of involvement to all financial areas within the Prescient group of companies. Michael was appointed as Financial Director of Prescient Limited to coincide with the Company's reverse listing on the JSE in August 2012.

Non-executive Directors

Murray Louw (68)

NON-EXECUTIVE CHAIRMAN

Murray is a merchant banker with extensive corporate finance experience both locally and abroad. Murray was appointed as the Non-executive Chairman of Prescient Limited on 13 December 2012.

Murray has served on the Board of PBT since March 2004.

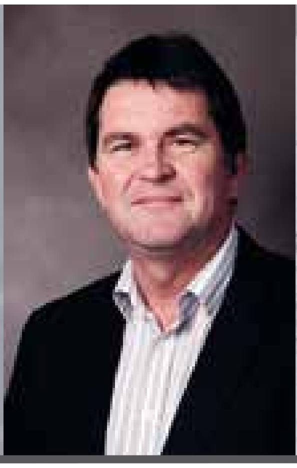
Murray is also a Non-executive Director of Trematon Capital Investments Limited, the Non-executive Chairman of MCubed Limited and a Non-executive Director of Club Mykonos Langebaan Limited.

Monty Kaplan (84)

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Monty is a previous deputy Chairman and Chief Executive Officer of Cape of Good Hope Bank Limited and previously a director of Spearhead Property Group Limited and Ingenuity Property Investments Limited respectively.

He is the former Chairman of Prescient Limited and is currently the lead Independent Non-executive Director. He is also the Chairman of the Mazor Group Limited, a Non-executive Director of Club Mykonos Langebaan Limited and the Chairman of Trematon Capital Investments Limited.



Zane Meyer (52)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Zane matriculated in 1978 from Paarl Boys' High School, and after graduating from Stellenbosch University with a law degree in 1986, he joined the Department of Justice as a public prosecutor. In 1988, Zane joined C&A Friedlander Attorneys in Cape Town as a candidate attorney before moving to SG Hoffman & van Tonder in Paarl where he was admitted as an attorney in 1990.

The following year he was appointed as a partner at SG Hoffman, Swart & Meyer, specialising in litigation, conveyancing, commercial, labour and criminal law. In 1996 the firm merged with Faure & Faure Inc. and Zane was appointed a director.

Zane is a Small Claims Court Commissioner, a member of the Paarl Rotary Club until 2013, was the Chairman of the governing body of Paarl Boys' High School from 2010 to 2012, and is currently the Chairman of the governing body of Paarl Girls High School.

An Independent Director of Prescient Life since 2006, he is also a member of the Audit Committee of the Prescient Group. Amongst other directorships, he is a director of the law firm Faure & Faure Inc., and Managing Director of Louisvale Wines Stellenbosch, which operates three farms in the Western Cape producing wine, wine grapes, deciduous fruits and citrus.

Keneilwe Moloko (44)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Keneilwe Moloko is a Chartered Accountant and a Quantity Surveyor. She has expertise in the building and construction industry and investment management field.

Keneilwe started her career as a quantity surveyor with Grinaker Building, Dawson & Frazer and CP De Leeuw Quantity Surveyors. After a period of six years in the construction industry, she went back to study in order to become a Chartered Accountant.

She completed her articles at KPMG Inc., working in the financial services and tax divisions. She later took up the position of development executive at Spearhead Properties. Thereafter, she joined Coronation Fund Managers as a fixed-interest credit analyst and a member of the Coronation Credit Committee.

She currently serves on the Board and Audit Committees of several organisations. Keneilwe has extensive knowledge in the built environment, investments and auditing.

Keneilwe was appointed to the Board of Prescient Limited on 10 July 2012.

Heather Sonn (41)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Heather has a Masters of Science in International Affairs from Georgetown University and a BA from Smith College, Massachusetts.

She served as the Chief Executive Officer of Legae Securities. She also served as the Deputy Chief Executive Officer of Wipcapital. She was a business development executive at Sanlam and an investment banking analyst at Merrill Lynch. She worked for Merrill Lynch in New York as an investment banker in global branded consumer goods and leveraged buy-outs from 1997 to 1999. On her return to South Africa, she joined Sanlam Investment Management.

She serves as an alternate director of Macsteel Service Centres South Africa. She served as director of Strate Limited and was an Independent Non-executive Director of Celcom Group Limited until 18 February 2008. She served as a director of Spescom Limited from 21 November 2007 to 28 February 2008. She served on the Board of the Nelson Mandela Foundation Investment and Endowment Committee and on the collective investment schemes' sub-committee of the Financial Services Board. She was also the President of the South African Association of Investors.

In December 2003, she was voted by the *Mail & Guardian* as one of the top South Africans to watch in the next decade.

Ronell van Rooyen (44)

NON-EXECUTIVE DIRECTOR

Ronell completed her MComm, in 1994, majoring in Econometrics at the Randse Afrikaanse Universiteit. During this time she worked at Credit Guarantee Insurance Company in the investment department. Her duties were economic research (SA and other countries) and investment administration.

In 1995 she joined Ginsburg, Malan & Carsons (Consultants and Actuaries) where she was responsible for economic and investment research. The investment research included risk/return and investment evaluation. In 1997 she started at SCMB Securities as a private client advisor. During the next two years she completed the Registered Persons and JSE Membership exams. She transferred to the institutional dealing desk in 1999.

Ronell joined Prescient Investment Management in August 2001 as a portfolio manager. In April 2004, with the advent of staff acquiring 14.8% of Prescient Investment Management, Ronell was appointed a director at Prescient Holdings, representing the interests of the Prescient staff. Ronell was the Head of Fund Management from 2009 to November 2011.

Ronell left the executive employ of Prescient during 2011 and at present she runs the Prescient Foundation.

FIVE-YEAR REVIEW

R'000s	2013	2012	2011	2010	2009
Operating results					
Revenue	**605 393**	276 595	281 198	235 196	149 548
Profit before tax	**143 382**	118 167	133 337	112 516	69 359
Earnings attributable to shareholders	**102 456**	71 324	91 856	75 567	41 555
Headline earnings attributable to shareholders	**104 817**	71 324	91 856	75 567	41 555
Dividends declared	**90 627***	106 914	36 256	51 980	40 933
Statement of financial position summary					
Non-current assets	**6 672 040**	4 941 986	5 319 987	3 720 752	986 336
Current assets	**676 985**	672 804	435 294	401 416	721 952
Total assets	**7 349 025**	5 614 790	5 755 281	4 122 168	1 708 288
Non-current liabilities	**6 099 502**	4 837 867	5 202 218	3 609 913	894 774
Current liabilities	**508 805**	672 689	418 655	373 788	697 251
Total liabilities	**6 608 307**	5 510 556	5 620 873	3 983 701	1 592 025
Shareholders' equity	**730 937**	104 234	134 457	138 467	116 263
Non-controlling interest	**9 781**	–	(49)	–	–
Total equity	**740 718**	104 234	134 408	138 467	116 263
Statistics					
Number of shares in issue**	**1 576 346 232**	1 120 596 744	1 120 596 744	1 195 041 898	1 195 041 898
Weighted average number of shares in issue	**1 396 375 360**	1 120 596 744	1 171 994 494	1 195 041 898	1 195 041 898
Net asset value per share (cents)	**46.99**	9.30	11.99	11.59	9.73
Net tangible asset value per share (cents)	**17.00**	3.11	5.98	6.28	4.42
Earnings per share (cents)	**7.34**	6.36	7.84	6.32	3.48
Headline earnings per share (cents)	**7.51**	6.36	7.84	6.32	3.48
Dividends declared for the year ended per share (cents)	**5.80**	9.49	3.03	4.35	3.43

* Includes an amount of R51.2m declared on 14 November 2012 and an amount of R39.4m declared on 25 June 2013 out of profits from financial year ended 31 March 2013.

** The number of shares in issue in the current year is per the shareholder register. The number of shares in the prior years is a conversion of the Prescient Holdings shares by the conversion ratio as set out in the Listing Circular for the reverse acquisition of Prescient Holdings by PBT. The conversion ratio was 126.76 PBT shares for one Prescient Holdings share. The decrease in the number of shares between 2010 and 2011 was due to a share buy-back in December 2010.

CORPORATE GOVERNANCE

INTRODUCTION

The Group is committed to sound corporate governance principles and therefore embraces the principles of integrity, transparency and accountability. The Group adheres to the Code of Corporate Practices and Conduct (the Code) as set out in *King III*. The directors will continue to seek to identify and mitigate significant risks, promoting sound and swift decision-making and ensure that there is continuous improvement on operational and corporate business practices underpinned by transparent communication with all stakeholders. The directors will intensify the focus on improving and codifying operational and corporate practices. This process will be continually monitored to ensure ongoing improvement in this regard.

BOARD COMPOSITION AND STRUCTURE

The Board comprised eight directors: Herman Steyn, Michael Buckham, Murray Louw, Monty Kaplan, Zane Meyer, Keneilwe Moloko, Heather Sonn and Ronell van Rooyen.

There were a number of changes to the Board during the current year. The following directors were appointed during the year:

Director's name	Appointment date
Heather Sonn	10 July 2012
Keneilwe Moloko	10 July 2012
Zane Meyer	10 July 2012
Herman Steyn	13 December 2012

In addition there was a single resignation during the year as a result of a restructure of the Board through the reverse listing of Prescient Holdings:

Director's name	Resignation date
Pierre de Wet	10 July 2012

The Board annually considers and reconfirms the classification of directors as being independent. The guidelines of *King III* were used for the 2013 classification.

The Board is of the view that Monty Kaplan, Heather Sonn, Keneilwe Moloko and Zane Meyer meet the requirements of independence in terms of *King III*.

The roles of the executive and non-executive directors are separate to ensure that no director can exercise unrestricted powers of decision-making. The Chairman provides leadership and guidance to the Board and encourages proper deliberation on all matters requiring the Board's attention while obtaining input from other directors. The executive directors are primarily responsible for implementing strategy and operational decisions in respect of the day-to-day operations while non-executive directors contribute their independent and objective knowledge and experience to Board deliberations. All non-executive directors are sufficiently qualified to contribute industry skills and their expertise.

Murray Louw is the Chairman with Monty Kaplan being the Lead Independent Non-executive Director and Herman Steyn the Group's Chief Executive Officer. The responsibilities of the Chairman and CEO are separate.

Murray is considered by the Board to be non-executive as he does not perform any day-to-day activities for the Group, however he is not independent due to the fact that he provides consulting services to some of the operating entities within the Group as well as the fact that he was the Financial Director of PBT within the last three financial years.

Michael Buckham is the Financial Director and this appointment has been recommended by the Audit Committee. In compliance with the JSE Listings Requirements, the Audit Committee shall consider, on an annual basis, the expertise and experience of the Financial Director and confirm satisfaction of his performance to the shareholders.

The directors hold office until the next Annual General Meeting at which date they will retire and, being eligible, make themselves available to be re-elected by the shareholders at the Annual General Meeting.

The non-executive directors have no fixed term of appointment and no service contracts with Prescient. Letters of appointment confirm the terms of their service.

CORPORATE GOVERNANCE

BOARD FUNCTIONING

The Board meets at least four times per year. All meetings were convened timeously by formal notice incorporating a detailed agenda supported by relevant written proposals and detailed reports. In addition, the Memorandum of Incorporation of the Company provide for material decisions taken between meetings to be ratified by way of directors' resolutions. Details of directors' attendance at Board and committee meetings during the year are set out in the table below:

Board attendance

Directors	Number of meetings attended	Eligible for the following number of meetings
Herman Steyn	1	1
Michael Buckham	5	5
Murray Louw (Chairman)	4	5
Monty Kaplan	4	5
Zane Meyer	2	2
Keneilwe Moloko	2	2
Heather Sonn	2	2
Ronell van Rooyen	5	5
Pierre de Wet	2	2

Directors declare their interests in contracts and other appointments at all Board meetings.

The Board members have ready and direct access to the Company Secretary in relation to the affairs of the Group and are entitled to obtain independent professional advice regarding Group matters at the Group's expense. All members of the Board are expected to contribute to ensuring that the Group maintains high standards of corporate governance. On request, Board members have access to Group information, records, documents and property.

BOARD COMMITTEES

In addition, the Audit Committee, Remuneration Committee, Nomination Committee and Social and Ethics Committee are appointed by the Board.

Audit Committee

The Audit Committee comprises of Zane Meyer (Chairman), Keneilwe Moloko and Heather Sonn. The Audit Committee complies with *King III* and the Companies Act requirement with regards to the composition which should consist of at least three independent non-executive directors. *King III* furthermore recommends that the Chairman of the Board should not be a member of the Audit Committee. The committee complies with this requirement as well.

In addition to the members of the Audit Committee, the meetings are attended by relevant members of the executive who are able to provide insight into the various items under review by the committee. Furthermore, the committee invites Goolam Modack to all meetings. He performs the role of an external consultant to provide guidance on various aspects under review by the committee. Goolam is a Senior Lecturer in the College of Accounting at the University of Cape Town.

The committee shall meet at least twice a year. The Audit Committee will specifically have oversight of the following functions:

- nomination for appointment by the shareholders of the external auditors;
- liaison with external auditors;
- determining the external audit fee;
- assessment of the independence of the auditor;
- regulation of non-audit work done by external auditors;
- assessment of the effectiveness of the auditing processes;
- preparation of financial statements;
- monitoring of adequacy and effectiveness of systems of internal controls;
- safeguarding the Group's and clients' assets;
- assessment of the risk management process; and
- assessment of the governance processes within the companies

Based on the requirements of the Companies Act, the individual members of the Audit Committee will be elected by the shareholders at the next Annual General Meeting.

The role of the Audit Committee is to assist the Board in fulfilling its responsibility with regard to financial and auditing oversight responsibilities, as well as the overall quality and integrity of financial and internal control matters. It also performs the prescribed statutory requirements including those applicable to the external auditor. The last mentioned includes the annual recommendation of the external auditor to the shareholders at the Annual General Meeting.

Annually the committee reviews the extent of non-audit services provided by the external auditors.

In terms of the JSE Listings Requirements, the Audit Committee must perform an annual evaluation of the financial function of the Company. The committee is satisfied that the financial function possesses the appropriate expertise and experience to meet the responsibilities required for that position.

The committee is satisfied that Prescient's external auditor is independent of the Company and has nominated the re-appointment of KPMG Inc. for the 2014 financial year. KPMG has been accredited on the JSE Limited's list of auditors in terms of the criteria of the JSE Listings Requirements.

The Audit Committee has recommended the Integrated Report to the Board for approval.

In the 2014 financial year the Audit Committee will review the internal financial controls and the internal audit charter and provide a report to the Board of Directors.

Audit Committee attendance

Members	Number of meetings attended	Eligible for the following number of meetings
Zane Meyer	2	2
Keneilwe Moloko	2	2
Heather Sonn	2	2
Michael Buckham*	1	1
Ronell van Rooyen*	1	1
Monty Kaplan*	0	1

* Prior to the appointment of Zane Meyer, Keneilwe Moloko and Heather Sonn as members of the Audit Committee the members of the committee were Michael Buckham, Ronell van Rooyen and Monty Kaplan. One meeting was held between the beginning of the financial year and the date of appointment of the existing committee.

Remuneration and Nomination Committees

The Remuneration and Nomination Committees comprise of Zane Meyer, Keneilwe Moloko and Heather Sonn and Monty Kaplan, Zane Meyer and Heather Sonn respectively; and will meet at least twice per year. The primary responsibilities of these committees will include the following:

- to ensure that the Company's Chairman, directors and senior executives are rewarded for their contributions in accordance with individual performance;
- to ensure the retention of key personnel through benchmarking executive remuneration against industry norms and taking individual and Company performance targets into account in determining executive remuneration;
- to align annual bonuses with Company performance while shareholdings align executives' interests with those of other shareholders;
- to ensure appropriate human resources strategies, policies and practices;
- to review the composition and performance evaluation of the Board and its committees;
- to oversee the Board appointment process; and
- to approve the remuneration of directors and senior executives.

The committees in their current format did not meet during the financial year however they met on 14 June 2013.

Remuneration philosophy

Underpinned by the belief that employees' remuneration packages remain an effective tool to incentivise and retain key personnel, the Group benchmarks executive remuneration against industry norms while individual and Group performance targets are taken into account. In doing so, the Group does not rely solely on market surveys but also takes applicants' remuneration expectations into consideration. Annual bonuses are aligned with Group performance and shareholding to align executives' interests with those of other shareholders. The Group has a remuneration policy which includes basic pay and incentive bonuses.

The Group continually aligns the remuneration philosophy with the business strategy within the following parameters:

- motivation of staff;
- contribution to the attraction and retention of high calibre and talented staff;
- a correlation between performance and reward;
- transparency, easily understandable, equitable, market-related and fair; and
- recognition and promotion of the development of all employees in the best interests of the Company's stakeholders.

Non-executive directors are remunerated with an annual base fee, which is presented for approval by shareholders at the Annual General Meeting.

For the financial year to 31 March 2013 the directors were remunerated as follows:

Name/Designation	Director's fees	Basic salary	Consulting services	Value of non-cash benefits	Pension contributions paid	Total
Herman Steyn	–	2 529	–	92	441	3 062
Michael Buckham	–	968	–	112	145	1 225
Murray Louw	185	–	795			980
Monty Kaplan	185	–	–	–	–	185
Zane Meyer*	116	–	–	–	–	116
Keneilwe Moloko*	116	–	–	–	–	116
Heather Sonn*	116	–	–	–	–	116
Ronell van Rooyen	175	–	–	–	–	175
Total	**893**	**3 497**	**795**	**204**	**586**	**5 975**

*Appointed on 10 July 2012

The non-executive directors are paid a fixed fee for their participation as Board members as well as for their role in the other committees.

CORPORATE GOVERNANCE

For the financial year ending 31 March 2014 the following rates of remuneration and fees for the non-executive directors are applicable and have been proposed to shareholders for approval:

Name/Designation	Total remuneration
Murray Louw*	210 000
Zane Meyer	160 000
Heather Sonn	160 000
Keneilwe Moloko	160 000
Ronell van Rooyen	160 000
Monty Kaplan	160 000
Total	1 010 000

* In addition to the director's fee of R210 000 per annum, Murray Louw is remunerated by the Company for consultancy services which are determined from time to time.

Herman Steyn, as CEO of the Group, is no longer earning a monthly cash salary as remuneration for his services to the Group. This change was effective from 1 April 2013. The Remuneration Committee is currently reviewing a share-based payment mechanism for Herman Steyn's remuneration which is still to be finalised. The terms and conditions of the share-based payment mechanism will be submitted to the JSE for approval once it is finalised and this, in turn, will be submitted to shareholders for approval at a General Meeting of shareholders. Notice of the General Meeting for this approval will be sent out in terms of the JSE Listings Requirements.

Michael Buckham, the Financial Director, will be remunerated an amount of R1.8m for the year ended 31 March 2014. This amount excludes any discretionary bonus that may be determined at the end of the financial year.

COMPANY SECRETARY

Bianca Pieters is the Company Secretary of the Prescient Group. The Company Secretary performs the Company secretarial function. The Board is satisfied that Bianca's expertise, experience and qualifications are appropriate to meet the responsibilities of the position. Where necessary, external experts are consulted to ensure compliance with relevant legislation and rules pertaining to the Group's operations.

