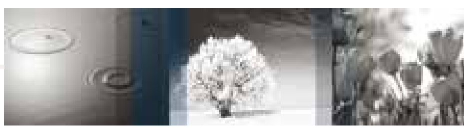
PRESCIENT
LIMITED

2014

INTEGRATED REPORT



PRESCIENT
LIMITED

CONTENTS

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Financial and information management 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 PBT House 1 Mews Close Waterford Mews Century City 7441
Company registration number	1936/008278/06
Audit Committee	Zane Meyer (Chairman) Keneilwe Moloko Heather Sonn
Nominations Committee	Zane Meyer (Chairman) Monty Kaplan Keneilwe Moloko
Remuneration Committee	Zane Meyer (Chairman) Keneilwe Moloko Heather Sonn
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

SCOPE AND BOUNDARY

Our Integrated Report is published annually and presents an overview of the activities, practices and progress of Prescient Limited (Prescient) for the twelve month period from 1 April 2013 through 31 March 2014. The 2014 Integrated Report provides financial and non-financial information for the period. The most recent previous report was the 2013 Integrated Report, and can be accessed on Prescient's website.

The 2014 Integrated Report covers relevant aspects of all the operations of the Prescient Group, which includes the businesses of Prescient Holdings Proprietary Ltd, Prescient Capital Proprietary Ltd and the activities of the PBT Group of companies. There has been no change in the scope and boundary of this report, relative to previous reports.

There have been no significant changes in the size, structure or ownership during the current reporting period, other than the sale of Prescient Asset Management Holdings (Limited) Ireland and its subsidiaries ("Prescient Ireland"). There has been no material restatement of information provided in earlier reports, other than the restatement of the comparative period in the statement of profit or loss and other comprehensive income as Prescient Ireland has been reclassified as a discontinued operation in terms of *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*. Where historical data has been adjusted in this report, the relevant numbers have been annotated and a brief explanation included at the bottom of the tables. Please refer to page 75 for more details.

The information in this report has been selected to cater for the interests of providers of capital and other stakeholders who require a broad overview of the present and future direction and prospects of the Prescient Group – shareholders, funders, regulators, prospective employees, suppliers and community members, amongst others. Stakeholders with more in-depth needs, such as employees and clients, are invited to contact Prescient directly or visit the website for further information.

FRAMEWORKS AND ASSURANCE

The reporting principles that have been applied in this report were guided by the International Financial Reporting Standards (IFRS), the King Report on Corporate Governance for South Africa 2009 (King III) requirements, the Global Reporting Initiative's sustainability reporting guidelines and the Framework for Integrated Reporting. It also conforms to the statutory and reporting requirements of the South African Companies Act 71 of 2008 and the JSE Listings Requirements. Prescient is a signatory to the United Nations Principles of Responsible Investing (UN PRI) and we have pledged to uphold the Codes of Responsible Investing in South Africa (CRISA).

The Prescient board and its subcommittees have reviewed the report and have satisfied themselves of the materiality, accuracy and balance of disclosures in this report. In addition, external assurance was sought for aspects of our reporting from a variety of sources. These include:

- independent auditors KPMG Inc, for our Financial Statements and related financial information,
- AQRate has verified our Broad-based Black Economic Empowerment scorecard rating,
- GIPS compliancy is verified by EComply,
- Independent Actuarial Consultants for the actuarial valuation of Prescient Life Limited.

APPROVAL OF THE INTEGRATED REPORT

The board acknowledges its responsibility to ensure the integrity of this report. The directors confirm that they have collectively assessed the content of the Integrated Report and believe it addresses the material issues and is a fair representation of the integrated performance of the Group. The Board has therefore approved the 2014 Integrated Report for publication.

On behalf of the Board

Murray Louw
Chairman

Herman Steyn
Chief Executive Officer

COMPANY PROFILE

> "Prescient is a multinational business whose operations in financial services and information management services span several continents."

Two main operating segments make up Prescient Limited – a Financial Services arm and an Information Management Services arm operating as PBT Group. The two businesses contribute to the diversity of the Group in terms of geography, assets, markets, revenue sources, skills and experience.

They have operated alongside one another since 1998 and were brought together when Prescient Limited listed on the JSE on 20 August 2012 through a reverse acquisition of Prescient Business Technologies (PBT). Both businesses demand a high level of intellectual capital while requiring low levels of financial capital.

Prescient has a long-standing loyal client base in both segments and a robust business structure to facilitate continued growth.

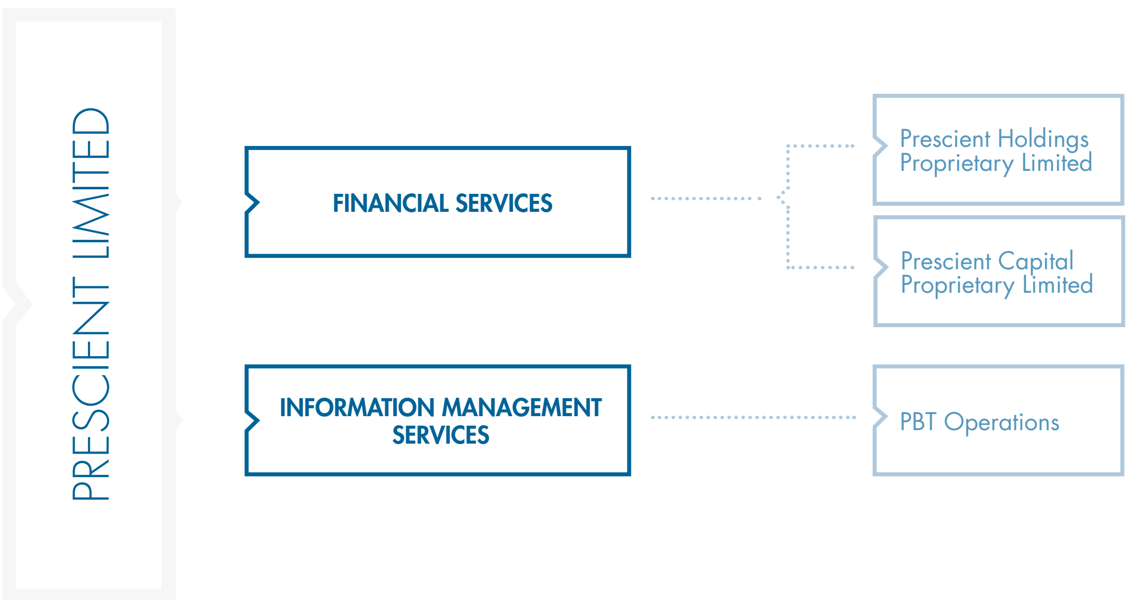
Today, Prescient Limited is a multinational business whose operations span sub-Saharan Africa, Europe, Australia and Asia.

Prescient started as an investment management and information technology business in 1998. Prescient's financial services operations have evolved to include administration stockbroking, wealth management and retail and institutional investment linked life products. At the end of March 2014 the Group had assets under management of R59.1 billion (2013: R59.6 billion) and third party assets under administration of R43.4billion (2013: R23.1 billion).

The information technology business has developed to provide information management and business intelligence consulting, application development and data integration solutions.

Prescient believes in the participation of staff in the business through shareholding and profit share. We also believe in an inclusive environment where employees are given the opportunity to excel. We have worked hard to obtain a level 2 B-BBEE contributor status and we contribute to the society in which we operate through the Prescient Foundation.

Prescient employs over 500 people and is 59% owned by its staff resulting in a strong entrepreneurial culture and a sincere commitment to providing the appropriate solutions to our clients.



FINANCIAL SERVICES

> "Prescient provides a globally competitive offering to clients across a range of financial disciplines."

PRESCIENT HOLDINGS

Prescient provides a globally competitive offering to clients across a range of financial disciplines. These offerings include investment management, administration, stockbroking, wealth management and retail and institutional investment linked life products.

Prescient Investment Management is one of South Africa's leading investment management firms specialising in the delivery of superior risk adjusted returns across a range of mandates.

Our core philosophy is to preserve capital and to manage relative and absolute downside risk. We have adhered to this approach to money management since inception. Prescient has remained at the forefront of investment management by providing our clients with innovative products and access to growing markets such as China and Africa.

Prescient Investment Management has assets under management of R59.1 billion (2013: R59.6 billion) and manages money on behalf of retirement funds, medical aid schemes, other retirement vehicles and corporate entities, trusts and individuals.

In the retail market, we focus on providing appropriate solutions at a fair price as we understand the importance of keeping costs low in a changing investment environment. In this regard, Prescient Investment Management offers a suite of very competitive index, quantitative equity and other investment products and mandates.

Prescient Investment Management has a representative office in Shanghai and was the first institution in Africa to be granted a Qualified Foreign Institutional Investor license by the Chinese authorities.

Prescient Administration Services, our South African administration company, has grown rapidly with third party assets under administration up 84.6%, in the financial year under review, to R31.1 billion (2013: R16.9 billion). Our Dublin-based administration company, **Stadia Fund Management**, has also increased its client base to grow assets under administration by 98.8% to €1.2 billion (2013: €0.8 billion) over the same period.

Prescient Administration Services provides specialist outsourced administration services to external asset managers, multi-managers and other institutional investors. Its offering includes portfolio valuation and administration, unitisation, liability administration, consolidated reporting, compliance monitoring and reporting services.

Prescient Management Company offers collective investment schemes (unit trusts) to retail and institutional clients who wish to access Prescient Investment Management's distinctive investment style and philosophy through an efficient vehicle. We cover all asset classes: cash, bonds, property, equity and multi-asset class portfolios. These portfolios have mandates that allow for the investment in SA, Africa, China and developed countries' equity and interest-bearing assets.

Prescient Management Company also hosts third party asset managers under co-named arrangements combined with full administration services. We currently offer this service to 17 third party managers.

Prescient Life Limited holds a linked life licence under which it issues investment linked policies to institutional and retail clients.

In the institutional space, Prescient Life offers life-pooled funds which are managed by Prescient Investment Management and a range of products managed by third party managers under a white-labelled arrangement with full administration services. In the retail space, Prescient Life offers retirement annuities, preservation funds, umbrella funds, living annuities and endowment policies through which the members and policy holders can invest in a variety of internally administered collective investment schemes and life-pooled funds.

Prescient Life does not enter into any risk business.

Prescient Securities operates in a competitive stockbroking market and offers efficient trade and execution services as well as a diverse research competency.

During the past financial year Prescient Securities launched an integrated international institutional trading platform that allows its clients to trade, clear and settle internationally.

Prescient Wealth Management is our wealth management and advisory business providing a comprehensive range of private client wealth and portfolio management services.

Portfolio management is supported by a full suite of specialist services for high net worth clients including financial planning, inter-generational wealth management, fiduciary services, trust and administration services, accounting, tax and legal advisory services, and corporate advisory services that assist clients' business interests and philanthropic initiatives.

EMH Prescient is our Namibian business and is a joint venture between Prescient Holdings and EMH Capital.

EMH Prescient offers a range of funds, including the Money Market Fund, Income Provider Fund, Balanced Quantplus Fund and the Diversified Income Fund.

Prescient Property Investment Management is jointly owned by Prescient Holdings, Prescient Foundation and Thabo Motloung. Prescient Property Investment Management focuses on the management of the Prescient Property Equity Unit Trust and will look to expand its offering into segregated listed property portfolio management.

PRESCIENT CAPITAL

Prescient Capital was established as an investment holding company for the interests of the Financial Services segment outside of investment management and stock-broking. The primary interests of Prescient Capital include the following:

Greenfields Institute of Business is a South African accredited training and business solutions company. It specialises in training and development and the provision of business solutions and market research. The organisation has an established contact centre as well as sophisticated online market research 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 Genre.

Stadia Capital owns a property in Dublin.

FINANCIAL SERVICES

- PRESCIENT INVESTMENT MANAGEMENT
- PRESCIENT SECURITIES
- PRESCIENT WEALTH MANAGEMENT
- PRESCIENT ADMINISTRATION SERVICES
- PRESCIENT LIFE
- PRESCIENT MANAGEMENT COMPANY
- PRESCIENT PROPERTY INVESTMENT MANAGEMENT
- EMH PRESCIENT INVESTMENT MANAGEMENT
- GREENFIELDS INSTITUTE OF BUSINESS
- STADIA CAPITAL

INFORMATION MANAGEMENT SERVICES

"Information Management, Business Intelligence, Application Development and Data Integration Solutions "

Established as an information technology company in 1998, the PBT Group of companies offers information management and business intelligence services to large national and international clients in South Africa, Africa, the Middle East and Australia.

With significant expertise and experience as information management specialists, **PBT Technology Services** is a recognised leader in business intelligence and data warehousing and has extended its competency base to cover data quality, master data management, data visualisation, application development and advanced analytics.

PBT Group maintains a product independent approach, enabling it to deliver real and sustainable value to clients who represent a variety of industries including banking, insurance, healthcare and telecommunications.

Our strong partner network enables the use of the Group's technology expertise to best support our clients' specific business needs.

PBT Group has a staff complement of more than 350 skilled and professional consultants and has established strategic alliances with recognised local and international vendors.

PBT Insurance Technologies (PBTit) is a provider of specialist healthcare management solutions and services, and its clients include numerous reputable medical aid schemes.

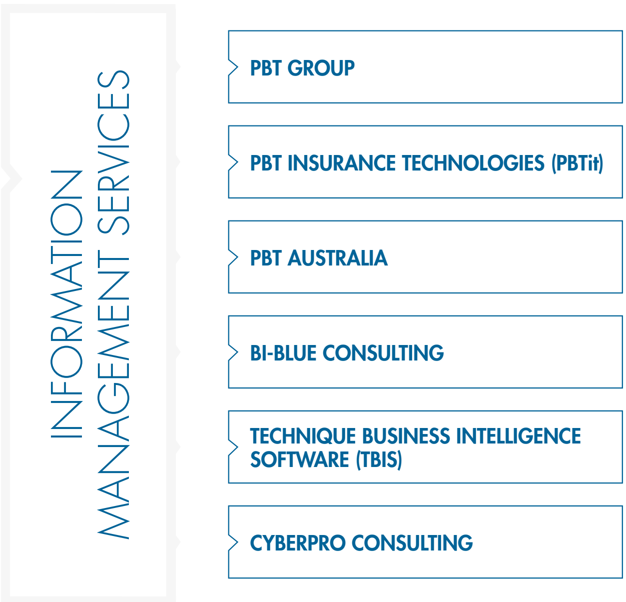
Aimed at the medical aid and managed care sectors, PBTit incorporates a high level of flexibility, real time claims processing, query capabilities, electronic data interchange, document management services, membership and contribution management and advanced medical savings account management.

- **PBT (Australia)** provides specialist healthcare management services as well as business intelligence and information management services.
- **BI-Blue Consulting** offers a comprehensive set of business intelligence services, including data warehouse architecture, business analytics and information management to help clients harness their data with a view to improving decision-making.

  We have the expertise and experience to deliver challenging reporting, query and analysis solutions using SAP Business Objects integration in SAP and non-SAP environments. BI-Blue Consulting is also a SAP value added reseller.
- **Technique Business Intelligence Software (TBIS)** is a premier IBM business partner that provides IBM software solutions and consulting services, specialising in information integration and data warehousing and analytics.

  TBIS assists clients with integrating and managing key information across heterogeneous systems, to unlock business value by utilising data effectively. Its consultants have attained IBM Technical Mastery and Solution Specialist certifications in a range of disciplines, equipping them to provide services based on the IBM suite of business intelligence and data integration tools.
- **CyberPro Consulting** is a leading Microsoft Gold Certified Partner software services company in the South African market with a focus on system integration, software development, web development, database, collaboration, business process management and business intelligence solutions.

  CyberPro Resourcing, a division of CyberPro Consulting, specialises in permanent and contractor resource placement services in the information and communications technology (ICT) sector. Although it does not limit itself to specific industries, CyberPro has particular expertise in financial services, wealth management, short-term insurance and life insurance.