STAKEHOLDER COMMUNICATION

The Group strives in its communications with stakeholders, particularly the investment community, to present a balanced and understandable assessment of the Group's position. Consequently, in its financial reporting, formal announcements, media releases, annual meetings, presentations and dialogue with analysts and institutional shareholders, the Group's objectives are to be clear, open, prompt and balanced, and to communicate in substance rather than in form.

INTERNAL CONTROL

The Board and management are responsible for maintaining effective systems of internal control. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the annual financial statements to safeguard, verify and maintain accountability of the Group's assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable statutory laws and regulations.

The Group strives to maintain internal controls of a standard aimed at ensuring that the systems of financial reporting contain complete, accurate and reliable information and safeguard the Group's assets. The external auditors report to the shareholders and have ready access to the Chairman and the directors. Due to the nature of the Group's transactions, the levels of internal controls and reconciliation procedures and the operation of the Company's Risk Committee, the Group does not consider an internal audit function to be beneficial. The Group will continue to assess the applicability of an internal audit function to ensure the Company manages its risk appropriately and complies with the Regulatory Framework.

Nothing has come to the attention of the directors to suggest that the accounting records and systems of internal control were not appropriate or satisfactory, neither has any material loss, exposure or misstatement arising from a material breakdown in the functioning of the systems of internal control or accounting been reported to the directors in respect of the period under review.

CODE OF ETHICS

Prescient has a human resources policy in place that sets out the parameters within which all staff and directors are expected to conduct themselves. The policy also includes a code of ethics which forms the foundation for the values and ethics of the Company. The policies are available on the Company's intranet and all staff are required to familiarise themselves with these principles. Staff and directors are expected to:

- conduct themselves in a professional manner;
- abide by the strictest code of ethical behaviour;
- maintain an absolute degree of client and corporate confidentiality;
- ensure that their personal positions are never placed before those of a client;
- encourage an environment that is productive, efficient and entrepreneurial; and
- facilitate teamwork amongst peers and ensure that all staff are treated with the highest levels of dignity and respect.

KING CODE OF GOVERNANCE FOR SOUTH AFRICA (2009) – INTEGRATED REPORT COMPLIANCE ASSESSMENT

The table below summarises the application of *King III* in the Company's preparation of its Integrated Report:

Requirement	
The Company has controls to enable it to verify and safeguard the integrity; i.e. accuracy and reliability; of its Integrated Report.	✓
The Board includes commentary on the Company's financial results in the Integrated Report.	✓
The Board discloses in the Integrated Report the following: – whether the Company is a going concern and if it will continue to be a going concern in the year ahead; and – if there is concern about the Company's going concern status; the reasons therefor and the steps the Company are taking to remedy the situation.	✓
Sustainability reporting is independently assured in accordance with a formal assurance process established.	Note 1
Both these statements are correct: – In the Integrated Report; the Audit Committee makes a statement on the effectiveness of the system of internal financial controls; and – This statement is based on a formal documented review performed by internal audit as well as reports from other assurance providers; management and the external auditors.	✓ Note 2
The Board ensures that the Integrated Report sets out: – the positive and negative effects of the Company's operations on the environment and society; and – the plans to improve the positive effects and remove or reduce the negative effects in the financial year ahead.	Note 2
The Integrated Report gives details of both directors' appointment procedures; and the composition of the Board.	✓
The Integrated Report classifies directors as executive; non-executive or independent and provides information about individual directors that shareholders may need to make their own assessments in regard to all of the following: – independence; – education; qualification and experience; – length of service and age; – significant other directorships; – political connections; and – other relevant information.	✓
Reasons for the removal; resignation or retirement of directors are provided in the Integrated Report.	✓
The classification of directors as independent or otherwise in the Integrated Report is disclosed on the basis of a yearly assessment of the independence of the non-executive directors.	✓
There is reporting on the procedure and outcome of the assessment of the suitability of non-executive independent directors to continue serving on the Board for longer than nine years. (Only applicable to Company that has directors serving for longer than nine years.)	N/A
A Remuneration Report is included in the Integrated Report.	✓
The Remuneration Report includes details of all benefits paid and awarded to individual directors.	✓
The Remuneration Report includes an overview of the policy on base pay.	✓
Incentive schemes to encourage retention are established separately; or are clearly distinguished; from those to reward performance and details thereof are disclosed in the Remuneration Report. (Only applicable if the Company uses incentive schemes for retention purposes.)	N/A
The Remuneration Report includes details of limits for participation in incentive schemes.	N/A
The Remuneration Report includes details about the use of comparative benchmarks for setting remuneration levels.	✓
The Remuneration Report discloses performance measures for vesting of share options and the reasons for choosing those performance measures.	N/A
The Remuneration Report includes justification of a policy to pay salaries on average above the median of the benchmark used for setting the remuneration levels. (Only applicable if the Company does pay salaries above the median.)	N/A
The Remuneration Report includes details of material payments that are *ex gratia* in nature. (Only applicable if the Company made material payments that are *ex gratia* in nature.)	N/A
The Remuneration Report includes details of the main performance parameters or targets for threshold; expected and beyond expectation performance of executive directors and other senior executives.	✓
The Remuneration Report includes the term of executive service contracts as well as the notice period for termination.	N/A
The Remuneration Report discloses both the nature and period of restraint provided for in executive service contracts.	N/A
The Remuneration Report discloses the maximum and the expected potential dilution due to incentive awards. (Only applicable if the Company uses an incentive scheme.)	N/A
The Remuneration Report discloses the non-executive directors' fees; including fees for serving on a Board committee.	✓
The Company discloses whether the Chairman is an independent non-executive director; and if not; the reason for this.	✓
The Integrated Report discloses details of how the Board has satisfied itself that risk assessments; responses and interventions are effective.	✓
The Company discloses in the Integrated Report details of where the limits of risk appetite (willingness to tolerate risk) exceed; or deviate materially from; the limits of the Company's risk tolerance (ability to tolerate risks). (Only applicable in the event that the Company's risk appetite exceeded its risk tolerance levels.)	N/A

CORPORATE GOVERNANCE

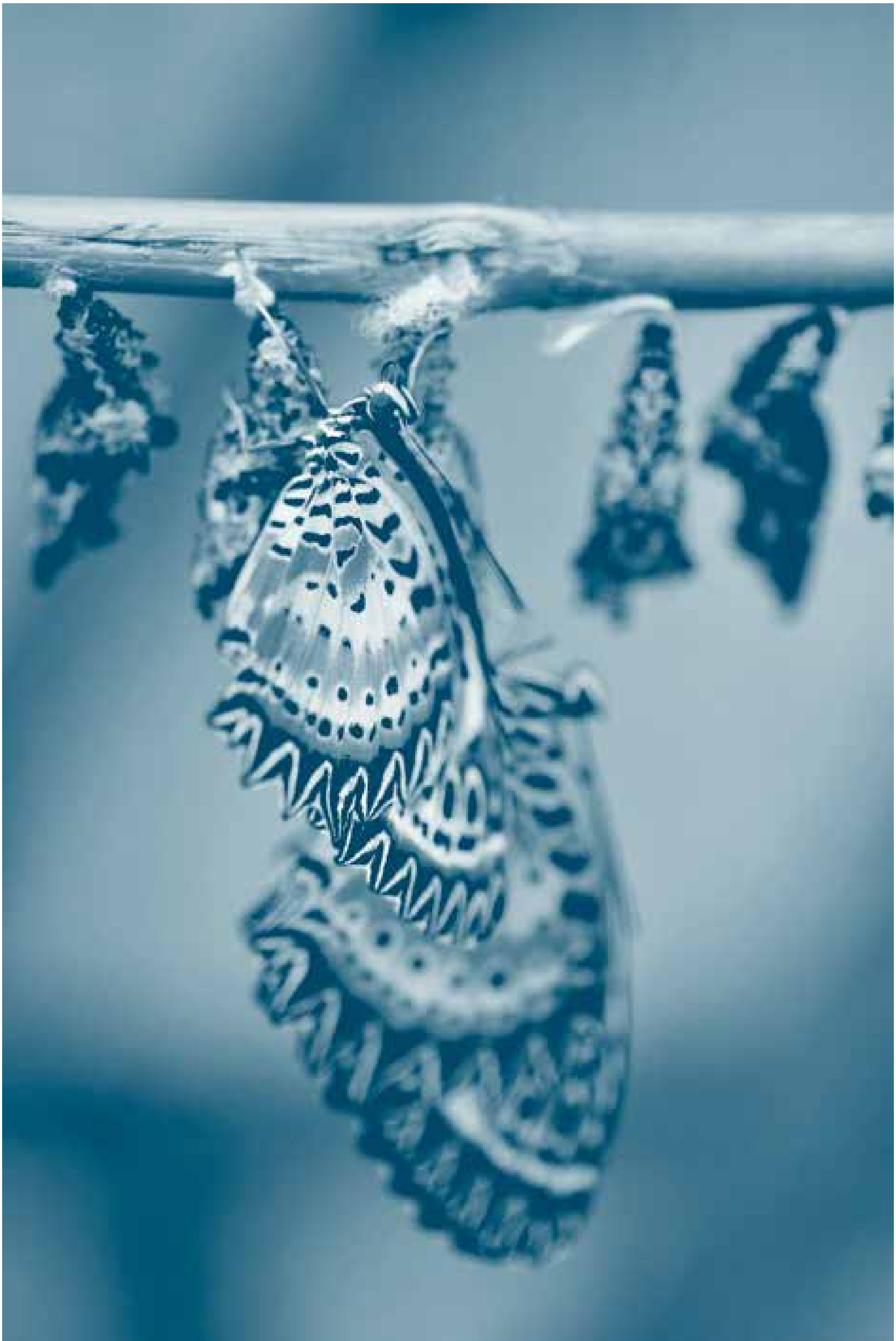
KING CODE OF GOVERNANCE FOR SOUTH AFRICA (2009) – INTEGRATED REPORT COMPLIANCE ASSESSMENT

The table below summarises the application of *King III* in the Company's preparation of its Integrated Report:

Requirement	
There is disclosure of undue; unexpected or unusual risks taken; and if there are any resulting material losses that the Company suffered for the period under review; also disclosure of all of the following: – the causes of these losses; – the effect that these losses have had on the Company; and – the steps taken by the Board and the management to prevent a recurrence. (Only applicable if undue; unexpected or unusual risks have been taken by the Company.)	N/A
There is disclosure of any current; imminent or envisaged risk that is considered to threaten the long-term sustainability of the Company. (Only applicable in the event of any current imminent or envisaged risk existing.)	N/A
The Board discloses in the Integrated Report its views on the effectiveness of the Company's risk management processes.	✓
The Integrated Report discloses the extent of voluntary adherence to applicable non-binding rules; codes and standards.	N/A
The Integrated Report discloses details of how the Board discharges its responsibility to establish an effective compliance framework and processes.	✓
There is disclosure of material or repeated regulatory penalties; sanctions or fines for contraventions of; or non-compliance with; statutory obligations – whether imposed on the Company or its directors or officers. (Only applicable where there were such material or repeated regulatory penalties; sanctions or fines for contraventions of; or non-compliance with; statutory obligations during the reporting period.)	N/A
Where there is no formal internal audit function; the Integrated Report discloses: – the reasons for this; and – how adequate assurance of an effective governance; risk management and internal control environment has been maintained. (Only applicable if the Company does not have a formal internal audit function.)	✓
The Integrated Report discloses the nature of the Company's dealings with stakeholders and the outcomes of these dealings.	✓
The Integrated Report includes reasons for refusals of requests for information that were lodged with the Company in terms of the Promotion of Access to Information Act; 2000. (Only applicable in the event of any such refusals during the reporting period.)	N/A
The Integrated Report discloses all of the following: – an overview of the appraisal process of the Board; Board committees; individual directors; – the results of this appraisal process; and – action plans emanating from results of the appraisal.	✓
Both of the following are disclosed in the Integrated Report regarding each Board committee: – composition; and – role and mandate.	✓
The names and details of all external advisers who regularly attend or are invited to attend committee meetings are disclosed.	✓
The Company discloses: – the number of meetings held each year by the Board and each Board committee; and – which meetings each director attended (as applicable).	✓
The Integrated Report summarises the role and duties of the Audit Committee.	✓
It is disclosed in the Integrated Report whether the Audit Committee has adopted a formal terms of reference.	✓
The Integrated Report discloses whether the Audit Committee has satisfied its responsibilities for the year in accordance with the formal terms of reference.	✓
The Integrated Report describes how the Audit Committee carried out its functions during the period under review.	✓
The Integrated Report discloses the names and qualifications of all members of the Audit Committee during the period under review; and the period that each member has served on the committee.	✓
The Integrated Report includes a statement on whether the Audit Committee is satisfied that the auditor is independent of the Company.	✓
The Integrated Report includes commentary by the Audit Committee on all of the following: – the financial statements; – the accounting practices; and – the internal financial controls of the Company.	✓
The Integrated Report includes information about duties that the Board has assigned to the Audit Committee.	✓
The Integrated Report discloses the results of the Audit Committee's evaluation of both the finance director and the finance function.	✓
The Integrated Report discloses the scope and methodology of independent assurance of the Sustainability Report; as well as the name of the assurer.	Note 1
The Integrated Report provides details of the implementation and adoption of the holding Company's governance policies; processes or procedures. (Only applicable if a subsidiary Company.)	N/A
The Audit Committee discloses in the Integrated Report the nature and extent of material weaknesses in the design; implementation or execution of financial controls that resulted in material financial loss; fraud or material errors. (Only applicable in the event that there has been material financial loss; fraud or material errors resultant from weakness in financial controls.)	N/A
The Audit Committee includes in the Integrated Report both the following: – a statement on whether or not it considered and recommended the internal audit charter for approval by the Board; and – a description of its working relationship with the Chief Audit Executive.	Note 2

Note 1: The Company did not have an independent assurance of the Sustainability Report performed. The Company believes its internal assessment of sustainability is sufficient.

Note 2: The Company did not have an internal audit function for the current year. The Board currently does not believe that the procedural environment is of the nature where an internal audit process is necessary. The Board will continue to review the need for an internal audit function.



RISK MANAGEMENT

The Board takes responsibility for the risk management of the business. The Audit Committee plays a vital role in ensuring that the risks are appropriately reviewed and assessed by management through the operation of a Risk Committee. The Risk Committee is convened on a quarterly basis and is comprised of executive representatives from all operational units within the business. The Risk Committee prepares a quarterly report that is presented to the Audit Committee which is, in turn, presented to the Board.

THE RISK MANAGEMENT PLAN

The approach to risk management includes a risk management plan that defines the scope and process for the identification, assessment, and management of risks which could impact the business. The objective of the risk management plan is to define the strategy to manage risks such that there is acceptable minimal impact on the business.

RISK POLICY STATEMENT

- the Board has a fiduciary duty to their stakeholders, clients and employees.
- the Risk Committee recognises that it is the Group's responsibility to provide value to all its stakeholders.
- all companies face uncertainty – it is management's responsibility to determine how much uncertainty is acceptable as we strive to create shareholder value.
- the risk management plan is also critical in ensuring that our clients' assets are safeguarded to the highest level possible
- the Group's risk framework enables management to set strategy and to set a balance between growth, return-on-capital and related risks in order to employ capital and resources effectively in pursuit of the Group's objectives.
- the Group's risk framework takes into account that the Group faces a number of risks which affects different parts of the Group. The risk framework is designed to effectively respond to the inter-related impacts.
- through our risk management plan, management has created a tool to effectively manage uncertainty and associated risk and opportunity by:
  - aligning the Group's risk tolerance and strategy – consider business initiatives and setting objectives to manage related risks.
  - enhancing risk response decisions – the risk framework assists management in identifying and selecting among various potential risk responses – risk avoidance, reduction, sharing, and acceptance.
  - reducing operational surprises and losses.
  - improving deployment of capital – obtaining a robust risk framework allows the Group to effectively assess overall capital requirements and enhance capital allocation.
- in creating shareholder value, the objectives of the risk framework are as follows:
  - ensure the protection and safeguarding of client assets.
  - achieve the Group's performance and profitability goals.
  - to prevent loss of resources.
  - to ensure effective reporting and compliance with relevant laws and regulations.
  - to protect the Group's reputation.
  - to achieve our strategic objectives and effectively manage pitfalls and surprises along the way.

PURPOSE AND SCOPE

The purpose of the risk management plan is to establish an approach to monitoring, evaluating, and managing risks. A risk is an uncertain event or condition that, if it occurs, has a negative or positive effect on the business.

The risk management process will identify potential risk sources; assess individual risks and impacts on performance, cost, and schedule; evaluate alternative approaches to mitigate high and moderate risks and develop action plans to handle individual risks.

The product of risk management planning will be the Risk Log. The Risk Log will document the various risks with their classification, mitigation and handling strategies, possible impact on cost and business, and action items.

The risk management process includes these five elements:

- **Risk management planning** – Deciding how to approach and conduct the risk management activities for the business.
- **Risk identification** – An initial and continuous effort to identify, quantify and document risks.
- **Risk analysis** – Evaluate identified risks to determine probability of occurrence, impact, and timeframe.
- **Risk mitigation** – Establish an action plan for risk and assign responsibility.
- **Risk monitoring and control** – Capture, compile, and report risk.

RISK MANAGEMENT PLANNING

Risk management planning is the process of determining how to approach and conduct risk activities for the business. Planning is critical to establish the importance of risk management, allocating proper resources and time to risk management and establish the basis for evaluating risk.

RISK IDENTIFICATION

A baseline set of risks has been created and entered into the Risk Log. These baseline risks have been identified through the normal course of the planning process. Risk statements have been written for each identified risk. Risk descriptions are clear, concise and contain only one risk condition and one or more consequences of that condition.

The Risk Committee and the operational unit heads are responsible for identifying new risks. New risks identified during meetings shall be captured and added to the Risk Log. It will be the responsibility of the Risk Manager to make sure this is accomplished.

RISK ANALYSIS

A qualitative approach to Risk Analysis is utilised. This methodology uses a risk level matrix based on impact and probability. This allows for an independent assessment of probability and consequence of risk.

Each risk is evaluated to determine impact, probability of occurrence and possible timeframe. Each risk is examined to determine its relationship to other risks identified. Initially, the identifier of the risk shall provide an estimate of these attributes. The Risk Manager is responsible for further analyses and prioritisation of the risks. The criteria for analysing risks are established later in the Risk Classification section of this plan.

RISK MITIGATION

Risk mitigation is the identification of a course of action or inaction selected for the purpose of effectively managing a given risk. Specific mitigation methods should be selected after the probable impact on the business has been determined.

The Risk Manager determines what action should be taken for each risk as it is brought to his/her attention through meetings and reports. The Risk Manager determines whether to keep the risk, delegate responsibility, or transfer the risk responsibility.

Risk planning requires a decision to perform further research, accept the risk (document acceptance rationale in the Risk Log and close the risk), watch the risk attributes and status (define tracking requirements, document in the Risk Log, and assign a watch action), or mitigate the risk (create a Mitigation Plan, assign action items, and monitor the activities and risk).

Mitigation activities are documented in the Risk Register or by creating a separate Mitigation Plan.

RISK MONITORING AND CONTROL

Risk information and metrics defined during planning are captured, tracked and analysed for trends. The person assigned responsibility for the risk provides routine trend and status reports on research and/or mitigation activities to the Risk Manager during meetings. Watched risks are reported on during the meetings. The Risk Log is used to report summary status.

Decisions are made by the Risk Manager during meetings to close risks, continue to research, mitigate or watch risks, re-plan or re-focus actions or activities, or invoke contingency plans. This is also the time when the Risk Manager authorises and allocates resources or sub-committees toward risks.

RISK MANAGEMENT ASSIGNMENTS

The following table describes the responsibilities of the Risk Committee:

Who	Responsibilities
Individual Members	Identify new risks by incidence/breach report
	Estimate impact and probability of risk and possible time frame
	Classify risk
	Recommend action
	Assist in prioritising risk
Risk Manager	Collect all risk information from individuals
	Ensure accuracy of probability, impact and time frame
	Build the Risk Log
	Collect and report risk measures and metrics
	Report risk to senior management
	Prioritise Risk
Executive Oversight	Authorise expenditures of resources for mitigation
	Authorise additional cost or time to mitigate risk

RISK MANAGEMENT

RISK CLASSIFICATION

Risks are analysed quantitatively using impact, probability and possible timeframe classifications. Impact is based on success, resources, cost, and schedule. Probability is used to provide an order of magnitude based on quantitative data and qualitative experience.

The following Risk Log sets out the significant risks identified by the Risk Committee:

RISK LOG

Risk category	Risk	Risk description
Strategic risks	Key individual risk	The risk of losing a key individual that may impact on the business continuity and or reputation of the Company.
	Reputational risk	Any conduct of the Company or staff that could lead to negative publicity, litigation or a decline in the customer base, resulting in loss of revenue.
External risk	Exchange rate risk	The risk that the expenses or revenue within the Company's operations or an investment value will be affected adversely by changes in exchange rates.
	Change in external factors	External stakeholders, financial markets, the economic environment or any other external factors outside the control of the Company that creates a loss to the Company.
Technology risks	Technology and infrastructure failure	Risks associated with the failure of transactional and IT platforms (systems, software/models, network etc.), including the risks associated with new platforms.
Financial risk	Key client risk	Key clients terminate their relationship with the Company resulting in a decline in revenue of the business.
	Collectability of debtors	The risk that substantial debtor balances are not recovered timeously, or at all, resulting in an adverse impact on the Company's results.
	Margin pressure	The risk of uncontrollable increases of input costs and downward pressure on fee rates due to increased competition and market pressures resulting in an adverse effect on profitability margins.
Human resources risk	Lack of appropriate skills	The risk that the staff complement are not sufficiently skilled to perform their tasks effectively. There is also the risk that certain positions cannot be filled as a result of a lack of suitable candidates in the industry.
Legal risk	Regulatory and compliance risk	The risk that a change in laws and regulations will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape.
Operational risk	Fraud	Risk of loss from staff members or third parties acting in inappropriate or dishonest ways, resulting in a financial or reputational loss.
	Error	Risk of loss from human or operational error.
Investment risk	Investment performance	Negative deviation from expected investment outcomes, relative to agreed market or internally defined benchmarks at Company, product and client levels resulting in a loss of clients or reduced fee income.
	Product quality and failure	The risk that the product and the quality of the product causes a reduced level of sales resulting in a loss for the Company.
	Default and counterparty risk	Risk that a counterparty defaults or fails to meet contractual obligations resulting in a loss to a client or the Company.

The Board is satisfied that the risk management process is suitable to identify, manage and assess the risks that could impact the business.

SOCIAL AND ETHICS COMMITTEE

The Companies Act requires the establishment of a Social and Ethics Committee.

The members of the Social and Ethics Committee are Michael Buckham, Murray Louw and Ronell van Rooyen. The committee did not convene during the financial year ended 31 March 2013, however a meeting was held on 14 June 2013.

The purpose of the Social and Ethics Committee is:

- to monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
  - Social and economic development, including the Company's standing in terms of the goals and purposes of:
    - the 10 principles set out in the United Nations Global Compact Principles;
    - the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption;
    - the Employment Equity Act;
    - the Broad-Based Black Economic Empowerment Act;
    - good corporate citizenship, including the Company's
      - promotion of equality, prevention of unfair discrimination, and reduction of corruption;
      - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
      - record of sponsorship, donations and charitable giving;
- the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and
- labour and employment, including:
  - the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions;
  - the Company's employment relationships, and its contribution toward the educational development of its employees;
- to draw matters within its mandate to the attention of the Board as occasion requires; and
- to report, through one of its members, to shareholders at the Company's Annual General Meeting on the matters within its mandate.

BLACK ECONOMIC EMPOWERMENT

Prescient is committed to a process of transformation and the creation of sustainable Broad-Based Black Economic Empowerment. Prescient continues to work towards exceeding the guidelines and principles set out in the Financial Sector Charter. We believe that the transformation process is an important part of the South African business landscape and fulfilling the requirements is more than simply a compliance exercise but also has significant benefits to our clients, suppliers, shareholders and the economy as a whole.

The team responsible for transformation is dynamically reviewing our supplier relationships, the recruitment process, staff education and training and our corporate social investment (refer to section below). In addition Prescient continues to ensure that the ownership targets are met and exceeded and this is achieved through a number of black business partners, black staff and the Prescient Empowerment Trust.

EMPLOYMENT EQUITY AND HUMAN RESOURCE DEVELOPMENT

Prescient operates as a services Company and, in order to achieve its objectives of providing a high level of services to its broad client base, it is critical that it finds, retains and develops a very high calibre of employees.

Management ensures that there is a supportive working environment and that there is no discrimination within the workplace. During the current year there have been no complaints reported in respect of discrimination to staff.

The following tables set out the categorisation of the workforce profile.

Financial Services

Occupational level	A	C	I	W	A	C	I	W	Foreign Nationals		Total
	Male				Female				Male	Female	
Executive directors and top management	–	–	–	14	–	2	–	4	11	4	35
Middle management	2	6	3	11	1	5	1	3	8	11	51
Skilled technical workers, junior management and supervisors	3	10	3	8	5	17	1	13	8	20	88
Semi-skilled and discretionary decision-making	–	–	–	–	1	–	–	–	2	7	10
Total permanent	**5**	**16**	**6**	**33**	**7**	**24**	**2**	**20**	**29**	**42**	**184**
Temporary employees	–	–	–	3	–	–	–	–	1	3	7
Total temporary	**–**	**–**	**–**	**3**	**–**	**–**	**–**	**–**	**1**	**3**	**7**
Grand total	**5**	**16**	**6**	**36**	**7**	**24**	**2**	**20**	**30**	**45**	**191**

IT Services

Occupational level	A	C	I	W	A	C	I	W	Foreign Nationals		Total
	Male				Female				Male	Female	
Executive directors and top management	–	1	2	10	–	–	1	2	6	–	22
Middle management	–	–	1	12	–	1	–	–	3	–	17
Skilled technical workers, junior management and supervisors	41	21	9	123	16	6	3	28	28	4	279
Semi-skilled and discretionary decision-making	2	1	2	3	4	3	1	14	1	4	35
Total permanent	**43**	**23**	**14**	**148**	**20**	**10**	**5**	**44**	**38**	**8**	**353**
Temporary employees	–	–	–	–	–	–	–	–	11	2	13
Total temporary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11**	**2**	**13**
Grand total	**43**	**23**	**14**	**148**	**20**	**10**	**5**	**44**	**49**	**10**	**366**

All Segments

Occupational level	A	C	I	W	A	C	I	W	Foreign Nationals		Total
	Male				Female				Male	Female	
Executive directors and top management	–	1	2	24	–	2	1	6	17	4	57
Middle management	2	6	4	23	1	6	1	3	11	11	68
Skilled technical workers, junior management and supervisors	44	31	12	131	21	23	4	41	36	24	367
Semi-skilled and discretionary decision-making	2	1	2	3	5	3	1	14	3	11	45
Total permanent	**48**	**39**	**20**	**181**	**27**	**34**	**7**	**64**	**67**	**50**	**537**
Temporary employees	–	–	–	3	–	–	–	–	12	5	20
Total temporary	**–**	**–**	**–**	**3**	**–**	**–**	**–**	**–**	**12**	**5**	**20**
Grand total	**48**	**39**	**20**	**184**	**27**	**34**	**7**	**64**	**79**	**55**	**557**

Key: A = African; C = Coloured; I = Indian; W = White

SUSTAINABILITY REPORT

RESPONSIBLE INVESTING

How Prescient defines Responsible Investing

Responsible investing refers to that part of the investment decision-making process which is concerned not only with narrowly-measured financial outcomes, but also incorporating a broad view of the long-term interests of the investor. It is based on an awareness that co-alignment of the interests of share and bond holders of issuing organisations, with those of other stakeholders, such as employees, communities, suppliers/customers, and future generations, can deliver long-term outcomes such as wealth creation, employment, safe workplaces and healthy environments. All of these outcomes are congruent with the long-term sustainability of the issuing organisation, and thus serve the interests of its investors as well as those of stakeholders and society at large.

Responsible investing is thus concerned with:

- assessment of the performance of issuers with regard to environmental, social and governance risks and issues, and
- engagement with issuers by investors to ensure such co-aligned outcomes in the environmental, social and governance realms.

Our approach to responsible investing

Prescient Investment Management's decision to commit to Responsible Investing principles and apply resources to develop our client and issuer engagement models in relation to RI dates back over five years.

At Prescient we believe that our quantitative and passive equity investment approaches do not excuse us from the responsibility to apply our minds to reviewing the conduct of listed companies in which we invest monies on behalf of clients and to find ways to engage on RI issues. We regard it as part of our mandate to actively apply ourselves to the engagement of corporates via the Annual General Meeting and proxy voting channels, unless instructed otherwise by our clients.

Furthermore, although the scope and precedent for bondholders to express views and engage with issuers on RI issues are not yet clearly established in South African investment practice, we stand for, and seek ways, to promote the development of channels of engagement with important bond issuers.

Prescient's approach to RI is four-pronged, and incorporates the following:

- engagement with clients, where we outline the importance and scope of the RI paradigm, our commitment to it, and the ways in which we seek to incorporate RI principles into our investment decisions and client reporting.
- engagements with issuers, comprising the companies in which we hold shares and the issuers in which we own debt, on behalf of clients.
- engagement at industry level, where we participate in and promote RI and ESG issues in industry forums and bodies, such as ASISA and CRISA.
- internal research and development into approaches and investment products that deliver ESG-compliant outcomes.

Incorporating Environment, Social and Governance (ESG) factors into our Investment approach

Prescient Investment Management is a quantitative investment house. This means that our investment decisions are guided by mathematical evaluation, processes and models. This makes it harder to implement RI considerations into our investment analysis and decision-making process. As a house practising predominantly quantitative investment management techniques, we do not have an active research interface at the Company level for assessment and incorporation of ESG issues. This is a limiting factor, but it is nevertheless an issue that affects quantitative practitioners worldwide, that we have flagged in our engagements with UNPRI and CRISA, and is acknowledged by them.

We are cognisant of, and pay close attention to, transparency and disclosure (T&D) rankings/indices on ESG issues that are available, based on audits of public disclosures by companies and issuers conducted by such agencies as MSCI, Thomson-Reuters and others. However, there is limited evidence to suggest that the T&D ranking approach at present accurately captures issuer awareness levels of RI issues, as they purport to do. Nor do T&D rankings necessarily signal any true commitment by companies to deliver on ESG outcomes. In addition, development of T&D databases for the South African universe of issuers is in early stages; the number of issues presently under coverage is limited, as is the history of scores.

Notwithstanding these limitations, we are conducting ongoing research into models that apply screens and tilts based on these rankings to quantitative portfolio selections. Empirical research from international markets does not yet conclusively suggest that these approaches necessarily enhance the performance of the resultant portfolios. Nevertheless, we have the technology to apply these overlays, and it is our intention that as such indices become sufficiently broad and credible for the South African universe, investment portfolios incorporating these overlays will be made available should our clients wish to select them.

Currently the only established channel through which we actively incorporate ESG into our process is through voting at Annual General Meetings via the proxy voting process. We believe that being a quantitative investment manager does not exempt us from our responsibility as a shareholder to act and be aware of corporate governance issues, and we actively apply our minds to this process, as described in greater detail below.

Our action plans for ESG engagement

Given the limitations of our quantitative processes as outlined above, we are developing a parallel process, which forms part of the mandate of the Head of Fund Management to assess and monitor ESG issues, and bring about engagements between portfolio managers and the universe of issuers into which their respective funds invest. The Head of Fund Management is accountable to the Board of Prescient Investment Management for delivery of this aspect of the mandate and as this process develops, appropriate resources are being allocated.

Incorporating sustainability into our general business activities

At Prescient we embrace mutually reinforcing values of commercial success and empowerment which is manifested internally and externally. Internally we foster an entrepreneurial environment. All staff have equity in the business and participates in profit share initiatives. Where appropriate, to improve quality of life, PDI staff have been assisted with home loans. Our social upliftment initiatives are driven by the Prescient Foundation with key focus on education in rural communities.

Barriers and risks to implementing Responsible Investing in SA

The vast majority of our investment mandates are allocated to us on the criteria of absolute or relative investment performance as a means to the funding of member liabilities. In our experience, there is a low level of concern from the ultimate members regarding RI issues, and this is reflected in the views of the allocators that represent these members. In the first instance, the barrier to RI implementation reflects a low level of investor education on the importance of these issues and a low level of importance by allocators attached to such considerations in manager selection. Some clients, who have awareness, are concerned that RI programmes produce a trade-off: potentially compromising portfolio performance, or representing an additional long-term cost for their member investors. However, lately a small (hopefully growing) number of clients are showing interest in RI, particularly from a reporting perspective.

Investor education is perhaps the most significant barrier; empirical evidence establishing the link between RI programmes and long-term investor performance will be needed to restructure these perceptions. Such evidence does not presently exist in South Africa, and the capture of relevant data and methodologies to establish causality are non-trivial, expensive exercises that may best be accomplished at the industry level. In our industry-level engagements, we support and promote such a development agenda.

From a Prescient Investment Management business perspective, the incorporation of RI into our investment process represents an additional cost which is unhelpful to our value proposition for index-replication at low cost or benchmark-cognisant outperformance at a reasonable cost. In the present market environment there is no way to recover this cost from our clients. However, our belief in the principles of RI means that we continue to develop avenues for incorporation as described above.

Drivers of Responsible Investing

At present, it is our experience that portfolio managers have a greater awareness and espousal of the RI approach than investors and allocators. Our efforts to promote the goals and principles of RI which we espouse, to clients and potential clients, have gained little traction over the past five years. This does not deter us from our efforts at the client interface.

Having said this, industry level initiatives to promote the goals of RI and to educate allocators and trustees are gaining momentum, and we are hopeful that the South African investment market is at last entering a new era of awareness. If an empirical link between the application of RI principles and improved investment returns could be established, we are sure that fund allocators would espouse these principles and incorporate them in allocation decisions. This is one of the research initiatives that we are pursuing both in-house, and at industry level.

Signatories to the UNPRI/CRISA

Prescient is a verified signatory to the UNPRI since 2007 and also a representative on the South African Network Committee for the UNPRI. Prescient has also adopted the CRISA code as far as practically possible within its quantitative investment style. Prescient's CEO, Herman Steyn, serves on the ASISA Board. As a signatory to the UNPRI, Prescient pledges support of the Code.

Do incorporating ESG factors into an investment process affect long-term performance?

As depicted above, we embrace the principles of Responsible Investing and have committed resources and management time in support of these values. Implicit in this commitment is our belief in the premise that the pursuit of the RI objectives of monitoring and engaging with issuers towards the goal of co-aligning organisational behaviours with the long-term interests of stakeholder groups (as defined above) does contribute to sustainability/longevity of organisations and thus enhances their economic value.

We also believe, but cannot yet conclusively prove for the South African environment, that companies and issuers that project a high level of awareness, understanding and commitment to RI objectives, will also deliver superior long-term, risk-adjusted performance in their securities. Over time, the proof of these concepts will emerge.

Proxy voting policy

We apply our minds to, and vote on all resolutions put forward at Annual General Meetings for companies in which we are invested on our clients' behalf, unless specifically instructed by them not to do so. We have a well-developed and long-standing policy document in this respect.

We update and enhance the policy document regularly and ensure that it fully describes our principles, process and guidelines. We also procure voting recommendation research from external service providers, including brokers and specialist agencies. However, we do not necessarily follow their recommendations.

All voting is conducted in-house by our own portfolio managers, according to our established principles and guidelines, and we take responsibility for the votes cast. All votes cast are recorded and saved on an internal database, and we are able to provide a full record to clients on request.



CORPORATE SOCIAL INVESTMENT

The Prescient Foundation

The Prescient Group's socially responsible initiatives are driven through the Prescient Foundation.

At the end of 2006, the Prescient Foundation was established through which our broad social responsibility endeavours are focused.

Core to Prescient's business philosophy is the creation of an organisation that embraces the positive spirit, growth and development that a partnership with full equity participation brings. Integral to our business, is our fiduciary responsibility to clients, shareholders, staff and our communities. Prescient's corporate philosophy embraces the mutually reinforcing values of commercial success and empowerment. This means that while we strive to deliver a superior and consistent service to our clients, we have adopted policies that identify certain needs in communities where progression opportunities have been denied in the past. Prescient Foundation is a mark of our commitment to social upliftment.

The Prescient Foundation is registered as a Public Benefit Organisation and is the vehicle through which Prescient directs its commitment to development and empowerment. The Foundation invests in projects that educate, grow expertise, are entrepreneurial business ideas, and other socially-oriented projects.

The Prescient Foundation is funded mainly by the Group subsidiaries where a percentage of profits are donated each year. In addition, the Foundation can be allocated or it can purchase shares in Group companies or new initiatives where dividends will increase income. Fundraising and other projects will increase the capital base thus funding opportunities over time.

Objectives of the Foundation

Our country is faced with high levels of poverty, lack of education and skills development. Therefore, it is the responsibility of each individual and each company to create awareness as well as a culture of "Lifestyle Improvement" for everyone in different communities. It is our obligation to contribute our time, finance and our expertise to improve the circumstances of those around us and ultimately for the future of our children.

The beneficiary projects are a combination of those that are commercially viable but have positive social consequences.

The scope of projects may include Land and Housing, Welfare and Humanitarian, Education and Development projects.

Lifestyle Improvement projects will generally follow a cycle of initial financial support to improve the conditions of the current project, financial support to take a project to the "next level" and assistance to project leaders with a plan on sustainability.

The Foundation will assist non-profit organisations and community projects striving to achieve self-sustainability.

The following are some of the projects managed by the Foundation:

Camdeboo School project

The Prescient Foundation has had the opportunity to support and fund the Camdeboo Farm School project in Graaff Reinett, Eastern Cape since 2007. Over this period, the project has increased from one school and 30 learners to five schools and 221 learners.

The funding is used for the direct benefit and upliftment of the children attending schools, which include:

- Upper Klipdrift;
- The Biggs;
- Roode Bloem;
- De Vrede (pre-primary); and
- Kroonvale (pre-primary)

The schools are "no-fees" schools and thus parents do not have to pay. However, government funding in the Eastern Cape is limited and the public feeding scheme for the schools is ineffective. The livelihood of the schools therefore depends on donors like the Prescient Foundation.

This project is run by Hanli Rose-Innes who drives all the initiatives. These include the installation of computers and workstations for the learners, new facilities including jungle gyms, the general upgrade of the school buildings, stationery and the funding of the day-to-day operation of the schools.