BUSINESS MILESTONES

2014

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

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

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

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

2009
- Opened representative office in Shanghai

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

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

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

2004
- Commenced third party administration
- Established a staff and BEE shareholding

2003
- Established Prescient Management Company

1999
- Established Prescient Securities

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

RECOGNITION OF EXCELLENCE

Our operating units continued to focus on their core strengths resulting in a number of new market initiatives and industry recognition in the form of awards for performance and innovation. Awards earned included:

PRESCIENT INVESTMENT MANAGEMENT

2013 POA IMBASA YEGOLIDE

- Absolute Return Manager of the Year

2014 RAGING BULL AWARD

- Positive Return – Best SA Multi-Asset Medium Equity Fund
- Positive Return – Best SA Multi-Asset Medium Equity Fund on a risk adjusted basis

2014 MORNINGSTAR

- Nominated in Diversified Bond category
- Nominated in Global Bond category

PRESCIENT SECURITIES

The 2013 Spire Awards recognised excellence in South Africa's fixed income, currency and commodity derivatives markets. Prescient Securities won the following categories:

- Best Agency Broker – Spot Bonds
- Best Agency Broker – Listed FX Derivatives
- Best Agency Broker – Listed IR Derivatives
- Best Agency Broker House
- Best research team – quantitative research – runner up

At the 2014 Financial Mail Rating the Analysts (equities and derivatives) Awards, Prescient Securities won in the following categories:

- #1 – Derivatives research
- #1 – Resources small and medium market cap companies
- #1 – Electronic and electrical equipment
- #2 – Hotels, travel and leisure
- #3 – Financial and industrial small and medium market cap companies (#1 when weighted by AUM)
- #3 – Derivatives dealing (#2 when weighted by AUM)
- #3 – Risk management
- #4 – Innovative research
- #4 – Credit analysis
- #4 – Other African economies and markets
- #5 – Computer services

PRESCIENT ADMINISTRATION SERVICES

Prescient Administration Services uses Eagle Investment Systems as its primary administration system. The business unit received an award from Eagle for innovative use of its software.

FIVE YEAR REVIEW

OPERATING RESULTS

R'000	**2014**	2013	2012	2011	2010
Total income – continuing operations	**664 626**	477 308	276 595	281 198	235 196
Profit before tax – continuing operations	**152 231**	137 541	118 167	133 337	112 516
Continuing operations					
Earnings attributable to shareholders	**112 639**	96 580	71 324	91 856	75 567
Non-controlling interests	**(777)**	(502)	–	–	–
Earnings attributable to ordinary shareholders	**111 862**	96 078	71 324	91 856	75 567
Headline earnings attributable to shareholders	**108 953**	98 439	71 324	91 856	75 567
Discontinued operations					
(Losses)/earnings attributable to shareholders	**(48 774)**	6 378	–	–	–
Non-controlling interests	**–**	–	–	–	–
(Losses)/earnings attributable to ordinary shareholders	**(48 774)**	6 378	–	–	–
Headline (losses)/earnings attributable to shareholders	**(6 664)**	6 378	–	–	–
Total operations					
Earnings attributable to shareholders	**63 865**	102 958	71 324	91 856	75 567
Non-controlling interests	**(777)**	(502)	–	–	–
Earnings attributable to ordinary shareholders	**63 088**	102 456	71 324	91 856	75 567
Headline earnings attributable to shareholders	**102 289**	104 817	71 324	91 856	75 567
Dividends declared	**81 499**	90 627	106 914	36 256	51 980
Statement of financial position summary					
Non-current assets	**7 331 567**	6 674 148	4 941 986	5 319 987	3 720 752
Current assets	**527 764**	676 985	672 804	435 294	401 416
Total assets	**7 859 331**	7 351 133	5 614 790	5 755 281	4 122 168
Non-current liabilities	**6 732 401**	6 101 012	4 837 867	5 202 218	3 609 913
Current liabilities	**385 881**	509 403	672 689	418 655	373 788
Total liabilities	**7 118 282**	6 610 415	5 510 556	5 620 873	3 983 701
Shareholders' equity	**732 588**	730 937	104 234	134 457	138 467
Non-controlling interest	**8 461**	9 781	–	(49)	–
Total equity	**741 049**	740 718	104 234	134 408	138 467
Intangible assets	**423 361**	472 816	69 348	67 348	63 463

STATISTICS

	2014	2013	2012	2011	2010
Number of shares in issue	**1 598 022 450**	1 576 346 232	1 120 596 744	1 120 596 744	1 195 041 898
Weighted average number of shares in issue	**1 565 528 451**	1 396 375 360	1 120 596 744	1 171 994 494	1 195 041 898
Net asset value per share (cents)	**46.37**	46.99	9.30	11.99	11.59
Net tangible asset value per share	**19.88**	17.00	3.11	5.98	6.28
Earnings per share – continuing operations					
Earnings per share	**7.15**	6.88	6.36	7.84	6.32
Headline earnings per share	**6.96**	7.05	6.36	7.84	6.32
Earnings per share – discontinued operation					
Earnings per share	**(3.12)**	0.46	–	–	–
Headline earnings per share	**(0.43)**	0.46	–	–	–
Earnings per share – continuing and discontinued operation					
Earnings per share	**4.03**	7.34	6.36	7.84	6.32
Headline earnings per share	**6.53**	7.51	6.36	7.84	6.32
Dividends per share	**5.10**	5.80	9.49	3.03	4.35

GLOBAL FOOTPRINT

Africa and the Middle East

Global presence

SHAREHOLDER PROFILE

During the current year the Company had an odd lot offer whereby all shareholders holding less than 100 shares were offered an opportunity to sell their shares to the Company. The odd lot offer was implemented in order to reduce the number of shareholders on the register as it contained large numbers of small shareholders as a result of the historic corporate activity of the entity.

The odd lot offer resulted in the share register being reduced by 1 467 shareholders who held an aggregate of 29 104 shares.

The share register can be analysed as follows as at 31 March 2014:

DISTRIBUTION OF SHAREHOLDERS:

Number of shares held	Number of shareholders	Percentage	Number of shares held	Percentage
1 – 10 000	832	57	1 391 710	–
10 001 – 100 000	356	24	13 308 936	1
100 001 – 1 000 000	177	12	65 533 144	4
1 000 001 – 10 000 000	77	5	225 829 811	14
Greater than 10 000 000	22	2	1 291 958 849	81
	1 464	**100**	**1 598 022 450**	**100**

	Number of shareholders	Percentage	Number of shares held	Percentage
Individuals	1 174	80	360 707 052	23
Nominees and trusts	141	10	773 005 090	48
Close corporations	12	1	3 045 257	–
Other corporate bodies	83	6	278 082 618	18
Banks	11	1	63 604	–
Insurance companies	6	–	163 157 352	10
Pension funds and medical aid schemes	17	1	1 996 404	–
Collective investment schemes and mutual funds	20	1	17 965 073	1
	1 464	**100**	**1 598 022 450**	**100**

PUBLIC AND NON-PUBLIC SHAREHOLDERS

	Number of shareholders	Number of shares held	% of total issued shares
Shareholders holding greater than 10% of issued share capital	2	439 248 189	27
Directors	5	325 584 500	20
Public shareholders	1 457	833 189 761	52
	1 464	**1 598 022 450**	**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 2014 are as follows:

	Ordinary shares	% of total issued shares
The St Helena Family Trust	**276 365 175**	**17**
Global Reinsurance Services AG	**161 000 000**	**10**
Seena Marina Financial Services Proprietary Ltd	**99 201 824**	**6**
Prescient Empowerment Trust Proprietary Ltd	**96 696 819**	**6**

MANAGEMENT AND STAFF SHAREHOLDING

At 31 March 2014 management and staff of the Prescient Group held 59% of the issued shares of the company. This extent of management and staff shareholding ensures that there is a direct alignment between shareholders and employees.

B-BBEE SHAREHOLDING

The following table sets out the shareholding of B-BBEE shareholders:

	Number of shares held	% of total issued shares
External B-BBEE shareholding	276 236 056	17
B-BBEE staff and management	122 584 253	8
	398 820 309	**25**

DIRECTORS' HOLDINGS

The directors' holdings at 31 March 2014 were as follows:

	Direct		Indirect	
	Number of shares held	Percentage	Number of shares held	Percentage
Herman Steyn	1 625 745	0.10	301 913 112	18.89
Michael Buckham	8 518 520	0.53	–	–
Murray Louw	–	–	2 323 053	0.15
Monty Kaplan	1 000 000	0.06	–	–
Ronell van Rooyen	–	–	19 229 108	1.20

LETTER TO STAKEHOLDERS

Prescient Limited, in its first full year as a listed entity continued to deliver a solid performance in the year to 31 March 2014. The Group achieved total income growth for continuing operations of 39% to R664.6 million (2013: R477.3 million), headline earnings growth for continuing operations of 11% to R109.0 million (2013: R98.4 million) and declared a cash dividend per share of 5.1 cents for the year.

OPERATING ENVIRONMENT

It has been an interesting and challenging year on many fronts.

The global economy continued to strengthen during the financial year, with the limelight shifting to developed countries where economic growth has rebounded. This resulted in buoyant global stock markets during the year, yet was also a period when decision making was difficult, not least because of the unknown consequences of quantitative easing in the United States. After a difficult start to the year, sentiment towards emerging markets turned positive.