Bursaries

The Camdeboo School Project was recently extended to include the identification of star pupils. Two learners, Cindy Jacobs and Marilyn Hector will be fully sponsored to complete their education through to tertiary level. This project will be extended over time.

Paul Greyling School project

Prescient Foundation started supporting the Paul Greyling Primary School project in Fish Hoek, Western Cape from 1 June 2010.

The project is the brainchild of the parents and governing body of Paul Greyling School who initially identified 22 previously disadvantaged pupils from surrounding areas to attend the school.

The criteria for selection are that the pupils should be previously disadvantaged and they should also show potential as learners. The parents do not pay school fees and the school transports the children to and from school using a vehicle sponsored by Prescient Foundation.

The funding provided is also used towards remedial teaching which ensures that the children stay abreast and/or catch-up with the curriculum. They are also fed daily through generous donations from the parents and surrounding community.

In addition, the school offers adult education to the parents, to help them to support their children to complete projects and related school work. The project has since been extended to include 12 additional learners identified by Green Curtains, a neighbouring pre-school. This enables education to start in early childhood development and continue into primary school.

Housing assistance

The Foundation grants home loans to employees falling under the specifications as set out in Part II of the Ninth Schedule to the Income Tax Act, 1962.

This enables the Foundation to grant assistance to previously disadvantage families, where the monthly household income prevents them from obtaining a loan from mainstream lending institutions.

To date three loans have been granted of which two have already been settled in full. The lifestyle of these staff members has improved as they were able to move out of informal housing, improve the standard and quality of living and now they now also own an asset which improves their overall wealth.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

PRESCIENT
LIMITED

Prepared under the supervision of the Financial Director,
Michael Buckham CA(SA)

CONTENTS

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Prescient Limited, comprising the statements of financial position at 31 March 2013, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, and the Directors' Report, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate annual financial statements of Prescient Limited, as identified in the first paragraph, were approved by the board of directors on 13 September 2013 and signed on its behalf by:

Chief Executive Officer

Chairman

DIRECTORS' REPORT

BUSINESS ACTIVITIES AND GROUP RESULTS

Revenue for the Group for the year increased by 119% from R276.6m to R605.4m. The significant increase in revenue is largely attributable to the acquisitions during the year. Profit before tax for the Group increased by 21% from R118.2m to R143.4m with profit after tax increasing by 44% from R71.3 m to R103.0m.

Basic earnings per share increased by 15% from 6.36 cents to 7.34 cents. Headline earnings per share increased by 18% from 6.36 cents to 7.51 cents. Included in earnings is a fair value gain of R14.3m relating to the reversal of a portion of the contingent purchase price for Prescient Ireland. The contingent purchase price is a function of AUM at 31 May 2013 and 30 November 2013 respectively. In addition there were costs incurred relating to the Prescient Ireland acquisition and restructure of R14.8m.

A general review of the operations of the financial services and IT services business segments is provided in the Integrated Report.

ACQUISITIONS

The Group obtained control of Prescient Ireland, an investment manager based in Dublin, Ireland, by acquiring the entire issued share capital of the company for an initial R72.2m, with a further contingent amount of R16.6m. This transaction was concluded on 31 May 2012.

On 20 August 2012 PBT acquired the entire issued share capital of Prescient Holdings. This acquisition was classified as a reverse acquisition in terms of IFRS 3 *Business Combinations* and PBT was treated as the accounting acquiree.

As a result of this accounting treatment the annual financial statements are a continuation of the Prescient Holdings consolidated annual financial statements. The comparatives are those of the Prescient Holdings group. The Company financials enclosed on pages 84 to 93 are, however, the statutory accounts of Prescient Limited, previously PBT Group Limited.

On listing date there was an acquisition of Prescient Capital, an investment holding company with numerous interests in property holding companies and a Dublin-based investment administrator. Prescient Capital was acquired for a consideration of R71.7m.

There were additional acquisitions during the year, the details of which are included in note 26 to the consolidated financial statements.

FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2013 have been prepared in accordance with the requirements of International Financial Reporting Standards, the Companies Act and the JSE Listings Requirements.

CAPITALISATION ISSUE AND CASH DIVIDEND

The Company declared a distribution of 2.5 cents per ordinary share on 25 June 2013, either by way of a capitalisation issue or, if elected, a cash dividend to ordinary shareholders.

Shareholders not electing to be paid the cash dividend in respect of their ordinary shareholding received the capitalisation issue, by reference to their ordinary shareholding in accordance with the ratio that 2.5 cents per share related to the volume weighted average price of an ordinary Prescient share traded on the JSE Limited during the 5-day trading period ended on Friday, 12 July 2013.

The net cash dividend after the deduction of DWT amounted to 2.125 cents per share. No DWT was required to be withheld from the capitalisation issue.

On 5 August 2013 a total cash dividend of R21 000 376.41 was paid and 19 112 014 Prescient ordinary shares of no par value were issued as capitalisation shares in terms of the capitalisation issue.

Together with the interim distribution of 3.3 cents per share the total distribution for the year amounted to 5.8 cents per share.

DIRECTORS AND SECRETARY

Bianca Pieters is the Company Secretary.

On 10 July 2012, Heather Sonn, Keneilwe Moloko and Zane Meyer were appointed as Independent Non-executive directors and Pierre De Wet resigned as a director. On 13 December 2012, Herman Steyn was appointed to the board and assumed the role of Chief Executive Officer. Furthermore there was a change in responsibility of directors with the appointment of Michael Buckham as Financial Director and Murray Louw resigning as Chief Executive Officer to assume the role as Chairman on 13 December 2012, whilst Monty Kaplan remains on the board as the Lead Independent Non-executive Director.

DIRECTORS' INTEREST

The directors' direct and indirect beneficial interests in the issued share capital of the Company at 31 March 2013 were:

	Beneficial		
2013	Direct	Indirect	%
Ordinary shares			
Herman Steyn	**1 574 945**	**294 959 249**	**18.81**
Michael Buckham	**8 518 520**	**–**	**0.54**
Murray Louw	**–**	**2 264 392**	**0.14**
Monty Kaplan	**1 000 000**	**–**	**0.06**
Ronell van Rooyen	–	**18 729 108**	**1.19**
2012			
Ordinary shares			
Murray Louw	2 264 392	–	0.80
Pierre de Wet	–	–	–
Kenneth Wood	27 038 326	–	9.59
Nitesh Vallabh	10 045 411	–	3.56
Jason Kinnear	6 650 337	–	2.36
Michelle Baron - Williamson	8 456 955		3.00
Elizna Read	1 623 502	–	0.58

There have been changes to the directors' shareholdings subsequent to 31 March 2013. The table below reflects changes in directors' shareholding up to the date of this report.

	Beneficial		
	Direct	Indirect	Total
Ordinary shares			
Herman Steyn*	40 800	6 953 862	6 953 862
Ronell van Rooyen**	–	500 000	500 000

* Herman Steyn recieved additional shares by way of the capitalisation issue on 5 August 2013.

** Ronell van Rooyen purchased additional shares.

DIRECTORS' REPORT

DIRECTORS' EMOLUMENTS

The table below reflects the directors' emoluments for the directors of Prescient Limited for the year ended 31 March 2013.

Emoluments from the Company and its subsidiaries for the period ended 31 March 2013:

R'000	Paid by the company	Paid by subsidiaries					
	Director's fees	Basic salary	Consulting services	Value of non-cash benefits	Pension contributions paid	Bonus	Total
2013							
Executive directors							
Herman Steyn	–	2 529	–	92	441	–	3 062
Michael Buckham	–	968	–	112	145	–	1 225
	–	3 497	–	204	586	–	4 287
Non-executive directors							
Murray Louw	185	–	795	–	–	–	980
Monty Kaplan	185	–	–	–	–	–	185
Zane Meyer	116	–	–	–	–	–	116
Keneilwe Moloko	116	–	–	–	–	–	116
Heather Sonn	116	–	–	–	–	–	116
Ronell van Rooyen	175	–	–	–	–	–	175
	893	–	795	–	–	–	1 688
2012 *							
Executive directors							
Pierre De Wet	–	333	–	–	–	238	571
Murray Louw	502	–	–	–	–	–	502
Kenneth Wood	–	228	–	–	–	967	1 195
Nitesh Vallabh	–	290	–	–	–	867	1 157
Elizna Read	–	80	–	–	–	147	227
Michelle Barron-Williamson	–	144	–	–	–	60	204
Jason Kinnear	–	371	–	–	–	240	611
	502	1 446	–	–	–	2 519	4 467
Non-executive directors							
Monty Kaplan	70	–	–	–	–	–	70
Herman Steyn	60	–	–	–	–	–	60
Ronell van Rooyen	–	–	–	–	–	–	–
Michael Buckham	–	–	–	–	–	–	–
	130	–	–	–	–	–	130

*The 2012 directors emoluments are those of the legal entity, previously known as PBT Group Limited

The non-executive directors are paid a single fee for their participation as Board members as well as for their role in the other committees.

AUDITORS

KPMG Inc.

Address:
MSC House
1 Mediterranean Street
Foreshore
Cape Town
8001

KPMG Inc. will continue in office in accordance with Section 90(6) of the Companies Act.

SPECIAL RESOLUTIONS

At the Annual General Meeting of the Company held on 27 July 2012 the following special resolutions were passed:

- The directors received general authority to repurchase up to 20% of the Company's issued share capital.
- The Company's remuneration to non-executive directors in respect of the financial years ending 31 March 2013 and 31 March 2014 respectively was approved.
- The Company was authorised to generally provide any direct or indirect financial assistance contemplated in, and subject to, the provisions of Section 44 and 45 of the Companies Act.

DECLARATION BY COMPANY SECRETARY

In terms of the Companies Act, and for the year ended 31 March 2013, I certify that Prescient Limited has lodged all returns required by the Act with the Companies and Intellectual Property Commission and that all such returns are true, correct and up-to-date.

Bianca Pieters
Company Secretary
13 September 2013

SUBSEQUENT EVENTS

No other material facts or circumstances have arisen between the reporting date and the date of this report which affect the financial position or financial performance of the Group or the Company as reflected in these financial statements.

AUDIT COMMITTEE REPORT

TO THE MEMBERS OF PRESCIENT LIMITED

The Group Audit Committee of Prescient Limited which acts as the Audit Committee for all its subsidiaries, is a committee of the Board of Directors that serves in an advisory capacity to the Board and assists the directors to discharge their duties relating to the safeguarding of assets, the operation of adequate systems, risk management and internal controls, the review of financial information and the preparation of the Annual Financial Statements. This includes satisfying the Board that adequate internal, operating and financial controls are in place and that material risks have been identified and are being effectively managed and monitored. In addition to the above, the Audit Committee also has its own statutory responsibilities.

Terms of reference

The Audit Committee has adopted a formal terms of reference that has been updated and approved by the Board of Directors, and has executed its duties during the past financial year in compliance with the terms of reference.

Composition of the audit committee

The current members of the committee are Zane Meyer (Chairman), Keneilwe Moloko and Heather Sonn.

In addition to the members of the Audit Committee, the meetings are attended by relevant members of the executive who are able to provide insight into the various items under review by the committee. Furthermore the committee invites Goolam Modack to all meetings who performs the role of an external consultant to provide guidance on various aspects under review by the committee. Goolam is a Senior Lecturer in the College of Accounting at the University of Cape Town in the Accounting Faculty.

The committee is chaired by Zane Meyer, an independent director, has two additional independent directors as members; Heather Sonn and Keneilwe Moloko respectively. The committee met four times during the year with senior management, certain senior executive management, the Financial Director, the Group Compliance Officer and the Chief Risk Officer.

The external auditors attend these meetings and have unrestricted access to the committee and to its Chairman. Ad hoc meetings are held as required.

Duties

In execution of its statutory duties, as required in terms of the Companies Act during the past financial year the Audit Committee has:

- ensured the appointment of a registered auditor as external auditor of the Company who, in the opinion of the Audit Committee, was independent of the Company.
- determined the fees to be paid to the external auditor and such auditor's terms of engagement.
- ensured that the appointment of the external auditor complies with this act and any other legislation relating to the appointment of such auditors.
- determined the nature and extent of any non-audit services which the auditor may provide to the Company.
- pre-approved any proposed contract with the auditor for the provision of non-audit services to the Company.
- considered the independence of the external auditors and has concluded that the external auditor has been independent of the Company throughout the year taking into account all other non-audit services performed and circumstances known to the committee.
- received and dealt appropriately with any complaints relating to the accounting practices of the Company, the content or auditing of its financial statements, the internal financial controls of the Company, or to any related matter.
- made submissions to the Board on any matter concerning the Company's accounting policies, financial control, records and reporting.

Legal requirements

The Audit Committee has complied with all applicable legal, regulatory and other responsibilities for the period under review.

Annual financial statements

Following our review of the annual financial statements for the year ended 31 March 2013, we are of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act, as amended, and International Financial Reporting Standards and that they fairly present the financial position at 31 March 2013 for Prescient Limited and the results of operations and cash flows for the year then ended.

In compliance with requirements of *King III*, an Integrated Report has been compiled for the 2013 financial year in addition to these Annual Financial Statements.

Zane Meyer

Chairman Audit Committee

13 September 2013

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Prescient Limited

Report on the financial statements

We have audited the consolidated and separate financial statements of Prescient Limited, which comprise the statements of financial position at 31 March 2013, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 47 to 94.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Prescient Limited at 31 March 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year-ended 31 March 2013, we have read the Directors' Report, the Declaration by the Company Secretary and the Audit Committee's Report for the purpose of identifying whether there are any material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc
Registered Auditor

Per Al Van Der Colff
Chartered Accountant (SA)
Registered Auditor
Director
13 September 2013

MSC House
1 Mediterranean Street
Foreshore
Cape Town
8001

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

// FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 R'000	2012 R'000
Revenue	2.1	**605 393**	276 595
Cost of IT services		**(135 383)**	–
Operating expenses	3.1	**(327 997)**	(153 464)
Profit from operations		**142 013**	123 131
Other income	2.2	**14 323**	–
Share of loss of equity – accounted investees (net of tax)	11	**(219)**	(135)
Finance costs	3.2	**(12 735)**	(4 829)
Profit before tax		**143 382**	118 167
Income tax expense	4	**(40 424)**	(46 843)
Profit for the year		**102 958**	71 324
Other comprehensive income			
Foreign currency translation differences - foreign operations		**12 396**	–
Tax on other comprehensive income		**–**	–
Other comprehensive income for the year, net of tax		**12 396**	–
Total comprehensive income for the year		**115 354**	71 324
Profit attributable to:			
Owners of the Company		**102 456**	71 324
Non-controlling interests		**502**	–
Profit for the year		**102 958**	71 324
Total comprehensive income attributable to:			
Owners of the Company		**114 852**	71 324
Non-controlling interests		**502**	–
Total comprehensive income for the year		**115 354**	71 324
Earnings per share (cents)			
- Basic	5	**7.34**	6.36
- Diluted	5	**7.34**	6.36

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
// AS AT 31 MARCH 2013

	Notes	2013 R'000	2012 R'000
ASSETS			
Non-current assets		**6 674 148**	4 941 986
Equipment	6	**14 155**	7 569
Investment property	7	**17 711**	–
Goodwill and intangible assets	8	**472 816**	69 348
Deferred tax asset	9	**3 187**	1 379
Long-term loans receivable	10	**73 607**	31 332
Investment in equity-accounted investees	11	**1 398**	2 225
Financial assets at fair value through profit or loss	12	**99 260**	46 702
Linked investments backing policyholder funds	13	**5 992 014**	4 783 431
Current assets		**676 985**	672 804
Inventories	14	**16 096**	–
Trade and other receivables		**167 139**	17 855
Amounts owing by clearing houses	15	**223 730**	298 882
Amounts owing from clients	16	**151 429**	300 996
Taxation receivable		**11 688**	2 240
Cash and cash equivalents	17	**106 903**	52 831
Total assets		**7 351 133**	5 614 790
EQUITY AND LIABILITIES			
Equity			
Stated capital	21	**637 062**	53 309
Reserves	21	**280**	(13 038)
Retained income		**93 595**	63 963
Total equity attributable to owners of the Company		**730 937**	104 234
Non-controlling interests		**9 781**	–
Total equity		**740 718**	104 234
Liabilities			
Non-current liabilities		**6 101 012**	4 837 867
Deferred tax liability	9	**7 017**	4 130
Deferred income	18	**3 206**	–
Policyholder investment contract liabilities	20	**5 989 473**	4 782 822
Long-term loans payable	19	**101 316**	50 915
Current liabilities		**509 403**	672 689
Trade and other payables		**110 719**	38 951
Provisions	22	**518**	–
Amounts owing to clearing houses	15	**–**	47 454
Amounts owing to clients	16	**374 591**	545 541
Deferred income	18	**2 491**	–
Current tax payable		**14 822**	3 824
Shareholders for dividend		**–**	36 919
Bank overdraft	17	**6 262**	–
Total liabilities		**6 610 415**	5 510 556
Total equity and liabilities		**7 351 133**	5 614 790

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

// FOR THE YEAR ENDED 31 MARCH 2013

R'000	Attributable to owners of the Company						
	Stated capital	Translation reserve	Treasury shares	Retained income	Total	Non-controlling interests	Total equity
Balance at 1 April 2011	53 309	–	(19 246)	100 394	134 457	(49)	134 408
Total comprehensive income for the year							
Profit for the year	–	–	–	71 324	71 324	–	71 324
Total comprehensive income for the year	–	–	–	71 324	71 324	–	71 324
Transactions with owners recognised directly in equity							
Contributions by and distributions to owners of the Company							
Treasury shares sold	–	–	6 208	–	6 208	–	6 208
Dividends declared during the year	–	–	–	(106 914)	(106 914)	–	(106 914)
Total contributions by and distributions to owners of the Company	–	–	6 208	(106 914)	(100 706)	–	(100 706)
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests	–	–	–	(841)	(841)	49	(792)
Total changes in ownership interests in subsidiaries	–	–	–	(841)	(841)	49	(792)
Total transactions with owners of the Company	–	–	6 208	(107 755)	(101 547)	49	(101 498)
Balance at 31 March 2012	53 309	–	(13 038)	63 963	104 234	–	104 234

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							
Profit for the year	**–**	**–**	**–**	**102 456**	**102 456**	**502**	**102 958**
Total other comprehensive income	**–**	**12 396**	**–**	**–**	**12 396**	**–**	**12 396**
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**

CONSOLIDATED STATEMENT OF CASH FLOWS

// FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 R'000	2012 R'000
Cash flows from operating activities			
Profit for the year		**102 958**	71 324
Income tax expense		**40 424**	46 843
Non-cash movements and adjustments to profit before tax	23	**(15 593)**	2 419
Changes in working capital	24	**(10 213)**	(23 568)
Dividends received		**544**	1 364
Dividends paid		**(88 137)**	(69 995)
Interest received		**16 309**	9 301
Interest paid		**(12 735)**	(4 829)
Taxation paid	25	**(51 433)**	(40 782)
Net cash outflow from operating activities		**(17 876)**	(7 923)
Cash flows from investing activities			
Acquisition of equipment		**(7 463)**	(1 251)
Acquisition of subsidiaries, net of cash acquired	26	**82 343**	–
(Advances)/repayment of long-term loans		**(3 328)**	8 863
Disposal/(acquisition) of intangible assets		**8 150**	(2 000)
Disposal/(investment) in equity-accounted investees		**711**	(2 225)
Decrease in short-term loans		**–**	153
Dividends from equity-accounted investees		**2 124**	–
Disposal of available-for-sale financial assets		**–**	2 891
(Acquisition)/disposal of financial assets at fair value through profit or loss		**(15 875)**	11 388
Cash inflow from investing activities		**66 662**	17 819
Cash flows from financing activities			
(Acquisition)/sale of own shares		**(922)**	6 208
Additional investment in subsidiary		**(4 323)**	–
Decrease in deferred income		**(1 804)**	–
Decrease in long-term loans		**(2 706)**	(4 452)
Cash (outflow)/inflow from financing activities		**(9 755)**	1 756
Net increase in cash and cash equivalents		**39 031**	11 652
Effect of exchange rate fluctuations on cash held		**8 779**	(214)
Cash and cash equivalents at beginning of the year		**52 831**	41 393
Cash and cash equivalents at end of the year	17	**100 641**	52 831

1.1 Reporting entity

Prescient Limited is incorporated in South Africa. These financial statements contain the consolidated and separate annual financial statements of Prescient Limited. The consolidated financial statements of the Company as at, and for the year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associates.

Where reference is made to 'the Group' in the accounting policies it should be interpreted as referring to the Company where the context requires, and unless otherwise noted.

1.2 Basis of preparation

1.2.1 Statement of compliance

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations 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 (APC), the JSE Listing Requirements and the requirements of the Companies Act.

The consolidated and separate annual financial statements were published for issue by the board of directors on 6 September 2013.

1.2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise indicated.

1.2.3 Functional and presentation currency

These consolidated and separate annual financial statements are presented in South African Rands, which is the Company's functional currency. All financial information presented in Rands has been rounded to the nearest thousand, except when otherwise indicated.

1.2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Group's business that typically require such estimates and judgements are the determination of the fair value for financial assets and liabilities, impairment of trade receivables and loan receivables, impairment testing of non-financial assets and goodwill, revenue recognition, work in progress, capitalisation of software costs and judgements relating to business combinations.

The fair value of financial assets and liabilities are classified and accounted for in accordance with policies set out in note 3.3 below. They are valued on the basis of listed market prices in so far as this is possible. If prices are not readily determinable, fair value is based either on internal valuation models or management estimates of amounts that could be realised under current market conditions. The fair values of certain financial instruments are determined using pricing models that consider, among other factors, contractual and market prices, correlations, yield curves, credit spreads, and volatility factors.

Trade receivables and loan receivables

The Group assesses its trade receivables and loan receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.2.4 Use of estimates and judgements (continued)

Impairment testing of non-financial assets

The recoverable amounts of cash-generating units and individual assets are determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that some of the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill, intangible and tangible assets. Key assumptions include anticipated market reaction to software products under development, continuance of significant existing client relationships and expansion on services delivered to them, political stability of customers located in turmoil regions, such as the Middle East.

The Company and Group review and test the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill, intangible and tangible assets are inherently uncertain and could materially change over time.

Impairment of goodwill

Significant judgement is required in estimating the future cash flows of the acquired subsidiary, the discount rate applied to determine the present value of the future cash flows and the terminal value of the acquired subsidiary. The judgements are necessary as there is uncertainty with regard to the future conditions in which the acquired subsidiaries operate.

Revenue recognition and work-in-progress

Work-in-progress is recognised by reference to the stage of completion of the transaction at the end of each month. For large customised projects stage of completion is measured relative to the milestones achieved as specified in the contract. Given the complexity of these contracts, management needs to exercise significant judgement in determining the reach of milestones, estimating total contract costs that will be incurred and the recoverability of agreed-upon fees.

Capitalisation of software costs

Significant judgement is required in determining the costs that need to be capitalised to software due to the complexity of applying the principles set out in IAS 38 *Intangible Assets*. The standard requires the directors to distinguish between research and development costs of software and to consider the impairment of these intangible assets.

1.3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate annual financial statements, and have been applied consistently by Group entities.

1.3.1 Basis of consolidation

1.3.1.1 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Transactions costs, other than those associated with the issue of equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration is recognised in profit or loss.

1.3.1.2 Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

1.3.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. In the case of the Company, investments in subsidiaries are carried at cost, less accumulated impairment losses.

1.3.1.4 Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost.

The consolidated financial statements include the Group's share of the profit or loss and equity movements of associates on an equity-accounted basis from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or has made payments on behalf of the investee.

1.3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that there is no evidence of impairment.

1.3.2 Foreign currency

1.3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to rand at foreign exchange rates ruling at the dates that the fair value was determined.

1.3.2.2 Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to rand at exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to rand at rates approximating foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in the translation reserve in other comprehensive income.

1.3.3 Financial instruments

1.3.3.1 Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or if it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

1.3.3 Financial instruments (continued)

1.3.3.1 Non-derivative financial assets (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

Financial instruments designated as at fair value through profit or loss are initially recognised at fair value excluding transaction costs directly attributable to their acquisition which are recognised immediately in profit or loss. After initial recognition financial assets at fair value through profit or loss are measured at fair value with resulting fair value gains or losses recognised in profit or loss. Financial instruments designated as at fair value through profit or loss are designated as such on initial recognition of the instrument and remain in this classification until derecognition. Financial instruments classified as at fair value through profit or loss includes linked investments backing policyholder funds.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables, long-term loan receivables, amounts owing by clearing houses and amounts owing from clients.

Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value. Subsequent to initial recognition cash and cash equivalents are measured at amortised cost. Cash and cash equivalents comprise balances with banks (net of bank overdrafts).

Investment policy in respect of seed capital

A subsidiary within the Group is required to provide seed capital of R1m per collective investment scheme that it administers, until such time as a scheme's assets from third party investors exceed R10m, at which point the seed capital may be disinvested. A scheme is only launched if it promises to be viable in the short-term, in which case it can be expected that third party investments into a new scheme would exceed R10m in a period significantly shorter than twelve months. The Group's philosophy in respect of seed capital is to manage these investments (the participatory interest in the scheme) in order to realise the assets, as soon as possible after the seeding requirement is extinguished, at a market value in excess of the initial amount. The seed capital is designated as measured at fair value through profit or loss as the instruments are managed on a fair value basis.

Fair value measurement considerations

Listed securities are stated at quoted prices. When quoted prices are not available, fair values are determined by using valuation techniques that refer as far as possible to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. A number of factors such as bid–offer spread, credit profile, servicing costs and model uncertainty are taken into account, as appropriate, when values are calculated using a valuation technique. Changes in the assumptions used in such valuations could impact the reported value of such instruments. Investments in collective investment schemes are valued at the published repurchase price at the reporting date. If the market for a financial asset is not active, the Group establishes fair value using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

To the extent that the fair values of unlisted equity instruments cannot be measured reliably, such instruments are carried at cost less impairments.

1.3.3.2 Non-derivative financial liabilities

Policyholder investment contract liabilities

All investment contracts issued by the Group are designated on initial recognition as at fair value through profit or loss. This designation significantly reduces a measurement inconsistency that would otherwise arise if these financial liabilities were not measured at fair value since the assets held to back the investment contract liabilities are also measured at fair value.

Contributions received from policyholders and benefit payments made to policyholders are not recognised in profit or loss but are accounted for directly in the movement in the policyholder liability. Changes in the fair value of these financial instruments are recognised as net fair value gains in profit or loss in the period in which they arise. The fair value of the linked investment contract liabilities is determined based on the fair value of the associated linked financial assets and is net of taxation payable on investment gains.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Except for policyholder investment contract liabilities, the Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise long-term loans, bank overdrafts, and trade and other payables. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

1.3.3.3 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends on ordinary shares are recognised as a deduction from equity in the period in which they are declared to the shareholders.

Repurchase, disposal and reissue of share capital (treasury shares)

Treasury shares are ordinary shares held by subsidiaries of the Company. When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares, if not cancelled, are classified as treasury shares and are presented in the statement of changes in equity, in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is included in shareholders' equity.

1.3.4 Equipment

1.3.4.1 Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Any gain or loss on disposal of an item of equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

1.3.4 Equipment (continued)

1.3.4.2 Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

1.3.4.3 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The residual values and useful lives of items of equipment are reviewed annually and any changes thereto are accounted for as a change in accounting estimate with any adjustments reflected in profit or loss.

The estimated useful lives of items of equipment remain unchanged from the previous period and are as follows:

Computer software	2 years
Computer equipment	3 years
Office equipment	5 years
Furniture and fittings	10 years
Leasehold improvements	5 years

1.3.5 Intangible assets and goodwill

1.3.5.1 Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. Refer to note 8.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

1.3.5.2 Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative period are as follows:

Internally developed software	5 years
Other intangible assets	
Software system	3 years
Patents and trademarks	10 years

1.3.5.3 Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

1.3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

1.3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling prices.

Work-in-progress is recognised by reference to the stage of completion of the transaction at the end of each month. Stage of completion is determined by the percentage income recognised to the contract price. Fixed price contracts with deliverables are the only expenditure considered in the work-in-progress calculation.

For each project the total contract price is established. The percentage of the total amount of invoices issued against the total contract price is then applied to the total project cost estimate. The project cost estimate is reviewed and updated on a monthly basis, if necessary. All related costs, such as salaries, flights, accommodation, subsistence and other allowances are included.

At the reporting date, the actual costs incurred relating to the project are calculated. These costs are updated on a regular basis as and when the costs are incurred.

1.3.8 Impairment

1.3.8.1 Impairment of financial assets

A financial asset not classified as at fair value through profit or loss, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss.

1.3.8.2 Impairment of equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

1.3.8.3 Impairment (continued)

The carrying amounts of the Group's non-financial assets, excluding investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.3.9 Employee benefits

1.3.9.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. The accrual for employee entitlements to remuneration and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' services provided by the reporting date. These accruals have been calculated at undiscounted amounts based on current salary rates.

1.3.9.2 Defined contribution plans

Certain of the Group's subsidiaries contribute to a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate legal entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to these funds are recognised in profit or loss in the period during which services are rendered by employees.

1.3.9.3 Termination benefits

The cost of termination benefits is recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies is recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

1.3.10 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised if, as a result of a past event, the Group has created a legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.3.11 Revenue

Revenue comprises fees for investment management services, performance fee income, investment income, IT fee income, sundry income and brokerage.

Management fee income is recognised on an accrual basis when the service is rendered. Performance fee income is recognised when the Group becomes unconditionally entitled to revenue and no contingency with respect to future performance exists.

Income from collective investment schemes comprises income received from and accrued on investments in collective investment schemes for which the declaration date falls within the accounting period.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined as follows:

- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred;
- revenue from fixed price contracts which run for a set period of time and where services are performed by an indeterminate number of acts is recognised on a straight-line basis over the specified period; and
- revenue from large customised projects stage of completion is measured relative to the milestones achieved as specified in the contract.

Brokerage income is recognised on the day that the purchase or sale of financial instruments is concluded, regardless of when settlement takes place.

Dividend income is recognised as revenue when the shareholder's right to receive payments is established.

Revenue is measured at the fair value of the consideration received or receivable, net of value added tax and rebates.

1.3.12 Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income is included in other income.

1.3.13 Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

1.3.14 Interest income and finance costs

Interest income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on interest-bearing borrowings and bank overdrafts.

1.3.15 Tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss to the extent that it relates to items recognised directly in equity or in other comprehensive income in which case income tax is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the estimated taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

1.3.15 Tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends – secondary tax on companies (STC) – are recognised as an expense at the same time as the liability to pay the related dividend is recognised. To the extent that it is probable that the entity with STC credits will declare dividends of its own before 1 April 2012, against which unutilised STC credits may be utilised, a deferred tax asset is recognised for such STC credits.

Effective 1 April 2012, STC is no longer applicable. STC has been replaced by dividends withholding tax, which is a tax on the shareholders as opposed to the Company. The Company withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the Company's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

1.3.16 Managed funds and trust activities

Certain companies within the Group operate unit trusts, hold-and-invest funds on behalf of clients. Assets and liabilities representing such activities are not reflected in the statement of financial position, as these relate directly to clients. The value of these items is disclosed in the notes. Income from these activities is brought to account over the period to which the service relates.

1.3.17 Earnings per share

The Group presents basic, diluted and headline earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive instruments.

Headline and diluted headline earnings per share is calculated in accordance with circular 3/2012 issued by the South African Institute of Chartered Accountants.

1.3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are reviewed regularly by the executive committee in order to assess its performance, and for which discrete financial information is available. Segment results that are reported to the executive committee include items directly attributable to the segment. Segment capital expenditure is the total cost incurred during the period to acquire equipment and intangible assets.

1.4 Accounting standards and interpretations in issue but not yet effective

A number of new standards, amendments to standards and interpretation are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated and separate annual financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these early.

IFRS 9 Financial Instruments (effective for years commencing on or after 1 January 2015)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The Group and Company will adopt this standard for the financial year commencing 1 January 2015. The adoption of IFRS 9 (2010) is expected to have an impact on the Group and Company's financial assets, but not any impact on the Group and Company's financial liabilities.

1.4 Accounting standards and interpretations in issue but not yet effective (continued)

IFRS 10 Consolidated Financial Statements (effective for years commencing on or after 1 January 2013)

This standard introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees. An investor controls an investee when it is exposed or has rights to variable returns from its involvement with that investee, it has the ability to affect those returns through its power over that investee and there is a link between power and returns. Control is reassessed as facts and circumstances change. IFRS 10 supersedes IAS 27 (2008) and SIC-12 Consolidation – Special Purpose Entities. The impact on the financial statements has not yet been estimated.

IFRS 12 Disclosure of Interests in Other Entities (effective for years commencing on or after 1 January 2013)

This standard combines, in a single standard, the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. The required disclosures aim to provide information to enable the user to evaluate the nature of, and risks associated with, an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. The adoption of the new standard will increase the level of disclosure provided for the entity's interests in subsidiaries, joint arrangements, associates and structured entities. The impact on the financial statements has not yet been estimated.

IFRS 13 Fair Value Measurement (effective for years commencing on or after 1 January 2013)

This standard introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value as an exit price, establishing a framework for measuring fair value and setting out disclosure requirements for fair value measurements. The impact on the financial statements has not yet been estimated.

Amendments to IFRS 7 Financial Instruments: Disclosures Offsetting Financial assets and Liabilities

The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements. The impact on the financial statements has not yet been estimated.

Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities –

The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The impact on the financial statements has not yet been estimated.

Amendments to IAS 19 Employee Benefits (effective for annual periods beginning on or after 1 January 2013) Amended)

Numerous changes and clarifications to IAS 19 Employee Benefits have been issued. Short and long-term benefits will now be distinguished based on the expected timing of settlement, rather than employee entitlement. The classification of the leave pay provision will need to be considered from the perspective of when the employees intend to take their leave. If leave is expected to be taken during a period after 12 months of rendering the related service, the leave benefit is another long-term employee benefit. This revised standard will thus impact how the group accounts for and discloses leave pay provisions.

Amendments to IAS 27 Separate Financial statements

IAS 27 Separate Financial Statements 2011) supersedes IAS 27 (2008) and is effective for years commencing on or after 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

Amendments to IAS 28 Investments in Associates and Joint Ventures

IAS 28 Investments in Associates and Joint Ventures (2011) supersedes IAS 28 (2008) and is effective for years commencing on or after 1 January 2013. IAS 28 (2011) makes the following amendments: (i) IFRS 5 applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and (ii) on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not remeasure the retained interest.

		2013 R'000	2012 R'000
2.1	**Revenue**		
	Fees for investment management and brokerage	**379 219**	269 710
	Fees for IT services	**198 333**	–
	Investment income	**26 544**	5 889
	Dividend income from financial assets at fair value through profit or loss	**544**	1 364
	Interest income	**16 309**	9 301
	Net fair value gains on available-for-sale financial assets	**–**	1 219
	Net fair value gains/(losses) on financial assets at fair value through profit or loss	**12 052**	(5 995)
	Change in fair value of investment property	**(2 361)**	–
	Net fair value gains on linked investments backing policyholder funds	**–**	–
	Dividend income from linked investments backing policyholder funds	**132 884**	79 438
	Interest income from linked investments backing policyholder funds	**112 953**	135 969
	Increase in policyholder investment contract liabilities	**(829 821)**	(336 627)
	Net fair value gains on linked investments backing policyholder funds	**583 984**	121 220
	Sundry income	**1 297**	996
		605 393	276 595
2.2	**Other income**		
	Fair value gain on contingent purchase price	**14 323**	–
3.1	**Operating expenses**		
	Included in operating expenses are the following:		
	Auditor's remuneration	**5 746**	1 439
	Depreciation and amortisation	**10 393**	3 344
	Levies and taxes	**2 877**	2 070
	Operating lease charges	**15 569**	3 143
	Administrative expenses	**125 994**	45 625
	Employee benefits *	**167 418**	97 843
		327 997	153 464
	*** Employee benefits**	**167 418**	97 843
	Salaries and bonuses	**152 664**	84 016
	Provident fund contributions	**14 754**	13 827
3.2	**Finance costs**		
	Finance costs on bank overdraft	**330**	–
	Finance costs on interest-bearing borrowings	**12 405**	4 829
		12 735	4 829

* Employee benefits for 2012 includes the directors of Prescient Holdings.

	2013 R'000	2012 R'000
4. Income tax expense		
Tax recognised in profit or loss		
Current tax expense		
Current year	**42 338**	35 887
Adjustment for prior years	**137**	–
	42 475	35 887
Secondary tax on companies (refund)/expense	**(593)**	11 000
	41 882	46 887
Deferred tax expense		
Origination and reversal of temporary differences	**(1 458)**	(44)
	(1 458)	(44)
Income tax expense	**40 424**	46 843
Reconcilliation of effective tax rate		
Profit before taxation	**143 382**	118 167
Income tax expense	**40 424**	46 843
	%	%
Current year's charge as a percentage of profit before taxation	**28**	40
CGT inclusion rate	**1**	–
STC	**–**	(9)
Dividends received not taxable	**–**	(1)
Unutilised tax loss not provided for	**–**	(2)
Other	**(1)**	–
	28	28

5. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 March 2013 was based on the profit attributable to ordinary shareholders of R102 456 013 (2012: R71 323 944), and a weighted average number of ordinary shares outstanding of 1 396 375 360 (2012: 1 120 596 744), calculated as follows:

Profit attributable to ordinary shareholders (basic) R'000	2013	2012
Profit for the year, attributable to owners of the Company	**102 456**	71 324
Profit attributable to ordinary shareholders	**102 456**	71 324

Weighted average number of ordinary shares (basic) In thousands of shares	2013	2012
Ordinary shares at 1 April	**1 120 597**	8 841
Effect of reverse acquisition*	**–**	1 111 756
Effect of shares issued related to a business combination	**275 778**	–
Weighted average number of ordinary shares at 31 March	**1 396 375**	1 120 597

* The number of shares in issue in the current year is per the shareholder register. The number of shares in the prior year is a conversion of the Prescient Holdings shares by the conversion ratio as set out in the Listing Circular for the reverse acquisition of Prescient Holdings by PBT. The conversion ratio was 126.76 PBT shares for one Prescient Holdings share.

Diluted earnings per share

There were no dilutive effects on the basic earnings or weighted average number of shares at year end.