In South Africa we are facing a wide range of formidable structural, policy and economic challenges which will require the newly elected government to address.

Against this background, it was also an interesting and challenging year for Prescient Limited and its subsidiaries.

The two main drivers of Prescient, Financial Services and Information Management Services, have performed well. The businesses complement each other and both have the attractive characteristics of low capital intensity and a strong base of intellectual excellence.

FINANCIAL SERVICES

Under the leadership of Guy Toms, Eldria Fraser and Liang Du, our investment performance has returned to the level we have been used to. All the asset classes and the multi-asset class portfolios are performing well. Prescient has always been the leader in quantitative and index management and in this context it was pleasing to be recognised as the Absolute Returns Manager of the Year. We have strengthened our sales and client servicing significantly during the year which has positioned us well to meet and exceed client expectations with respect to service, performance and innovation.

Prescient Administration Services has introduced significant enhancements to its systems and we are now able to offer a full service to investment managers, multi-managers, hedge funds and retirement funds. Craig Mockford, the CEO of Prescient Administration Services, and his team have worked tirelessly to get us to this point.

Stadia Fund Management Services is the replica of Prescient Administration Services in Dublin. Grant Jacobi has steered Stadia through the difficult time of 2013 and is now in a position to offer services to a wider range of clients – mainly in South Africa, UK and Ireland.

Prescient Life has reached a stage where it can be run as a standalone business. Dan Acres is the CEO of Prescient Life and under his, and Esmarie Strydom's guidance, we expect significant growth in the future. The direction that the National Treasury has taken with respect to retirement reform augurs well for this business. Prescient Life has a solution that we call "seamless transition". Trustees and consultants that share our vision, and accept the moral responsibility of the retirement fund for members after retirement, are actively seeking the solutions that Prescient Life offers.

Prescient Securities continues to thrive under Willem Venter and Cheree Dyers. Prescient Securities continue to embrace technology which has enabled the company to offer institutional and retail clients global trade execution in addition to its local services.

Prescient Securities were proud to be awarded "Agency Broker of the Year" at the 2013 Spire Awards.

Prescient Wealth has been significantly restructured under CEO Jonny Sieff. Jonny brings a deep understanding of the wealth industry and we now offer clients a comprehensive family office solution, private client fund management, stockbroking and corporate advisory solution.

Prescient's joint venture with EMH Capital in Namibia is gaining momentum and CEO Melanie Allen is expected to bring this to profitability by the end of 2014.

Another significant event during the year was the decision to sell Prescient Ireland, the standalone asset manager with a mainly Irish client base to J&E Davy ("Davy"), a provider of stockbroking, asset management and financial advisory services in Ireland.

In September 2013, the Prescient Group received an offer by Davy, for the entire issued share capital of Prescient Ireland. The original purchase of Prescient Ireland by Prescient was a component of the ongoing strategy in Ireland to grow the base of assets under management and assets under administration. This proved to be a less comfortable fit over the time that the entity was held and a decision was made by the Board of Directors to accept the offer from Davy.

The sale was concluded on 15 January 2014 and the proceeds were applied to reducing debt in the Group with a view to enhancing the earnings base. Details of the sale of Prescient Ireland are set out in the Annual Financial Statements on page 75.

The sale of Prescient Ireland has not changed the Group's ongoing strategy in the Irish market whereby it will continue to grow the administration base as well as to continue growing the assets under management through the Prescient Global Schemes.

INFORMATION MANAGEMENT SERVICES

Our information management services business provided the Group with diversification benefits as well as a solid base of international clients and foreign currency earnings. The PBT Group has performed well in Africa and the Middle East where it now has representation in 22 countries. Acquisitions undertaken in the previous financial year have contributed to earnings and should continue to provide a solid underpin for growth in this business in the coming years. PBT Group's business in Australia is growing steadily and is geared with additional capacity for future growth.

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

GOVERNANCE

Prescient Limited remains committed to sound corporate governance principles, including integrity, transparency and accountability, and we subscribe to the Code of Corporate Practices and Conduct as set out in King III. Prescient Investment Management is a signatory to the United Nations Principles of Responsible Investing (UN PRI) and pledged to the Codes for Responsible Investing in South Africa (CRISA).

There were no changes made to the board during the year.

PRESCIENT FOUNDATION

Considering the challenges faced by our country, we believe that corporate social investment remains vitally important. Government has failed to meet many of the most fundamental needs of South Africans and without corporate citizens playing an active role in filling these gaps, South Africa faces the risk of institutional failure. This is very clear in education and this is the area where Prescient Foundation is most active.

The Prescient Foundation, under the management of CEO Ronell van Rooyen, has done stellar work in the communities we have identified. As the capital base of the Foundation grows we will expand its reach.

PROSPECTS FOR THE 2015 FINANCIAL YEAR

We are optimistic about the future and look forward to the year ahead. We do anticipate that as we move closer to the retirement reform that National Treasury is promoting, the retail space and the advisors that serve this space will increase in significance. We have put the necessary infrastructure in place to service this requirement and to ensure that we will be able to capture more of the retail flows. We have the appropriate solutions to serve the institutional investing community. We have also invested in the technology to service our business units.

Our planned activities in each of the operational units are set out in more detail on pages 16 to 17.

We see opportunities for all of our businesses over the year ahead where we will deploy the advantages often associated with Prescient: the application of leading-edge technology by a strong team that is solutions driven and capable of serious innovation. Most importantly, the entrepreneurial culture that has made Prescient Limited successful will continue to serve us well.

ACKNOWLEDGEMENTS

We have a dedicated team at Prescient and we express our sincere appreciation and acknowledge the enormous effort and commitment on their part during the year. We thank the Board of Directors for their efforts and deliberations on a wide range of matters and for the work they have done in the committees they serve on.

A special thanks to our clients who have trusted Prescient to serve them. To our shareholders we have a simple message – we will continue to grow the earnings of Prescient and we hope to meet your expectations in this regard.

Murray Louw	**Herman Steyn**
Chairman	Chief Executive Officer

OPERATIONAL REPORTS

FINANCIAL SERVICES

PRESCIENT INVESTMENT MANAGEMENT (PIM)

Established in 1998, Prescient Investment Management is a quantitative investment management house with a staff complement of over 51. Driven by Guy Toms, Eldria Fraser and Liang Du, our core philosophy is capital preservation and the management of relative and absolute downside risk, which has helped us to deliver the returns our clients expect, within a defined risk framework.

We have adhered to this philosophy since inception, adapting processes where changes in the market have created new opportunities or closed past ones. Along with performance and service we also strive to deliver innovation in the products that we offer.

Highlights of the year included the outstanding performance generated by the Africa Equity Fund and the launch of our China Balanced Fund for which demand outstripped supply as investors looked to participate in the growth of China. The China Balanced Fund has very recently been re-opened with an additional quota of $100 million being allocated to PIM by the Chinese authorities. Liang Du, the manager of our China initiatives, will be implementing the intake of this additional allocation over the short and medium term. In addition, Prescient's Euro Positive Return Fund has shown how well an absolute strategy can perform in a low interest rate environment.

Awards and recognition earned by Prescient Investment Management during the past financial year included:

2013 POA IMBASA YEGOLIDE

- Absolute Return Manager of the Year

2013 RAGING BULL AWARD

- Positive Return – Best SA Multi-Asset Medium Equity Fund
- Positive Return – Best SA Multi-Asset Medium Equity Fund on a risk adjusted basis

2014 MORNINGSTAR

- Nominated in Diversified Bond category
- Nominated in Global Bond category

PIM is well represented in the savings market, being one of the leading quantitative managers in South Africa. The client base is diversified across a wide spectrum of industry sectors and includes retirement funds, corporate clients, medical aid schemes, foundations and individuals. Our process of limiting downside risk is well suited to clients who are concerned about benchmark relative losses, and also those focusing on absolute capital preservation. This attention to downside volatility is key, particularly in the current environment where interest-bearing assets offer low real yields and high uncertainty in equity markets continues as economic conditions remain weak in South Africa and tentative globally.

Retirement reform deadlines are nearing and trustees' focus on "whole of life" solutions rather than pre-retirement portfolios is on the increase. PIM's skills in managing downside risk, managing bond dominated portfolios (where portfolios will convert to life annuities) and lower cost equity and balanced solutions, all of which feature under the reform, positions us well to take advantage of the changing landscape. PIM is known as a solutions house and has the ability to build portfolios that solve client-specific needs. We believe this will be a growth area in future and have already seen an increased demand for our equity and balanced solutions.