5. Earnings per share (continued)

Headline earnings per share

Headline earnings per share has been calculated in accordance with Circular 3 of 2012 issued by the South African Institute of Chartered Accountants.

There were no dilutive effects on the basic headline earnings or weighted average number of shares at year end.

2013	Profit before tax R'000	Tax R'000	Non-controlling interests R'000	Earnings attributable to ordinary shareholders R'000	Cents per share
Per the statement of comprehensive income	**143 382**	**(40 424)**	**(502)**	**102 456**	**7.34**
Adjustments:					
Change in fair value of investment property	**2 361**	**–**	**–**	**2 361**	**0.17**
Headline earnings	**145 743**	**(40 424)**	**(502)**	**104 817**	**7.51**
2012					
Per the statement of comprehensive income	118 167	(46 843)	–	71 324	6.36
Headline earnings	118 167	(46 843)	–	71 324	6.36

Dividends per share	2013 Cents	2012 Cents
- Interim – declared 26 July 2011	**–**	3.18
- Interim – declared 14 November 2012 (2012: 2 December 2011)	**3.30**	3.02
- Final – declared 25 June 2013 (2012: 30 March 2012)	**2.50**	3.29

6. Equipment

R'000 Cost	Computer software	Computer equipment	Office equipment	Furniture and fittings	Leasehold improvements	Total
Balance at 1 April 2011	7 736	2 823	701	1 412	3 019	15 691
Additions/(disposals)	951	529	91	391	(711)	1 251
Balance at 31 March 2012	8 687	3 352	792	1 803	2 308	16 942
Balance at 1 April 2012	**8 687**	**3 352**	**792**	**1 803**	**2 308**	**16 942**
Additions	**57**	**3 972**	**227**	**368**	**2 839**	**7 463**
Acquired through business combinations	**–**	**2 033**	**150**	**2 690**	**–**	**4 873**
Effect of movements in exchange rates	**–**	**17**	**2**	**(1 657)**	**–**	**(1 638)**
Transfers	**–**	**–**	**26**	**(26)**	**–**	**–**
Balance at 31 March 2013	**8 744**	**9 374**	**1 197**	**3 178**	**5 147**	**27 640**
Accumulated depreciation						
Balance at 1 April 2011	2 487	1 949	510	519	564	6 029
Depreciation for the year	2 187	554	101	141	361	3 344
Balance at 31 March 2012	4 674	2 503	611	660	925	9 373
Balance at 1 April 2012	**4 674**	**2 503**	**611**	**660**	**925**	**9 373**
Depreciation for the year	**2 003**	**1 815**	**176**	**1 087**	**734**	**5 815**
Disposals	**–**	**–**	**(130)**	**(1 524)**	**–**	**(1 654)**
Effect of movements in exchange rates	**–**	**14**	**1**	**(69)**	**5**	**(49)**
Balance at 31 March 2013	**6 677**	**4 332**	**658**	**154**	**1 664**	**13 485**
Carrying amounts						
At 31 March 2012	4 013	849	181	1 143	1 383	7 569
At 31 March 2013	**2 067**	**5 042**	**539**	**3 024**	**3 483**	**14 155**

	2013 R'000	2012 R'000
7. Investment property		
Opening balance at 1 April	**–**	–
Acquistions through business combinations	**17 967**	–
Change in fair value	**(2 361)**	–
Exchange differences on translating foreign operations	**2 105**	–
Closing balance at 31 March 2013	**17 711**	–

Investment property comprises a commercial property leased for rental. An external, independent valuator, having an appropriate recognised professional qualification and recent experience in the location and category of property valuations, valued the Group's investment property at 31 March 2013. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller.

8. Goodwill and intangible assets

R'000 **Cost**	Goodwill	Patents and trademarks	Internally developed software	Computer software	Total
Opening balance at 1 April 2011	67 324	24	–	–	67 348
Additions	–	2 000	–	–	2 000
Closing balance at 31 March 2012	67 324	2 024	–	–	69 348
Opening balance at 1 April 2012	**67 324**	**2 024**	**–**	**–**	**69 348**
Additions	**–**	**–**	**2 948**	**–**	**2 948**
Recognised through business combinations	**345 959**	**–**	**–**	**–**	**345 959**
Acquired through business combinations	**29 311**	**–**	**22 165**	**240**	**51 716**
Change in provisional goodwill recognised	**5 244**	**–**	**–**	**–**	**5 244**
Effect of movements in exchange rates	**2 214**	**–**	**–**	**–**	**2 214**
Closing balance at 31 March 2013	**450 052**	**2 024**	**25 113**	**240**	**477 429**
Accumulated amortisation					
Opening balance at 1 April 2012	**–**	**–**	**–**	**–**	**–**
Amortisation for the year	**–**	**304**	**4 162**	**112**	**4 578**
Effect of movements in exchange rates	**–**	**–**	**35**	**–**	**35**
Closing balance at 31 March 2013	**–**	**304**	**4 197**	**112**	**4 613**
Carrying amounts					
At 31 March 2012	67 324	2 024	–	–	69 348
At 31 March 2013	**450 052**	**1 720**	**20 916**	**128**	**472 816**

The amount of R346.0m which represents the excess of the purchase price over the net assets in respect of the acquisitions of subsidiaries during the year has not yet been allocated to identified intangible assets and so has been provisionally recognised as goodwill. The reason that the allocation has not taken place is due to the fact that the valuation of the intangibles, *albeit* underway, has not been finalised.

9. Deferred tax	Assets 2013 R'000	Assets 2012 R'000	Liabilities 2013 R'000	Liabilities 2012 R'000	Net 2013 R'000	Net 2012 R'000
Income received in advance	**254**	96	**–**	–	**254**	96
Trade and other payables	**2 073**	742	**–**	–	**2 073**	742
Provisions	**145**	–	**–**	–	**145**	–
Assessed loss	**54**	108	**(200)**	–	**(146)**	108
Capital losses	**198**	314	**–**	–	**198**	314
Financial assets at fair value through profit or loss	**180**	–	**(1 952)**	(4 130)	**(1 772)**	(4 130)
Equipment	**268**	–	**–**	–	**268**	–
Work-in-progress	**–**	–	**(4 697)**	–	**(4 697)**	–
Straight-lining of leases	**15**	–	**–**	–	**15**	–
Accrued income	**–**	–	**(35)**	–	**(35)**	–
Other	**–**	119	**(133)**	–	**(133)**	119
Net deferred tax assets/ (liabilities)	**3 187**	1 379	**(7 017)**	(4 130)	**(3 830)**	(2 751)

2012 Movement in deferred tax balances during the year	Balance at 31 March 2011 R'000	Recognised in profit or loss R'000	Other R'000	Acquired in business combinations R'000	Balance at 31 March 2012 R'000
Income received in advance	(13)	109	–	–	96
Trade and other payables	796	(54)	–	–	742
Assessed loss	102	6	–	–	108
Capital losses	–	314	–	–	314
Financial assets at fair value through profit or loss	(55)	(4 075)	–	–	(4 130)
Equipment	350	(350)	–	–	–
Other	(221)	340	–	–	119
	959	(3 710)	–	–	(2 751)

2013	Balance at 31 March 2012 R'000	Recognised in profit or loss R'000	Other R'000	Acquired in business combinations R'000	Balance at 31 March 2013 R'000
Income received in advance	**96**	**158**	**–**	**–**	**254**
Trade and other payables	**742**	**247**	**(42)**	**1 126**	**2 073**
Provisions	**–**	**311**	**190**	**(356)**	**145**
Assessed loss	**108**	**116**	**(463)**	**93**	**(146)**
Capital losses	**314**	**(115)**	**(1)**	**–**	**198**
Financial assets at fair value through profit or loss	**(4 130)**	**(502)**	**2 860**	**–**	**(1 772)**
Equipment	**–**	**43**	**28**	**197**	**268**
Work-in-progress	**–**	**1 238**	**(192)**	**(5 743)**	**(4 697)**
Straight-lining of leases	**–**	**4**	**1**	**10**	**15**
Accrued income	**–**	**28**	**–**	**(63)**	**(35)**
Other	**119**	**(70)**	**31**	**(213)**	**(133)**
	(2 751)	**1 458**	**2 412**	**(4 949)**	**(3 830)**

	2013 R'000	2012 R'000
10. Long-term loans receivable		
Loans to staff	**31 685**	31 332
Employees of the Prescient Group received funding to purchase shares in Prescient Holdings. The loans attract interest at 3 month JIBAR plus 3.15% plus a 0.2% transaction fee. These loans are not repayable within twelve months.		
Loan to equity-accounted investee	**1 233**	–
This loan is interest free and has no fixed repayment terms. These loans are not repayable within twelve months.		
Loan to Prescient Foundation	**33 971**	–
Prescient Foundation received funding from a subsidiary in PBT to purchase shares in Prescient Limited. The loan attracts interest at the prime lending rate. The Foundation will repay interest on the loan bi-annually and in addition will repay the capital of the loan in ten equal six monthly instalments. The Foundation will fully repay the loan within a period of 5 years.		
Other loan receivables	**6 718**	–
	73 607	31 332

11. Investment in equity-accounted investees

2013	Reporting date	Ownership (%)	Current assets R'000	Non-current assets R'000	Total assets R'000	Current liabilities R'000
Name of Investment						
EMH Prescient Holdings (Proprietary) Limited	**31–Mar**	**49%**	**2 179**	**159**	**2 338**	**93**
Midnight Storm Investments (Proprietary) Limited	**31–Mar**	**50%**	**44**	**4 067**	**4 111**	**87**
Prescient House (Proprietary) Limited	**31–Mar**	**26.45%**	**56**	**536**	**592**	**10**
			2 279	**4 762**	**7 041**	**190**
2012						
EMH Prescient Holdings (Proprietary) Limited	31–Mar	49%	2 436	8	2 445	–
			2 436	8	2 445	–

* Profit and loss for the seven-month period from 15 September 2012 to March 2013.

Non-current liabilities R'000	Total liabilities R'000	Net assets R'000	Income R'000	Expenses R'000	Profit/ (loss) R'000	Group share of net assets R'000	Carrying amount R'000	Group's share of profit/ (loss) R'000
3 188	**3 281**	**(943)**	**174**	**(844)**	**(670)**	**(462)**	**1 198**	**(328)**
4 125	**4 212**	**(101)**	**497**	**(718)**	**(221)**	**(51)**	**130**	**(65)***
–	**10**	**582**	**1 970**	**(842)**	**1 128**	**151**	**70**	**174***
7 313	**7 503**	**(462)**	**2 641**	**(2 404)**	**237**	**(362)**	**1 398**	**(219)**
2 739	2 740	(295)	4	281	(276)	(145)	2 225	(135)
2 739	2 740	(295)	4	281	(276)	(145)	2 225	(135)

	2013 R'000	2012 R'000
12 Financial assets at fair value through profit or loss		
Unit dealing stock	**4 922**	877
Seed capital	**1 700**	4 118
Deposits at financial institutions	**1 454**	964
Equities	**11 469**	14 571
Collective investment schemes	**58 259**	16 127
Bonds and unlisted debt	**20 087**	9 421
SAFEX margins	**149**	604
Foreign mutual fund	**982**	–
Other	**238**	20
	99 260	46 702

12.1 Fair value hierarchy

R'000 2013	Level 1	Level 2	Level 3	Total
Financial assets				
Linked investments backing policyholder funds	**4 722 955**	**1 269 059**	**–**	**5 992 014**
Financial assets at fair value through profit or loss	**78 935**	**20 325**	**–**	**99 260**
Total financial assets measured at fair value	**4 801 890**	**1 289 384**	**–**	**6 091 274**
Financial liabilities				
Policyholder investment contract liabilities	**4 720 414**	**1 269 059**	**–**	**5 989 473**
Total financial liabilities measured at fair value	**4 720 414**	**1 269 059**	**–**	**5 989 473**
2012				
Financial assets				
Linked investments backing policyholder funds	3 787 007	996 424	–	4 783 431
Financial assets at fair value through profit or loss	37 147	9 555	–	46 702
Total financial assets measured at fair value	3 824 154	1 005 979	–	4 830 133
Financial liabilities				
Policyholder investment contract liabilities	3 786 398	996 424	–	4 782 822
Total financial liabilities measured at fair value	3 786 398	996 424	–	4 782 822

Fair values are classified according to the following hierarchy based on the requirements in IFRS 7 *Financial Instruments: Disclosures:*

Level 1: Quoted market price: unadjusted in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e as prices) or indirectly (i.e derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices that are similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

12 **Financial assets at fair value through profit or loss (continued)**

12.2 **Categories of financial assets and liabilities**

The carrying amounts and fair values of each category of financial assets and liabilities are as follows:

R'000 **2013**	Note	Designated at fair value through profit or loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
Long-term loans receivable	10	**–**	**73 607**	**–**	**73 607**	**73 607**
Financial assets at fair value through profit or loss	12	**99 260**	**–**	**–**	**99 260**	**99 260**
Linked investments backing policyholder funds	13	**5 992 014**	**–**	**–**	**5 992 014**	**5 992 014**
Trade and other receivables		**–**	**167 139**	**–**	**167 139**	**167 139**
Amounts owing by clearing houses	15	**–**	**223 730**	**–**	**223 730**	**223 730**
Amounts owing from clients	16	**–**	**151 429**	**–**	**151 429**	**151 429**
Cash and cash equivalents	17	**–**	**106 903**	**–**	**106 903**	**106 903**
		6 091 274	**722 808**	**–**	**6 814 082**	**6 814 082**
Long-term loans payable	19	**–**	**–**	**101 316**	**101 316**	**101 316**
Policyholder investment contract liabilities	20	**5 989 473**	**–**	**–**	**5 989 473**	**5 989 473**
Trade and other payables		**–**	**–**	**110 719**	**110 719**	**110 719**
Amounts owing to clients	16	**–**	**374 591**	**–**	**374 591**	**374 591**
		5 989 473	**374 591**	**212 035**	**6 576 099**	**6 576 099**
2012						
Long-term loans receivable	10	–	31 332	–	31 332	31 332
Financial assets at fair value through profit or loss	12	46 702	–	–	46 702	46 702
Linked investments backing policyholder funds	13	4 783 431	–	–	4 783 431	4 783 431
Trade and other receivables		–	17 855	–	17 855	17 855
Amounts owing by clearing houses	15	–	298 882	–	298 882	298 882
Amounts owing from clients	16	–	300 996	–	300 996	300 996
Cash and cash equivalents	17	–	52 831	–	52 831	52 831
		4 830 133	701 896	–	5 532 029	5 532 029
Long-term loans payable	19	–	–	50 915	50 915	50 915
Policyholder investment contract liabilities	20	4 782 822	–	–	4 782 822	4 782 822
Trade and other payables		–	–	38 951	38 951	38 951
Amounts owing to clearing houses	15	–	47 454	–	47 454	47 454
Amounts owing to clients	16	–	545 541	–	545 541	545 541
		4 782 822	592 995	89 866	5 465 683	5 465 683

		2013 R'000	2012 R'000
13.	**Linked investments backing policyholder funds**		
	Deposits at financial institutions	**279 335**	217 275
	Bonds and unlisted debt	**1 032 695**	1 203 914
	Unlisted loans	**160 916**	146 648
	Equities	**2 547 061**	2 126 941
	Basic materials	**454 551**	517 421
	Consumer goods	**435 978**	328 875
	Consumer services	**272 284**	238 791
	Financials	**537 700**	433 240
	Healthcare	**114 180**	76 759
	Industrials	**276 643**	159 039
	Oil and gas	**151 715**	110 723
	Preference shares	**–**	648
	Property	**131 942**	111 092
	Technology	**25 780**	9 975
	Telecommunication	**146 288**	140 378
	Collective investment schemes	**1 195 585**	814 856
	Claims against long-term insurers in terms of policies	**176 786**	41 056
	Exchange traded funds	**31 462**	4 138
	Foreign mutual funds	**347 598**	100 835
	Fund of hedge funds	**192 477**	76 349
	Property trust	**7 856**	7 856
	SAFEX margin accounts	**20 243**	43 563
		5 992 014	4 783 431
14.	**Inventories**		
	Work-in-progress	**16 096**	–
		16 096	–

Net realisable value equals the carrying amount reflected above.

		2013 R'000	2012 R'000
15.	**Amounts owing by/to clearing houses**		
	Owing by clearing houses		
	Equities	**144 281**	298 882
	Fixed Interest	**57 628**	–
	Futures and Yield-X products	**21 821**	–
		223 730	298 882
	Owing to clearing houses		
	Fixed Interest	**–**	21 097
	Futures and Yield-X products	**–**	26 357
		–	47 454

Amounts owing to/from clearing houses reflects the unsettled client trades at year end.

16. Amounts owing by/to clients

In terms of Section 14 of the Stock Exchange Control Act of 1985, cash held for client accounts and in the client's name, is held with JSE Trustees Proprietary Limited ("JSE Trustees"). The amounts owing to, and from, customers represent unsettled exchange traded transactions at year end and client money held with the JSE Trustess amounting to R186 329 222 (2012: R147 597 713).

		2013 R'000	2012 R'000
17.	**Cash and cash equivalents**		
	Current accounts	**101 632**	46 773
	Foreign currency deposits	**516**	1 194
	Call deposits and money market	**4 755**	4 864
	Bank overdraft	**(6 262)**	–
		100 641	52 831

	2013 R'000	2012 R'000
18. Deferred income		
Income received in advance	**5 697**	–
	5 697	–
Non–current	**3 206**	–
Current	**2 491**	–
	5 697	–
19. Long-term loans payable		
Standard Bank	**69 474**	50 518
This loan is secured against the assets of the Group. Contractually agreed capital and interest repayments are due to be made bi-annually, with the final outstanding capital and interest amounts repayable on 31 May 2017. Interest is charged at a rate of 3 month JIBAR plus 3.15%. The current portion of this loan is reflected in trade and other payables.		
Standard Bank	**31 634**	–
This loan is secured against the assets of the Group. Contractually agreed capital repayments are due to be made bi-annually with interest payments due quarterly, with the outstanding capital and interest amounts repayable on 10 December 2015. Interest is charged at a rate of 3 month JIBAR plus 3.15%. The current portion of this loan is reflected in trade and other payables.		
Loan from director of subsidiary	**208**	397
Unsecured loan bearing interest at agreed upon rates and having no fixed terms of repayment. The interest rate at 31 March 2013 was zero%. This loan has been subordinated in favour of the subsidiary's creditors. The loan is not repayable within the next twelve months.		
	101 316	50 915
20. Policyholder investment contract liabilities		
Movement in financial liability:		
Balance at the beginning of the year	**4 782 822**	5 146 740
Contributions and investment income	**3 117 168**	1 879 836
Contributions from policyholders	**2 871 331**	1 664 429
Investment income	**245 837**	215 407
Withdrawals by policyholders	**(2 494 501)**	(2 364 974)
Net fair value gains on linked investments backing policyholder funds	**583 984**	121 220
Balance at the end of the year	**5 989 473**	4 782 822

21. Stated capital and reserves

	Ordinary shares	
	2013 Number	2012 Number
Authorised		
2 000 000 000 no par value shares (2012: 450 000 000 ordinary shares of R0.001 each)	**2 000 000 000**	450 000 000
Issued, allotted and fully paid	**Number**	Number
Number of ordinary shares		
In issue at 1 April	**281 826 818**	281 826 818
Issued in business combinations	**1 294 519 414**	–
In issue at 31 March	**1 576 346 232**	281 826 818
These shares reflected above are those of the legal company		
	R'000	R'000
Nominal value of ordinary shares	**1**	1
Share premium	**637 061**	53 308
Stated capital	**637 062**	53 309

Unissued shares

Unissued shares are under the control of the directors until the forthcoming annual general meeting.

Nature and purpose of reserves

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 March 2013, Group entities held 24 317 180 of the Company's shares.

22. Provisions

	Provision for software costs R'000	Total R'000
Balance at 1 April 2012	–	–
Provisions raised during the year	518	518
Balance at 31 March 2013	518	518

Software costs

A provision of R0.518m was raised during 2013 in respect of the Group's obligation to settle amounts owing to a software provider.

	2013 R'000	2012 R'000
23. Non-cash movements and adjustments to profit before taxation		
Non-cash movements and adjustments to profit before taxation	(15 593)	2 419
Dividend income	(544)	(1 364)
Depreciation and amortisation	10 393	3 344
Interest income	(16 309)	(9 301)
Net fair value gains on financial assets at fair value through profit or loss	(12 052)	(1 219)
Net fair value gains on available-for-sale financial assets	–	(1 748)
Interest expense	12 735	4 829
Revaluation of FEC liability	–	7 743
Share of loss of equity – accounted investees (net of tax)	219	135
Change in fair value of investment property	2 361	–
Foreign currency translation differences - foreign operations	(12 396)	–
24. Changes in working capital		
	(10 213)	(23 568)
Decrease in trade and other receivables	200 678	372 876
Decrease in trade, other payables and provisions	(210 891)	(396 444)
25. Taxation paid		
	(51 433)	(40 782)
Amount (payable)/receivable at beginning of the year	(1 584)	5 131
Taxation liability on acquisition of subsidiaries	(9 232)	–
Taxation relating to policyholder profits	(1 869)	(610)
Statement of comprehensive income charge (excluding deferred tax)	(41 882)	(46 887)
Amount payable at the end of the year	3 134	1 584

26. Acquisitions of subsidiaries and non-controlling interests

Prescient Ireland

On 31 May 2012 the Group obtained control of Prescient Ireland, an investment manager based in Dublin, Ireland, by acquiring the entire issued share capital of the acquiree for an initial R72.2m, with a further contingent amount of R16.6m. The acquisition was a continuation of the Group's expansion into the international market, will diversify the Group's earnings and client base, and provide the local client base with seamless access to global markets. Prescient's risk management and asset allocation skills fit well in the Irish market, where retirement funds are still predominantly defined benefit and largely underfunded. AUM at 31 March 2013 was R56.7bn.

Reverse acquisition of PBT Group Limited

On 20 August 2012 PBT acquired the entire issued share capital of Prescient Holdings. This acquisition was classified as a reverse acquisition in terms of IFRS 3 *Business Combinations* and PBT was treated as the accounting acquiree. PBT was acquired for an amount of R470.5m and the net assets at acquisition are reflected in the table below.

PBT offers IT services to a diverse client base across South Africa, the rest of Africa and Australia. These services primarily include healthcare administration systems and consulting and implementation of data and management information software. The IT services segment continues to operate well with a geographically diverse client base. A number of acquisitions during the year have expanded the range of services offered by the traditional PBT group of companies.

Although PBT operates in a segment which differs from the Prescient Holdings' companies, the earnings profiles of the two segments are similar and they both operate on the basis of a strength in intellectual capacity amongst the staff and with a core focus on service excellence to their respective client bases.

26. Acquisitions of subsidiaries and non-controlling interests (continued)

Prescient Capital

On 20 August 2012, there was an acquisition of Prescient Capital, an investment holding company with numerous interests in property-holding companies and a Dublin-based investment administrator. Prescient Capital was acquired for a consideration of R71.7m. The reason for the acquisition was to consolidate all commonly held entities by the shareholders of the Prescient group of companies into a single group structure. In addition, the property holding company and a global administration business represented core entities in the context of the Group's global expansion initiatives.

On 20 August 2012, other acquisitions included:

- a 75% investment in GIB, 50% of which was acquired through Prescient Capital and a direct acquisition of 25% for a consideration of R6.2m. GIB provides marketing research and consulting services to large corporates;
- 51% of CyberPro for a consideration of R6.5m. CyberPro is a leading Microsoft Certified software services company, and
- 100% of BI-Blue for a consideration of R8m. BI-Blue offers business intelligence services, specialising in SAP technology, to assist clients in harnessing data to improve decision-making. The acquisition of CyberPro and BI-Blue will further complement the services offered by the PBT group of companies.

If all acquisitions had taken place at the beginning of the period under review, revenue for the Group would have increased by R155.5m and net profit before tax would have increased by R15.7m.

The purchase price, in excess of net identifiable assets, has been provisionally determined as goodwill. The allocation between intangible assets and goodwill will be determined during the following financial period.

The following table summarises the fair value of assets and liabilities assumed at acquisition date:

R'000 Acquisitions of subsidiaries and non-controlling interests	Prescient Ireland	PBT	Prescient Capital	Other	Total
Cash and cash equivalents	79 522	83 983	4 366	5 395	173 266
Financial assets at fair value through profit or loss	213	6 097	17 279	131	23 720
Investment in equity-accounted investees	–	–	7 435	–	7 435
Equipment	2 280	2 136	136	321	4 873
Investment property	–	–	17 967	–	17 967
Intangible assets	14 679	29 408	7 629	–	51 716
Deferred tax asset	197	–	93	44	334
Trade and other receivables	55 775	57 871	1 267	5 910	120 823
Long-term loans receivable	–	52 564	1 233	911	54 708
Inventories	–	20 516	–	–	20 516
Taxation receivable	–	3 826	–	700	4 526
Current tax payable	(8 193)	(5 565)	–	–	(13 758)
Trade, other payables and provisions	(86 811)	(18 775)	(575)	(3 158)	(109 319)
Long-term loans payable	–	(14 037)	(191)	(487)	(14 715)
Deferred tax liability	–	(5 283)	–	–	(5 283)
Bank overdraft	–	(13 233)	–	(97)	(13 330)
Total net identifiable assets	**57 662**	**199 508**	**56 639**	**9 670**	**323 479**

The fair value of intangible assets has been determined provisionally pending completion of the valuation process.

The trade receivables comprise gross contractual amounts due of R120.8m. The entire amount is expected to be collectible.

The following table summarises the major classes of consideration transferred and the provisional goodwill arising from the acquisitions:

R'000	Prescient Ireland	PBT	Prescient Capital	Other	Total
Cash	72 224	–	–	5 369	77 593
Equity instruments	–	470 466	71 732	14 606	556 804
Fair value of equity interest held before the business combination	–	–	–	8 805	8 805
Contingent consideration payable	16 578	–	–	–	16 578
Total consideration transferred	88 802	470 466	71 732	28 780	659 780
Non-controlling interests	–	–	–	9 658	9 658
Total net identifiable assets	(57 662)	(199 508)	(56 639)	(9 670)	(323 479)
Goodwill	**31 140**	**270 958**	**15 093**	**28 768**	**345 959**

The non-controlling interests were measured at their proportionate share of attributable net assets measured at fair value.

26. Acquisitions of subsidiaries and non-controlling interests (continued)

Contingent consideration

The total Prescient Ireland acquisition price was based on a percentage of AUM. The initial amounts payment constituted half of the acquisition price and AUM was ring-fenced at the time. The Group is due to pay additional amounts, equivalent to a total of 80% of the agreed acquisition price on 31 May 2013 with the remaining 20% being due on 30 November 2013. At the date of these results, management believe that the value of the contingent consideration will be R2.3m.

Acquisition-related costs

There were non-recurring expenses incurred relating to pre-acquisition and lease breakage costs of R9.7m associated with the acquisition of Prescient Ireland. These costs have been included in administrative expenses in the consolidated statement of comprehensive income.

R'000 **Acquisition of subsidiaries, net of cash acquired**	Prescient Ireland	PBT	Prescient Capital	Other	Total
Purchase consideration paid in cash	(72 224)	–	–	(5 369)	(77 593)
Less: Cash and cash equivalents	79 522	83 983	4 366	5 395	173 266
Plus: Bank overdraft	–	(13 233)	–	(97)	(13 330)
Acquisition of subsidiaries, net of cash	**7 298**	**70 750**	**4 366**	**(71)**	**82 343**

27. Financial risk management

The Group is exposed to liquidity risk, credit risk and market risk due to its nature and location of operations across the two main segments and the financial instruments to which it is exposed. A subsidiary in the Group is a linked insurance company and issues linked policies to policyholders, and as such does not expose the business to the market risk of fair value adjustments on the financial asset as this risk is assumed by the policyholder.

This note represents information about the Group's exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risk and the Group's management of capital.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium-and long-term funding and liquidity management requirements.

The Group manages its liquidity risk across the two main operating segments through the implementation of a treasury function whereby all Group cash is centralised and managed appropriately to ensure Group capital and cash resources are applied to the relevant entities to ensure that it has sufficient cash on hand to meet liabilities when they are due.

The Group further manages liquidity risk by maintaining adequate reserves, banking facilities and money market investments, by continuously monitoring forecasts and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at year end:

R'000 **2013**	Carrying	Contractual	6 months or less	6-12 months	More than 12 months
Non-derivative financial liabilities	**6 201 029**	**6 201 029**	**6 099 713**	**–**	**101 316**
	6 201 029	**6 201 029**	**6 099 713**	**–**	**101 316**
2012					
Non-derivative financial liabilities	5 189 830	5 189 830	5 189 830	–	–
	5 189 830	5 189 830	5 189 830	–	–

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial services

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents, trade and other receivables and long-term loan receivables.

Reputable financial institutions are used for investing and cash handling purposes. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group has exposure to credit risk concentration as a large portion of the Group's fees received, are earned from a low number of client mandates.

The credit risk associated with the Group's trade receivables is mitigated by transacting with clients of good financial standing. The credit risk associated with the Group's long-term loan receivables is monitored by management and mitigated by requiring security where they feel it is necessary.

27. Financial risk management (continued)

IT services

Trade receivables comprise a widespread geographical base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

At the reporting date, the Group's financial assets exposed to credit risk amounted to the following:

R'000	Carrying amount 2013	Carrying amount 2012
Long-term loans receivable	**73 607**	31 332
Financial assets at fair value through profit or loss	**99 260**	46 702
Linked investments backing policyholder funds	**5 992 014**	4 783 431
Trade and other receivables	**167 139**	17 306
Cash and cash equivalents	**106 903**	52 831
	6 438 923	4 931 602
The ageing of trade and other receivables at the reporting date was:		
Neither past due nor impaired	**59 340**	12 461
Past due 1 - 30 days	**46 542**	3 122
Past due 31 - 90 days	**23 359**	963
Past due 91 - 365 days	**37 898**	760
	167 139	17 306

None of the trade receivables are considered to be impaired. Trade and other receivables have not been discounted as the impact of discounting is considered to be insignificant. Although there are trade receivables showing as past due, the historical payment trends from these debtors indicate that there is no reason to impair them.

Market risk

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates, prices, market volatilities and liquidity.

Financial services

The Group is, indirectly through the management of client assets and directly through the assets it holds, exposed to a degree of market risk. To the extent that the Group derives its revenue from the values of client assets, fluctuations in these assets' values affect the revenues of the Group accordingly. The Group manages this risk by maintaining and agreeing conservative low risk investment mandates.

Market risk is mitigated through the diversification of investment mandates such that revenue is not overly exposed to any single sector of the investment market. Investment management capacity is monitored to ensure that the performances of specific funds are not unduly compromised through excessive scale.

A 10% downturn in the value of the assets that the Group manages and administers in South Africa, on behalf of clients would reduce the Group's revenue by approximately R15.4m (2012: R18.4m) and profits after taxation and equity by approximately R11.1m (2012: R13.2m).

A 10% downturn in the value of assets that the Group manages in Ireland on behalf of clients would reduce the Group's revenue by R7.9m and profits after taxation and equity by R6.9m.

Assets under management

	2013 R'bn	2012 R'bn
Fair value of assets under management		
South Africa	**60**	86

	2013 €'bn	2012 €'bn
Fair value of assets under management		
International	**5**	–

IT services

The Group is exposed to market risk in the IT services segment in respect of foreign exchange risk and interest rate risk, which is discussed below.

27. Financial risk management (continued)

Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures. Foreign currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. Management has set up a policy to require group entities to manage their foreign currency risk against their functional currency.

The Group may utilise forward contracts in order to reduce the extent of fluctuations in the value of the future commercial transactions or recognised assets or liabilities in currencies other than the Group's functional currency.

The following currency profile analyses the Group's financial assets and liabilities according to the currencies in which they are held at 31 March 2013.

2013 R'000 Currency	**ZAR**	**EUR**	**GBP**	**USD**	**AUD**	**TOTAL**
Exchange rate	**1**	**11.81**	**13.99**	**9.18**	**9.64**	
Assets						
Trade and other receivables	**59 880**	**51 801**	**–**	**49 050**	**6 408**	**167 139**
Cash and cash equivalents	**44 882**	**48 008**	**–**	**–**	**14 013**	**106 903**
	104 762	**99 809**	**–**	**49 050**	**20 421**	**274 042**
Liabilities						
Trade and other payables	**87 059**	**23 660**	**–**	**–**	**–**	**110 719**
	87 059	**23 660**	**–**	**–**	**–**	**110 719**
2012						
Exchange rate	1	10.22	12.28	7.66	7.97	
Assets						
Trade and other receivables	17 306	–	–	–	–	17 306
Cash and cash equivalents	51 275	362	1 194	–	–	52 831
	68 581	362	1 194			70 137
Liabilities						
Trade and other payables	38 951	–	–	–	–	38 951
	38 951	–	–	–	–	38 951

Sensitivity analysis

A 5% appreciation/depreciation in the exchange rate at 31 March would have decreased/increased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

2013	**Equity R'000**	**Profit or loss R'000**
EUR	**3 832**	**6 646**
GBP	**–**	**–**
USD	**2 424**	**3 442**
AUD	**321**	**1 917**
2012		
EUR	18	–
GBP	60	220

Interest rate risk

The Group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis. The interest rate profile of the Group's financial assets, which earn interest at market related rates, is limited to funds invested in call and current accounts and amounts advanced to employees and related parties.

The interest rate profile of the Group's long-term financial liabilities is also on a floating rate basis.

The fair value of interest bearing instruments may fluctuate depending primarily on the expectation for inflation, changes in future interest rates and general economic conditions. The fair value of interest bearing instruments is inversely related to the current market yield, therefore the fair value will go down when interest rates rise and increase when interest rates fall. The Group is exposed to interest rate risk through direct holdings in interest bearing securities as well as through collective investment schemes with exposure to interest bearing securities. The impact of interest rate changes on the fair values of interest bearing instruments is more significant the longer the term of the instrument.

Interest rate risk is mitigated primarily in two ways:

- holdings are well diversified; and
- the selection process is conservative in nature where capital preservation is a high priority.

27. Financial risk management (continued)

Interest rate risk (continued)

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2013 R'000	2012 R'000
Variable rate instruments		
Financial liabilities	**107 578**	–
Financial assets	**180 510**	60 457
	288 088	60 457

A change of 100 basis points in interest rates would have increased or decreased profit before taxation by R1.80m (2012: R0.34m) and equity by R1.30m (2012: R0.24m). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Capital adequacy

Capital management policies

A number of subsidiaries in the Group have capital adequacy requirements. Capital is actively managed to ensure that the Group is appropriately capitalised and funded at all times, having regard to the regulatory requirements of its subsidiaries, prudent management and the needs of all stakeholders.

Specifically, the Group has adopted the following capital management policies:

- maintenance, as a minimum of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary to ensure that obligations to its clients can be met on a timely basis; and
- maintenance of appropriate level of liquidity at all times. The Group further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecasts, and any strategic initiatives.

The Group includes financial services providers. As such, certain subsidiaries in the Group are subject to the financial services regulations in the jurisdictions in which they operate. These are as follows:

- South Africa – Financial Services Board (FSB)
- Ireland – Ireland Financial Services Regulatory Authority (IFSRA)
- Namibia – Namibia Financial Institutions Supervisory Authority (NAMFISA)

All of these bodies have regulatory capital adequacy requirements for financial services entities operating in their jurisdiction. As such, the Group ensures ongoing compliance with these requirements.

Prescient Life is required to hold a minimum amount of capital in terms of the Long Term Insurance Act to support the issuing of linked policies to policy holders. Capital adequacy requirements were covered 2.18 times at 31 March 2013 (2012: 2.21). The ratio is determined in accordance with regulations and the guidelines of the Long Term Insurance Act.

Prescient Management Company and a subsidiary in EMH Prescient are required to hold a minimum amount of capital in order to meet the requirements set out by the regulators of the jurisdictions, being South Africa and Namibia, in which they operate. Capital adequacy requirements were covered 1.77 times (2012: 1.17) for Prescient Management Company. EMH Prescient met the solvency requirement at 31 March 2013 and 31 March 2012.

All operating entities have complied with all externally imposed capital requirements throughout the period. There have been no changes in the Group's management of capital during the period. The capital structure of the Group consists of long-term debt and equity. Long-term debt comprises long-term loans payable. Equity is comprised of share capital and distributable reserves less non-controlling interest.

28. Repurchase of units

A subsidiary within the Group undertakes to repurchase any number of units offered to it on the basis of prices calculated in accordance with the requirements of the Collective Investment Schemes Control Act No. 45 of 2002 and on terms and conditions set out in the Trust Deed constituting the Prescient Collective Investment Schemes.

29. Related parties

Identity of related parties

The Group has related party relationships with subsidiaries, associates and with its key management personnel. The significant subsidiaries of the Company are set out in note 32. The directors of the Group and directors' interests are set out in the Directors' Report.

Transactions with key management personnel

Key management personnel are defined as the board of directors and the executive committees of the major operating entities.

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29. Related parties (continued)

Key management personnel compensation

Key management personnel compensation comprised the following:

	2013 R'000	2012 R'000
Short-term employee benefits	**36 107**	45 400
Total	**36 107**	45 400

In the current year the disclosure has been expanded to include the directors and executive committees of the major operating centres. The prior year disclosure only includes the directors.

Key management personnel and director transactions

A number of key management personnel, or their related parties, hold positions in other group entities that result in them having control or significant influence over the financial or operating policies of those entities.

Balances due from related parties

Refer to note 10 and 19 for details of other related party balances.