Our portfolios are sought after as core solutions and with the focus on reducing the total expense ratios (TER's) in retail products. Our funds support this aim while also delivering volatility control and diversification. PIM has increased its staff complement servicing the retail market and see this as a growth area.

Our focus will remain on employing strong motivated quantitative people who are solutions driven and our process and investment style make these portfolios very scalable.

PRESCIENT ADMINISTRATION SERVICES (PAS)

Prescient Administration Services, our administration company headed up by Craig Mockford, was established in 2010 and has a staff complement of 31 people, including Stadia Fund Managers in Ireland, where the head is Grant Jacobi. Craig is ably supported by a strong management team in Garth Foster and Taryn Elario who collectively manage the expanding team. They are recent appointees to the board of PAS and add valuable operational insight at a strategic level.

PAS offers specialist outsourced administration and platform services to investment managers, multi-managers, hedge funds, pension funds and other institutional investment providers. Administration has developed as a core competency within the Group through many years of delivering this service to Prescient Investment Management (a fellow subsidiary within the Group) and its clients. The needs of other investment managers to access efficient and affordable third party administration was recognised and resulted in the separate incorporation of PAS four years ago.

Total assets under administration now exceed R110 billion for the local operation whilst our global administration base is €1.2 billion. Significantly, we have recently contracted with RECM for the administration of all their portfolios, which has added R5.7 billion to funds under administration, to date, with further asset administration coming onto the system into the new financial year.

Our current "platform services" include:

- Co-named collective investment schemes (white labelling)
- Pre- and post-retirement products (also under white-labelling relationships)
- Dublin regulated and domiciled UCITS & AIFM funds

Stadia Fund Management Limited, which is approved to undertake the administration of regulated funds in Ireland, has continued to increase its client base and expand its offering to third party clients outside of the Group. Stadia's services are enjoying solid support in a market where administration can be expensive and poorly provided.

Currently, Stadia Fund Management handles fund administration for Prescient, several UK fund managers and an Irish manager. We expect Stadia to continue delivering a good contribution to Group profits but we do recognise the need to expand the client base further.

We have invested significantly in technology and believe we have the premier offering for investment managers wishing to outsource their administration both in South Africa and internationally. Our intention is to expand the fund administration services to more South African managers and, over time, to more global managers.

PRESCIENT LIFE

Prescient Life is an investment-linked long-term insurer, established in 2006.

Under the new leadership of CEO Daniel Acres, Prescient Life has expanded its white-labelling offering from purely life pooling, to include retirement annuities, preservation funds, umbrella funds, living annuities and endowment policies. Prescient Life has also been a market leader in providing institutional solutions to retirement reform in the form of "seamless transition". The company offers a range of products that seamlessly transition pension fund members into retirement. This product reduces costs and improves efficiencies between the pre- and post-retirement phases.

Prescient Life is well capitalised and ideally placed to grow further amidst market and regulatory changes in South Africa. The products offered reduce costs and bring together a range of the most suitable investment products from Prescient Investment Management and third party managers.

Prescient Life's assets have grown significantly since 2012 with assets on the balance sheet increasing to R6.7 billion (2013: R6.0 billion), yet the existing capital base still allows for a further doubling in assets.

PRESCIENT MANAGEMENT COMPANY

Established in 2003 as a means to pool investments for our clients, Prescient Management Company also established itself as a platform for other investment managers on a co-naming basis. To date we have established relationships with 17 third party managers and have launched 35 unit trust funds for the third party managers.

The total value of the third party assets as at end March 2014 was R12.9 billion (2013: R9.2 billion).

PRESCIENT SECURITIES

With a focus on the institutional fund management market, Prescient Securities' research and trade offering covers equity, derivatives and fixed income. The business was started in 1999 and is headed by Willie Venter and Cheree Dyers. With a staff complement of 23, Prescient Securities focuses on backing up innovative technological enhancements with meticulous research.

Prescient Securities excelled again at the 2013 Spire Awards that recognise excellence in South Africa's fixed income, currency and commodity derivatives markets. Prescient Securities won the following categories:

- Best Agency Broker – Spot Bonds
- Best Agency Broker – Listed FX Derivatives
- Best Agency Broker – Listed IRD Derivatives
- Best Agency Broker House

At the 2014 Financial Mail Rating the Analysts (equities and derivatives) Awards, Prescient Securities were recognised in the following categories:

- #1 – Derivatives Research
- #1 – Resources Small & Medium Market Cap Companies
- #1 – Electronic & Electrical Equipment
- #2 – Hotels, Travel & Leisure
- #2 – Quantitative Analysis
- #3 – Financial and Industrial Small & Medium Market Cap Companies
- #3 – Derivatives Dealing
- #3 – Risk Management
- #4 – Innovative Research
- #4 – Credit Analysis
- #4 – Other African Economies & Markets
- #5 – Computer Services

These were the best results achieved by Prescient Securities in its history.

In a competitive market, Prescient Securities saw an improved performance from its derivatives and fixed income desks, as well as good growth in third party trade execution. Stock broking once again contributed strongly to Group profits.

Prescient Securities launched a global trading platform allowing the Group and its clients to trade, clear and settle internationally. The business also invested in sophisticated trade cost analysis software to improve trading strategies and enhance cost management.

PRESCIENT WEALTH

Founded in 2010, Prescient Wealth Management is an independent private client wealth and portfolio management business that provides clients with a comprehensive range of services. Jonathan Sieff is the newly appointed CEO who has been tasked with an aggressive growth path for the company, with a staff of 16.

Exciting developments were the enhancement of Prescient Wealth's investment value propositions and the inclusion of an advisory business, which is expected to be fully operational by July 2014.

High net worth individuals look for innovative solutions from a trusted partner to assist in the protection and enhancement of family wealth globally and across generations.

EMH PRESCIENT

EMH Prescient, our Namibian business headed by Melanie Allen, will look to build on its assets under management in the near future. The assets under management at 31 March 2014 were N$111 million (2013: N$18.2 million).

INFORMATION MANAGEMENT SERVICES

PBT GROUP

PBT Group operates as a subsidiary of Prescient Limited and manages the Technique Business Intelligence Software (TBIS), Cyberpro Consulting and BI-Blue Consulting Proprietary Ltd businesses. PBT is situated in Cape Town, Gauteng, Australia and has representation in 22 countries in Africa.

PBT is a preferred information management, business intelligence, application development and data integration solution provider to SA and MEA clients.

The PBT Group is headed by CEO Pierre de Wet and, together with executive directors Ken Wood, Nitesh Vallabh, Elizna Read and a staff complement of over 350 skilled and professional consultants, made a solid contribution to Prescient Group revenue with the added benefit that approximately 50% of its earnings were generated offshore.

The PBT Group continues to operate well, benefitting from strong demand for its information management services. The aim for the current financial year is moderate growth at relatively low risk. PBT will therefore pursue a related diversification strategy through key strategic initiatives. Most notable factors are the lowering of barriers to entry into basic business intelligence functions, the emergence of SME business intelligence markets, increased saturation of the business intelligence market for enterprises and the globalisation of the labour market.

Growth is expected to come mostly from an increase in the customer base. In particular, PBT will target the upper end of the SME market, utilising MS BI solutions. Through BI-Blue, PBT is expected to continue its expansion into the regional African market.

NEW VENTURES

New initiatives during the current year include the establishment of Prescient Property Investment Management whose CEO, Thabo Motloung, owns 50% of the empowered asset management firm. Prescient Holdings owns 49%, and the Prescient Foundation owns 1%. Prescient Property Investments is well positioned to operate within the listed property space with a focus on segregated property mandates and the Prescient Property Equity Fund.

FINANCIAL DIRECTOR'S REPORT

The previous financial year ended 31 March 2013 was characterised by significant changes in the Prescient Group with the reverse listing of Prescient Holdings into PBT Group Limited and the purchase of Prescient Ireland. The current financial year was our first full year of operations as a listed entity and consequently it will become easier for our shareholders to assess our financial performance into the future.

The most significant transaction during the year was the sale of Prescient Ireland. We have treated Prescient Ireland's sale and its current year results as a discontinued operation and separated these from our continuing operations. In addition we have restated the comparative, as per *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*. This allows for greater comparability of our operations from one year to the next. The sale of Prescient Ireland was finalised on 15 January 2014 following the completion of the conditions precedent. Further discussion of the sale of Prescient Ireland is included in this report.

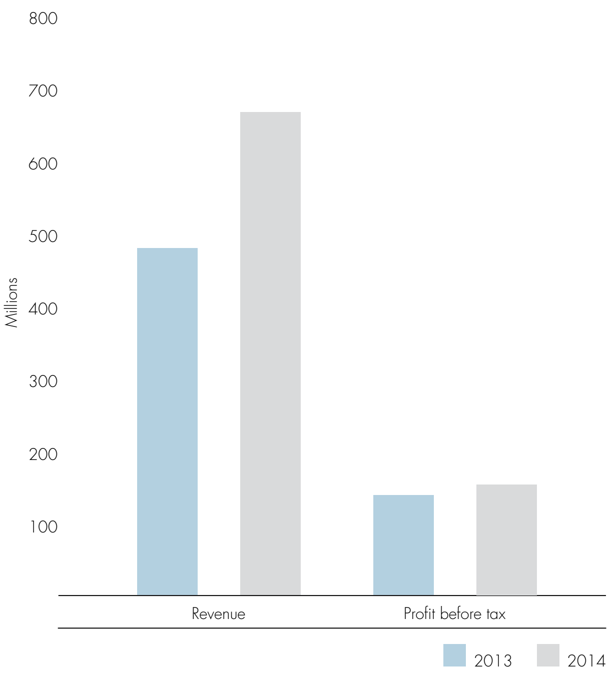
RESULTS OF CONTINUING OPERATIONS

We are pleased to report the results for 2014 as follows:

Total income for the Group increased by 39% from R477.3 million in 2013 to R664.6 million in 2014. The substantial increase in revenue was primarily attributable to the inclusion of 12 months of results for the PBT Group in the current financial year whilst in the prior year the PBT Group was only consolidated for a period of 7 months. The annualisation of the 7 months of revenue implies an increase in revenue of 10%.

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

RESULTS OF CONTINUING OPERATIONS (RAND)



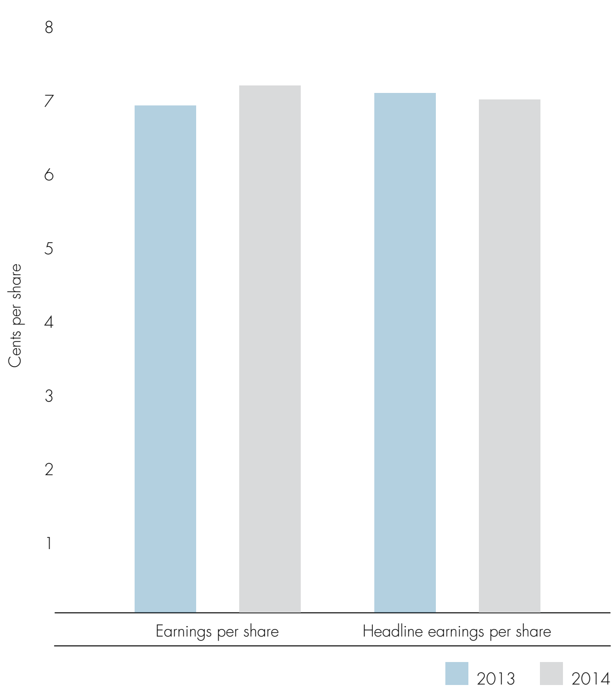
> PRESCIENT'S FOUNDING PHILOSOPHY WAS, AND REMAINS, THE CREATION OF AN ORGANISATION WHICH EMBRACES THE POSITIVE SPIRIT, GROWTH AND DEVELOPMENT THAT A PARTNERSHIP WITH FULL EQUITY PARTICIPATION PRODUCES.

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

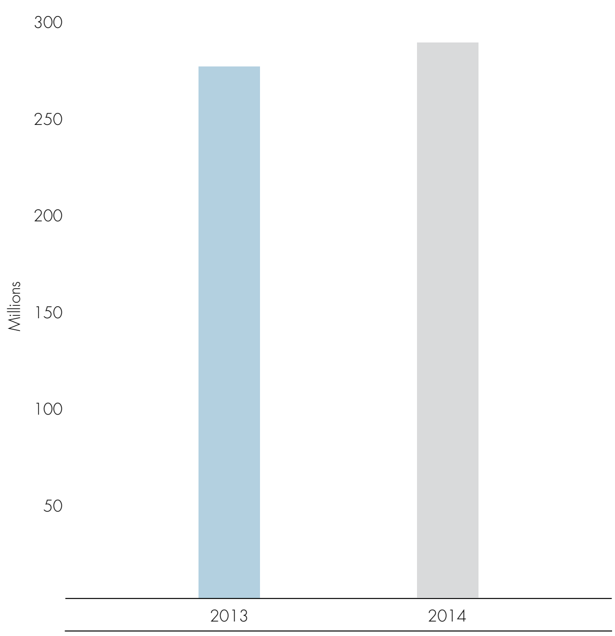
FINANCIAL SERVICES

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

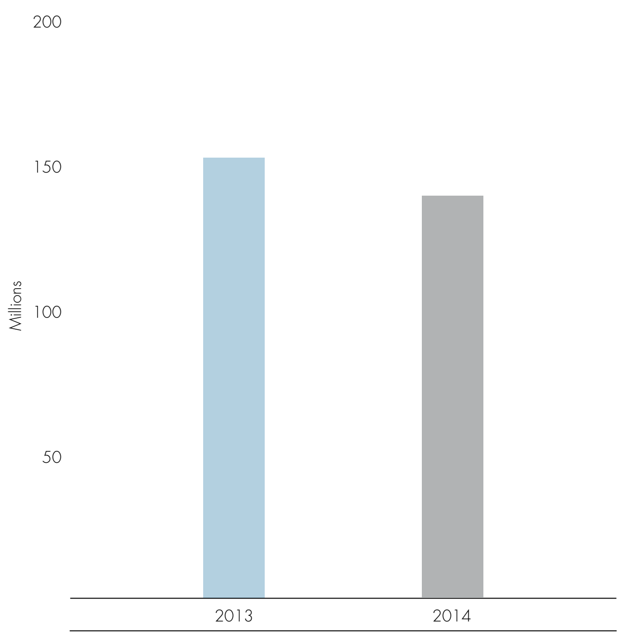
EARNINGS PER SHARE FOR CONTINUING OPERATIONS (ÇENTS)



REVENUE FOR FINANCIAL SERVICES (RAND)



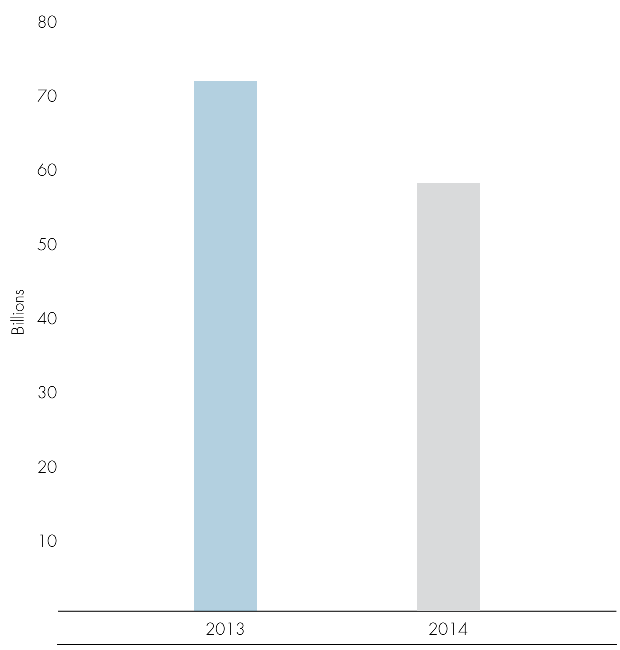
REVENUE FROM INVESTMENT MANAGEMENT (RAND)



INVESTMENT MANAGEMENT

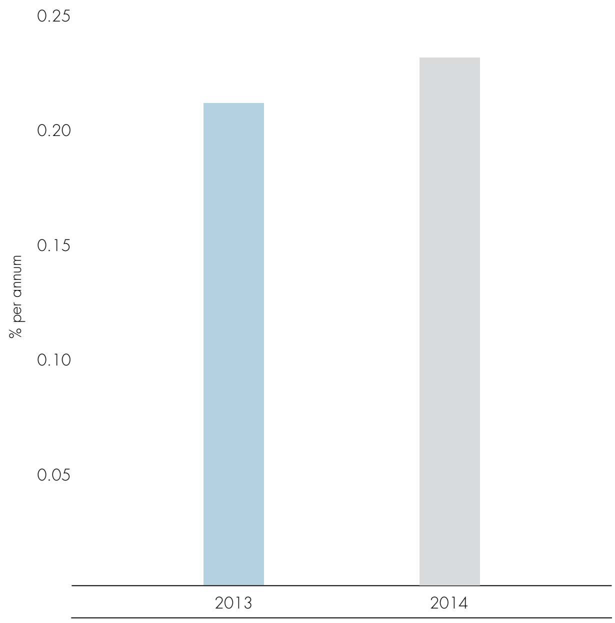
Revenue from investment management services are approximately 9% lower than the prior year. This decrease is largely due to a lower average AUM base during the 2014 financial year, which was approximately 19% lower than in the prior year:

AVERAGE AUM (RAND)



Although the asset base has decreased there has been an increase in the average fee rate from 0.21% per annum to 0.23% per annum. This increase is a result of increased performance fees during the year as a result of mandate performance above benchmark, particularly in the Positive Return, Income and Bond mandates.