Directors emoluments

Emoluments from the Company and its subsidiaries for the period ended 31 March 2013:

R'000	Paid by the company: Director's fees	Paid by subsidiaries: Basic salary	Consulting services	Value of non-cash benefits	Pension contributions paid	Bonus	Total
2013							
Executive directors							
Herman Steyn	–	2 529	–	92	441	–	3 062
Michael Buckham	–	968	–	112	145	–	1 225
	–	3 497	–	204	586	–	4 287
Non-executive directors							
Murray Louw	185	–	795	–	–	–	980
Monty Kaplan	185	–	–	–	–	–	185
Zane Meyer	116	–	–	–	–	–	116
Keneilwe Moloko	116	–	–	–	–	–	116
Heather Sonn	116	–	–	–	–	–	116
Ronell van Rooyen	175	–	–	–	–	–	175
	893	–	795	–	–	–	1 688
2012 *							
Executive directors							
Pierre De Wet	–	333	–	–	–	238	571
Murray Louw	502	–	–	–	–	–	502
Kenneth Wood	–	228	–	–	–	967	1 195
Nitesh Vallabh	–	290	–	–	–	867	1 157
Elizna Read	–	80	–	–	–	147	227
Michelle Barron-Williamson	–	144	–	–	–	60	204
Jason Kinnear	–	371	–	–	–	240	611
	502	1 446	–	–	–	2 519	4 467
Non-executive directors							
Monty Kaplan	70	–	–	–	–	–	70
Herman Steyn	60	–	–	–	–	–	60
Ronell van Rooyen	–	–	–	–	–	–	–
Michael Buckham	–	–	–	–	–	–	–
	130	–	–	–	–	–	130

*The 2012 directors emoluments are those of the legal entity, previously known as PBT Group Limited

30. Commitments and financial guarantees

Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2013 R'000	2012 R'000
Less than one year	**9 944**	2 584
Between one and five years	**25 145**	5 026
	35 089	7 610

At 31 March 2013, the Group was obligated under a number of operating leases for properties for which the future minimum lease payments extend over a number of years. The annual escalation clauses range between 6% and 8.5%.

Guarantees

Prescient Holdings and a number of subsidiaries have issued a guarantee in favour of Standard Bank Limited in respect of a facility made available to Prescient Khawuleza for the value of R51m. This facility was used to acquire shares in Prescient Holdings which were in turn sold to employees in terms of a loan facility. In addition, Prescient Holdings and its subsidiaries have provided cross suretyships in respect of a loan facility extended by Standard Bank Limited to Prescient Holdings for a value of R100m, for the purpose of acquiring Prescient Ireland.

Prescient Investment Management has made a cession in favour of its bankers of funds held at the bank's treasury limited to R7.5m.

Prescient Holdings has issued a guarantee under the Irish Companies (Amendment) Act, 1986 that requires Prescient Holdings to ensure that it has sufficient capital to support Prescient Ireland should the company fall short of the requirements to hold the necessary capital buffer and cash limits to satisfy the Central Bank requirements. Prescient Holdings further guarantees that Prescient Ireland is able to meet its obligations as they fall due.

The directors of PBT have provided limited suretyship for the overdraft facility in two of the subsidiary companies in PBT.

31. Funds under management

South African subsidiaries within the Group manage assets on behalf of clients with a market value at 31 March 2013 of R59.6bn (2012: R86.3bn), which are not reflected on the consolidated statement of financial position of the Group while the assets under administration for the Group amount to R15.8bn (2011: R8.6bn) as at 31 March 2013. Prescient Ireland manages assets on behalf of clients with a market value of R56.7bn

32. Group entities

Significant subsidiaries

		Ownership interest %	
		2013	2012
Company	**Country of incorporation**		
Prescient Investment Management	South Africa	**100**	100
Prescient Administration Services	South Africa	**100**	100
Prescient Life	South Africa	**100**	100
Prescient Management Company	South Africa	**100**	100
Prescient Securities	South Africa	**100**	100
Prescient Capital	South Africa	**100**	–
PBT	South Africa	**100**	–
Prescient Ireland	Ireland	**100**	–

A complete list of subsidiary companies is available on request.

The interest of the Company in its subsidiaries' and associates' aggregate profits and losses after taxation is as follows:

	2013 R'000	2012 R'000
Profit	**105 717**	71 324
Losses	**(2 759)**	-
	102 958	71 324

33. Operating segments

The Group has two operating segments as described below, which are the Group's strategic divisions. The strategic divisions offer different services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments.

- Financial services includes investment management, administration and stock broking; and
- IT services includes healthcare administration services, consulting and implementation of data and management information software.

Information regarding the results of each reportable segment is included below.

Consolidated segment report

	Financial services		IT services		Group	
	2013 R'000	2012 R'000	**2013 R'000**	2012 R'000	**2013 R'000**	2012 R'000
Segment external revenue	**401 633**	276 595	**203 760**	–	**605 393**	276 595
Segment other income	**14 323**	–	**–**	–	**14 323**	–
Segment cost of sales	**–**	–	**(135 383)**	–	**(135 383)**	–
Segment operating expenses	**(286 138)**	(153 464)	**(41 859)**	–	**(327 997)**	(153 464)
Share of loss of equity-accounted investees (net of tax)	**(219)**	(135)	**–**	–	**(219)**	(135)
Segment finance costs	**(10 885)**	(4 829)	**(1 850)**	–	**(12 735)**	(4 829)
Income tax expense	**(33 468)**	(46 843)	**(6 956)**	–	**(40 424)**	(46 843)
Profit for the year	**85 246**	71 324	**17 712**	–	**102 958**	71 324
Attributable to:						
Owners of the Company					**102 456**	71 324
Non-controlling interests					**502**	–
Profit for the year					**102 958**	71 324
Segment assets *	**691 645**	759 786	**193 260**	–	**884 905**	759 786
Intangible assets	**3 055**	2 024	**19 709**	–	**22 764**	2 024
Goodwill					**450 052**	67 324
Investment in equity-accounted investees	**1 398**	2 225	**–**	–	**1 398**	2 225
Linked investments backing policyholder funds	**5 992 014**	4 783 431	**–**	–	**5 992 014**	4 783 431
Total assets	**6 688 112**	5 547 466	**212 969**	–	**7 351 133**	5 614 790
Segment liabilities	**(574 321)**	(727 734)	**(46 621)**	–	**(620 942)**	(727 734)
Policyholder investment contract liabilities	**(5 989 473)**	(4 782 822)	**–**	–	**(5 989 473)**	(4 782 822)
Total liabilities	**(6 563 794)**	(5 510 556)	**(46 621)**	–	**(6 610 415)**	(5 510 556)
Capital expenditure	**5 711**	1 251	**1 752**	–	**7 463**	1 251
Depreciation and amortisation	**5 685**	3 344	**4 708**	–	**10 393**	3 344

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

IT services fee income from a single customer in the IT Services operating segment amounted to 34% (2012: nil) of the Group's revenue.

34. Subsequent events

No other material facts or circumstances have arisen between the reporting date and the date of this report which affect the financial position or financial performance of the Group or the Company as reflected in these financial statements.

COMPANY ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

PRESCIENT
LIMITED

Prepared under the supervision of the
Financial Director,
Michael Buckham CA(SA)

CONTENTS

COMPANY STATEMENT OF COMPREHENSIVE INCOME

// FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 R'000	For the seven-months ended 31 March 2012 R'000
Revenue	2	**58 287**	1 187
Operating expenses	3	**(2 506)**	(24 322)
Profit/(loss) from operations		**55 781**	(23 135)
Finance costs	4	**(2 366)**	(976)
Profit/(loss) before taxation		**53 415**	(24 111)
Income tax expense		**–**	–
Total other comprehensive income/(loss) for the year		**53 415**	(24 111)

COMPANY STATEMENT OF FINANCIAL POSITION

// AS AT 31 MARCH 2013

	Notes	2013 R'000	2012 R'000
ASSETS			
Non-current assets		**2 206 644**	473 937
Investment in subsidiaries and associates	5	**1 871 376**	239 252
Loans to group companies	6	**335 268**	234 685
Current assets		**1 490**	–
Trade and other receivables		**20**	–
Cash and cash equivalents	7	**1 470**	–
Total assets		**2 208 134**	473 937
EQUITY AND LIABILITIES			
Stated capital	8	**2 482 865**	733 425
Retained loss		**(465 684)**	(457 357)
Total equity		**2 017 181**	276 068
Liabilities			
Non-current liabilities		**190 695**	190 695
Loans from group companies	6	**190 695**	190 695
Current liabilities		**258**	7 174
Trade and other payables		**258**	7 174
Total liabilities		**190 953**	197 869
Total equity and liabilities		**2 208 134**	473 937

COMPANY STATEMENT OF CHANGES IN EQUITY

// FOR THE YEAR ENDED 31 MARCH 2013

R'000	Stated capital	Retained loss	Total equity
Balance at 1 April 2011	733 425	(423 861)	309 564
Total comprehensive income for the period			
Loss and total other comprehensive loss for the period	–	(24 111)	(24 111)
Total comprehensive loss for the period	–	(24 111)	(24 111)
Transactions with owners recognised directly in equity			
Contributions by and distributions to owners of the Company			
Dividends declared during the period	–	(9 385)	(9 385)
Total contributions by and distributions to owners of the Company	–	(9 385)	(9 385)
Balance at 31 March 2012	733 425	(457 357)	276 068

R'000	Stated capital	Retained loss	Total equity
Balance at 1 April 2012	**733 425**	**(457 357)**	**276 068**
Total comprehensive income for the year			
Profit and total other comprehensive income for the year	**–**	**53 415**	**53 415**
Total comprehensive income for the year	**–**	**53 415**	**53 415**
Transactions with owners recognised directly in equity			
Contributions by and distributions to owners of the Company			
Issue of ordinary shares	**1 749 440**	**–**	**1 749 440**
Dividends declared during the year	**–**	**(61 742)**	**(61 742)**
Total contributions by and distributions to owners of the Company	**1 749 440**	**(61 742)**	**1 687 698**
Balance at 31 March 2013	**2 482 865**	**(465 684)**	**2 017 181**

COMPANY STATEMENT OF CASH FLOWS

// FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 R'000	For the seven-months ended 31 March 2012 R'000
Cash flows from operating activities			
Profit/(loss) for the year		**53 415**	(24 111)
Non-cash movements and adjustments to profit before tax	9	**(56 751)**	23 444
Changes in working capital	10	**(6 936)**	236
Dividends received		**52 019**	561
Dividends paid		**(61 742)**	(9 385)
Interest received		**6 268**	–
Interest paid		**(2 366)**	(976)
Net cash outflow from operating activities		**(16 093)**	(10 231)
Cash flows from investing activities			
Proceeds from loans from group companies		**–**	10 231
Repayment of loans from group companies		**(99 686)**	–
Acquisition of subsidiaries		**(6 097)**	–
Cash (outflow)/inflow from investing activities		**(105 783)**	10 231
Cash flows from financing activities			
Proceeds on share issue		**123 346**	–
Cash inflow from financing activities		**123 346**	–
Net increase in cash and cash equivalents		**1 470**	–
Cash and cash equivalents at the beginning of the year		**–**	–
Cash and cash equivalents at end of the year	7	**1 470**	–

NOTES TO THE PRESCIENT LIMITED COMPANY FINANCIAL STATEMENTS
// FOR THE YEAR ENDED 31 MARCH 2013

2. **Revenue**	**2013 R'000**	2012 R'000
Rendering of services	**–**	626
Investment income	**58 287**	561
Dividend income from subsidiaries	**52 019**	561
Interest income	**6 268**	–
	52 287	1 187

3. **Operating expenses**	**2013 R'000**	2012 R'000
Included in operating expenses are the following:		
Auditor's remuneration	**233**	74
Operating lease charges	**25**	–
Administrative expenses	**1 396**	595
Salaries	**1 682**	624
Impairment loss	**67**	40 692
Reversal of impairment loss	**(897)**	(17 663)
	2 506	24 322

4. **Finance costs**	**2013 R'000**	2012 R'000
Loans from group companies	**568**	976
Other interest paid	**1 798**	-
	2 366	976

5. **Investments in subsidiaries and associates**

	% Holding		**Shares at cost**	
Name of company	**2013 %**	2012 %	**2013 R'000**	2012 R'000
Wooltru Property Group (Proprietary) Limited	**100**	100	**21 323**	21 353
PBT Group (South Africa) (Proprietary) Limited	**100**	100	**69 771**	69 784
Stricklands Tetra Cape (Proprietary) Limited	**100**	100	**116 828**	116 851
PBT Insurance Technologies (Proprietary) Limited	**100**	51	**51 420**	31 208
PBT Group (Australia) (Proprietary) Limited	**100**	76	**6 793**	56
CyberPro Consulting (Proprietary) Limited	**51**	–	**6 552**	–
BI-Blue Consulting (Proprietary) Limited	**100**	–	**8 000**	–
Prescient Capital (Proprietary) Limited	**100**	–	**71 732**	–
Prescient Holdings (Proprietary) Limited	**100**	–	**1 512 806**	–
Greenfields Institute of Business (Proprietary) Limited	**25**	–	**6 151**	–
			1 871 376	239 252

All the entities are incorporated in South Africa except for PBT Group (Australia) Proprietary Limited which is incorporated in Australia.

The carrying amounts of subsidiaries are shown net of impairment losses.

	2013 R'000	2012 R'000
Wooltru Property Group (Proprietary) Limited		
Opening balance	**21 353**	22 578
Impairment	**(30)**	(1 225)
Closing balance	**21 323**	21 353
PBT Group (South Africa) (Proprietary) Limited		
Opening balance	**69 784**	88 761
Impairment	**(13)**	(18 977)
Closing balance	**69 771**	69 784
Stricklands Tetra Cape (Proprietary) Limited		
Opening balance	**116 851**	137 341
Impairment	**(23)**	(20 490)
Closing balance	**116 828**	116 851

6. Loans to/(from) group companies	2013 R'000	2012 R'000
PBT Technology Services (Proprietary) Limited (previously Wooltru Finance Proprietary Limited)	**279 646**	234 685
Prescient Holdings	**44 335**	–
Prescient Khawuleza	**11 287**	–
	335 268	234 685
PBT Technology Services (Cape Town) (Proprietary) Limited (previously PBT)	**(73 844)**	(73 844)
Stricklands Tetra Cape (Proprietary) Limited	**(116 851)**	(116 851)
	(190 695)	(190 695)

The unsecured loans bear interest at prime as agreed between the parties from time to time, and have no fixed terms of repayment. No obligation or intention exists to repay this loan within the next twelve months.

7. Cash and cash equivalents	2013 R'000	2012 R'000
Current account	**1 470**	–
	1 470	–

8. Stated Capital

	Ordinary shares	
	2013 Number	2012 Number
Authorised		
2 000 000 000 no par value shares (2012: 450 000 000 ordinary shares of R0.001 each)	**2 000 000 000**	450 000 000
Issued, allotted and fully paid	**Number**	Number
Number of ordinary shares		
In issue at 1 April	**281 826 818**	281 826 818
Issued in business combinations	**1 294 519 414**	–
In issue at 31 March	**1 576 346 232**	281 826 818
	R'000	R'000
Stated capital	**2 482 865**	733 425

	2013 R'000	2012 R'000
9. Non-cash movements and adjustments to profit before tax		
Non-cash movements and adjustments to profit before tax	**(56 751)**	23 444
Dividends received	**(52 019)**	(561)
Interest received	**(6 268)**	–
Finance costs	**2 366**	976
Impairment loss	**67**	40 692
Reversal of impairment loss	**(897)**	(17 663)
10. Changes in working capital	**(6 936)**	236
Increase in trade and other receivables	**(20)**	–
Decrease in trade and other payables	**(6 916)**	236

11. Categories of financial assets and liabilities

The carrying amounts and fair values of each category of financial assets and liabilities are as follows:

R'000	Note	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
2013					
Loans to group companies	6	**335 268**	**–**	**335 268**	**335 268**
Trade and other receivables		**20**	**–**	**20**	**20**
Cash and cash equivalents	7	**1 470**	**–**	**1 470**	**1 470**
		336 758	**–**	**336 758**	**336 758**
Loans from group companies	6	**–**	**190 695**	**190 695**	**190 695**
Trade and other payables		**–**	**258**	**258**	**258**
		–	**190 953**	**190 953**	**190 953**
2012					
Loans to group companies	6	234 685	–	234 685	234 685
		234 685	–	234 685	234 685
Loans from group companies	6	–	190 695	190 695	190 695
Trade and other payables		–	7 174	7 174	7 174
		–	197 869	197 869	197 869

12. Related parties	**2013 R'000**	2012 R'000
Related party balances		
Loans to/(from) group companies		
Refer to note 6 for loans to/from group companies.		
Related party transactions		
Interest paid to/(received from) related parties		
PBT Technology Services (Proprietary) Limited	**(2 054)**	–
PBT Technology Services (Cape Town) (Proprietary) Limited	**568**	976
Prescient Holdings	**(1 155)**	–
Prescient Khawuleza	**(492)**	–
Dividends paid to/(received from) related parties		
PBT Insurance Technologies (Proprietary) Limited	**(4 178)**	(561)
PBT Technology Services (Proprietary) Limited	**(6 483)**	–
Prescient Holdings	**(41 358)**	–
Services fees paid to/(received from) related parties		
PBT Technology Services Proprietary Limited	**–**	624

Directors' emoluments

Emoluments from the Company and its subsidiaries for the period ended 31 March 2013:

R'000	Paid by the company Director's fees	Paid by subsidiaries Basic salary	Consulting services	Value of non-cash benefits	Pension contributions paid	Bonus	Total
2013							
Executive directors							
Herman Steyn	–	2 529	–	92	441	–	3 062
Michael Buckham	–	968	–	112	145	–	1 225
	–	3 497	–	204	586	–	4 287
Non-executive directors							
Murray Louw	185	–	795	–	–	–	980
Monty Kaplan	185	–	–	–	–	–	185
Zane Meyer	116	–	–	–	–	–	116
Keneilwe Moloko	116	–	–	–	–	–	116
Heather Sonn	116	–	–	–	–	–	116
Ronell van Rooyen	175	–	–	–	–	–	175
	893	–	795	–	–	–	1 688
2012 *							
Executive directors							
Pierre De Wet	–	333	–	–	–	238	571
Murray Louw	502	–	–	–	–	–	502
Kenneth Wood	–	228	–	–	–	967	1 195
Nitesh Vallabh	–	290	–	–	–	867	1 157
Elizna Read	–	80	–	–	–	147	227
Michelle Barron-Williamson	–	144	–	–	–	60	204
Jason Kinnear	–	371	–	–	–	240	611
	502	1 446	–	–	–	2 519	4 467
Non-executive directors							
Monty Kaplan	70	–	–	–	–	–	70
Herman Steyn	60	–	–	–	–	–	60
Ronell van Rooyen	–	–	–	–	–	–	–
Michael Buckham	–	–	–	–	–	–	–
	130	–	–	–	–	–	130

The 2012 directors emoluments are those of the legal entity, previously known as PBT Group Limited

NOTES TO THE PRESCIENT LIMITED COMPANY FINANCIAL STATEMENTS

// FOR THE YEAR ENDED 31 MARCH 2013

ANALYSIS OF SHAREHOLDERS

Shareholder spread

The Group has 3 008 shareholders. The spread of public shareholders at 31 March 2013 is as follows:

	Number of shareholders	Ordinary shares	% of Total issued shares
Non-public shareholders			
Directors	7	327 046 214	21
Public shareholders			
Shareholders holding greater than 10 % of issued share capital	2	285 916 291	18
Public shareholders	2 999	963 383 727	61
Total shareholders	**3 008**	**1 576 346 232**	**100**

Major shareholders

The shareholders, other than directors, who are directly or indirectly beneficially interested in 5% or more of the Group's issued share capital at 31 March 2013, are as follows:

	Ordinary shares	% of Total issued shares
The St Helena Family Trust	283 798 784	18
Global Re-Insurance Services AG	155 000 000	10
Seena Marina Financial Services (Proprietary) Limited	96 696 816	6
Prescient Empowerment Trust (Proprietary) Limited	96 696 816	6

NOTES