AVERAGE FEE RATE



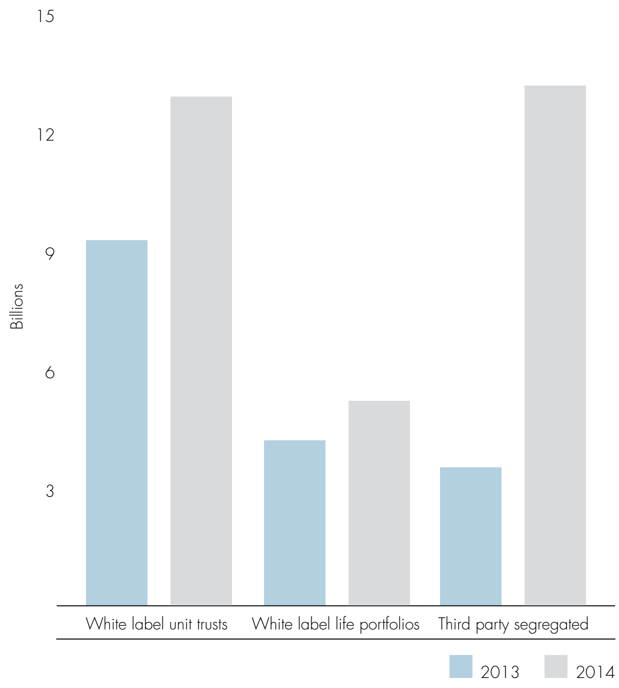
PIM's average fee rate is relatively low due to our predominantly quantitative approach, the high percentage of institutional clients and a large proportion of fixed income and cash mandates. As discussed in the operational reports on pages 16 to 17, the Group intends to target an increase in the fee base percentage by broadening the mandate base and attracting a higher proportion of retail clients.

The expenses in investment management were approximately 9.80% lower than the prior year as a result of a reduced salary bill. However system data costs increased as a result of the depreciating rand/dollar exchange rate where a proportion of these costs are based in foreign currency.

PRESCIENT ADMINISTRATION SERVICES AND STADIA FUND MANAGEMENT SERVICES

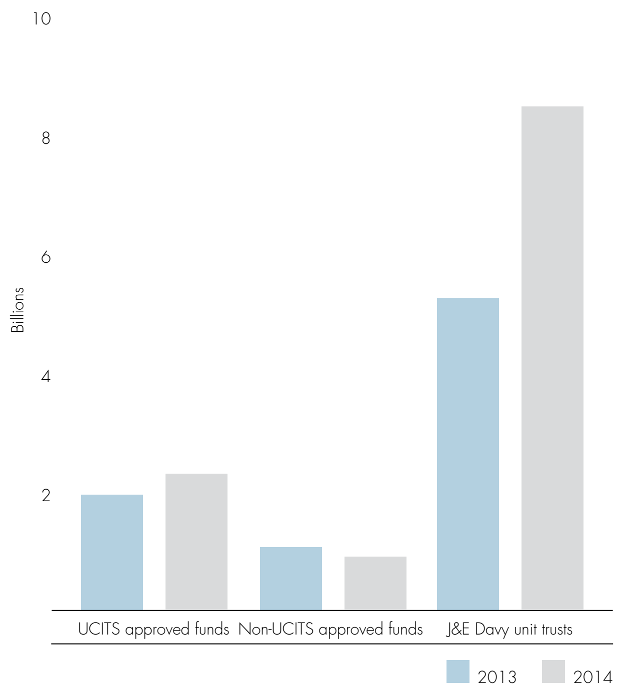
These two administration entities within the Group have both grown substantially during the 2014 financial year, with the expansion of our third party investment manager client base. Prescient Administration Services provides in-house administration on the entire assets under management of Prescient Investment Management; however, there are real growth opportunities for the administration business from third party clients seeking a comprehensive administration service.

ASSETS UNDER ADMINISTRATION (RAND)



Prescient Administration Services has increased its third party book by 85% from R16.9 billion at the end of March 2013 to R31.1 billion at the end of March 2014. Alongside the growth in assets was an increase in revenue for third party clients of 63%.

ASSETS UNDER ADMINISTRATION (EURO)



The assets under administration include unit trust administration (asset and liability side), pooled life portfolios and segregated administration. The assets under administration at the end of March includes R5.7 billion of liability administration for RECM. This liability administration came on the system at the beginning of December 2013 and the asset administration has been implemented in June 2014. The revenue from these services will reflect in the next financial year.

Stadia Fund Management has also increased its third party asset base considerably. The figures in the chart reflect the assets under administration in Euro, however, the depreciation in the Euro/Rand has resulted in an even more significant increase in Rand based assets under administration.

It must be noted that the third party unit trusts constitute the Prescient Ireland unit trusts that were classified previously as assets under management but have now been sold to Davy in the context of the sale of Prescient Ireland. Refer to the section in this report for more comprehensive commentary on the sale of Prescient Ireland.

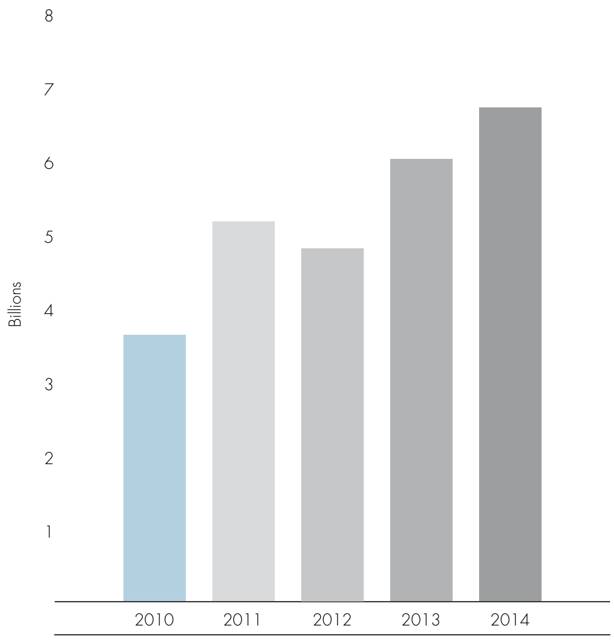
The growth in expenditure in the administration businesses countered some of the revenue growth. During the latter half of the financial year significant investment was made in the overall administration capability. Contracts were signed with Vermillion and Thinkfolio which represent the reporting and front office modules of the administration services, respectively. In addition to the licence fees, there were consulting costs incurred in the implementation. An additional cost pressure was created due to the depreciation of the rand against the dollar and pound. Many of the licence costs are either dollar or pound denominated and in a depreciating rand environment the costs were higher than anticipated.

PRESCIENT LIFE LIMITED

Prescient Life continued to grow in terms of asset size. Historically, the life company has been utilised to offer investment pooling services to in-house and third party investment managers and multi-managers as an investment portfolio pooling vehicle. There has been a considerable growth in the policyholder assets over the last five years as per the chart below:

The growth that has been shown historically is expected to continue on the basis of strengthening relationships with key clients and new business opportunities arising from retirement reform.

POLICYHOLDER ASSETS (RAND)



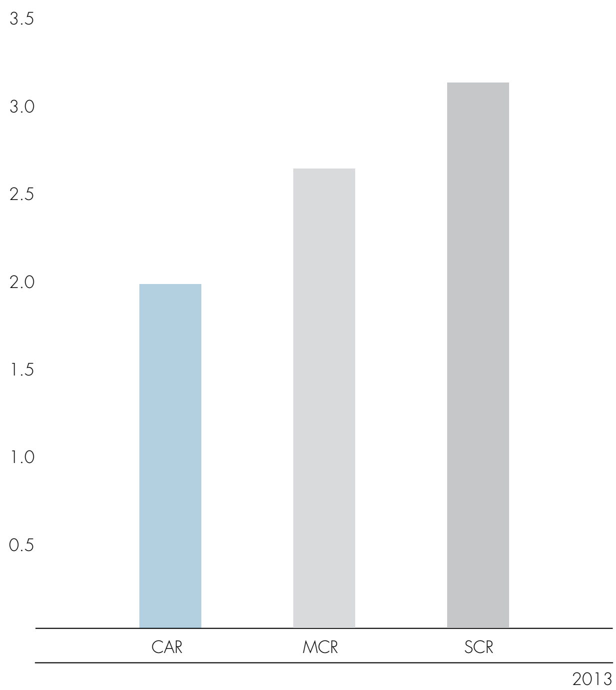
FINANCIAL DIRECTOR'S REPORT (CONTINUED)

CAPITAL ADEQUACY FOR PRESCIENT LIFE

From a compliance and regulatory perspective, the implementation of Solvency Assessment Management (SAM) is in full swing and much work has been done to ensure that the company remains appropriately capitalised and viable when moving from the current capital adequacy environment to the SAM regime. The Quantitative Impact Studies (QIS) have been integral to the process and in the third round of the QIS submissions the indication is that the SAM regime will place lower capital demands on the Life Company and this bodes well for the future growth of the company.

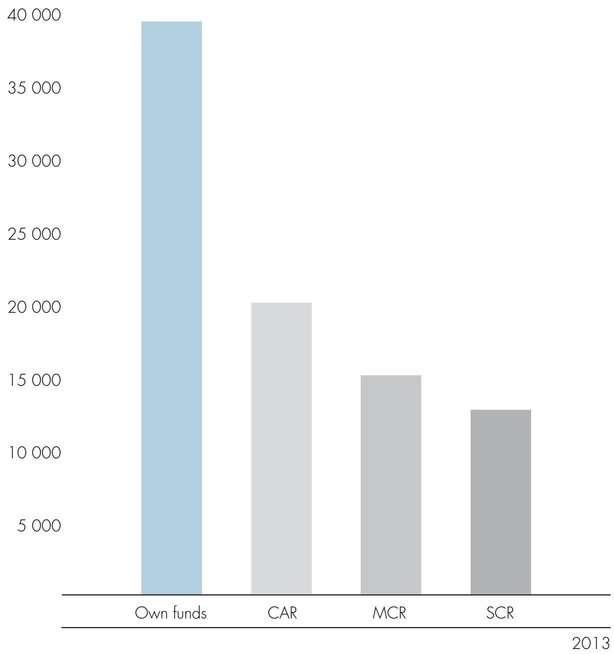
The chart on the bottom right indicates that the Minimum Capital Requirement (MCR) under SAM exceeds the calculated Solvency Capital Requirement (SCR) (also a SAM requirement), however both measurements are lower than the Capital Adequacy Requirement (CAR) under the current capital requirements for Long Term Insurance Companies. The chart further illustrates that the company's own funds exceed all measurements substantially.

CAR COVER



Note: these measurements are as at 31 March 2013 which is the relevant date for the most recent QIS submission.

CAPITAL REQUIREMENTS



PRESCIENT SECURITIES

Prescient Securities performed well in a competitive and challenging environment. There has been continued downward pressure on brokerage rates while input costs have been rising, but Prescient Securities continued to contribute strongly to Group profits for the financial year ended 31 March 2014. Revenue for the stockbroking entity increased by 15% from the prior year. This increase in revenue is attributable to the continued high levels of execution service performed for clients and the research data published by Prescient has been highly valued.

Prescient Securities' enhanced standing in the brokerage environment has been reflected not only in the growth in revenues but also in the awards they have received over the past year. These are set out in the Recognition of Excellence section set out on page 8.

PRESCIENT WEALTH

Prescient Wealth was restructured during the year to position it for growth over the short to medium term from a stable but modest base.

In the current year, considerable costs were incurred in setting up the base for future growth. It is expected that the company will break even during the 2015 financial year.

PRESCIENT CAPITAL

Prescient Capital operates as the private equity/investment holding entity within the Group.

Greenfields Institute of Business, one of the private equity investments, continues to seek opportunities in the market research and healthcare environment but it has not contributed significantly to Group earnings yet. Continuing effort will be made to generate revenue from the product set.

Stadia Capital is a property holding company (a wholly owned subsidiary of Prescient Capital) which holds the investment property in Dublin. The property market in Dublin has improved significantly and the offices were fully occupied at the end of the year and a revised valuation indicated that the valuation had increased from €1.5 million to €1.7 million. This property revaluation of €200 000 (Rand equivalent of R2.9 million) has been reflected in the income statement in other Investment Income, however, it is removed from headline earnings in the reporting thereof.

INFORMATION MANAGEMENT SERVICES

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

The PBT Group has performed well during the 2014 financial period. Revenue growth has been strong and, in addition, the depreciation of the rand enhanced revenue as at least 50% of revenue for the segment are derived offshore. This includes the client base in Africa where almost all fees are dollar denominated as well as the revenue generated in PBT Australia. Although there has been significant revenue growth in 2014, this has been slightly offset by a greater than expected increase in the cost base for the year, also as a result of the depreciation in the rand/dollar exchange rate. Furthermore, an increase in the price of oil has translated into a higher cost of travel which is a significant cost component.

It must also be taken into account that a once off amount of R6.6 million is included in the segment's current year earnings before tax which relates to a debt to an untraceable creditor prescribing.

Substantial cost has been incurred at PBT Australia to position the company for future growth. This impacted current year earnings negatively but provides a very positive platform for the foreseeable future.

Although there has been strong collectability on the debtors book during the year it is a component of the entity that needs to be closely monitored due to some of the challenges on foreign currency flows from some of the countries in which PBT's clients operates.

THE SALE OF PRESCIENT IRELAND

Prescient Holdings sold the entire issued share capital of Prescient Ireland, the standalone asset manager with a mainly Irish client base, to Davy, an Irish investment management and stockbroking firm. In terms of *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*, Prescient Ireland has been treated as a discontinued operation during the current year. This has enhanced the ease of use of the financial results as it has allowed users to assess the ongoing operations of the Group separately from Prescient Ireland. The financial statements reflect the sale of this entity on page 75.

There were two specific components of the sale consideration:

The initial consideration was an amount of €2.9 million and a Euro for Euro payment of €125 000 for the regulatory capital in Prescient Management Company Limited (Ireland). The proceeds, net of transaction costs, were converted to South African rands and an amount of R42.5 million was applied against our loan from Standard Bank.

The second component of the sale consideration was in the form of a contingency which was based on the ongoing revenue earned on the Pension client base. This deferral was initially contracted to run a course of 5 years subsequent to the sale of the company and it was agreed between Davy and the Prescient Group to establish a fair present value of the expected deferred amount and settle immediately. The two parties reached agreement on an amount of €900 000 on 2 May 2014 and the proceeds from that agreement were received on 8 May 2014.

The outstanding Standard Bank loan amounted to R94.3 million at 31 March 2013 compared with a balance of R52.3 million at 31 March 2014. The Group has demonstrated strong financial discipline through the settlement of this loan with proceeds from the sale and the impact on earnings will be positive going forward. The interest rate on the loan was JIBAR plus 3.15%, which translates into an annual saving of interest of approximately R6.4 million. In addition the reduced capital repayments will have a positive impact on the cash flow of the company.

DIVIDEND

The directors consider the payment of a dividend on a bi-annual basis taking into account prevailing circumstances and future cash and capital requirements of the Group in order to determine the appropriate dividend in respect of a particular financial reporting period.

The Group declared a dividend of 2.6 cents per share at 30 June 2014 which meant a total dividend of 5.1 cents per share for the year (2013: 5.8 cents per share). This resulted in a dividend cover of 1.4 times (2013: 1.2 times). At the dividend declaration date there were 1 598 022 450 shares in issue, of which 26 411 114 are held as treasury shares. The total final dividend payable is R41.5 million (March 2013: R39.4 million).

ACKNOWLEDGEMENTS

The finance team has worked tirelessly to ensure that this report and all its contents were prepared in time for the required deadlines. My thanks go to them for this considerable effort.

DIRECTORATE

Herman Steyn

CHIEF EXECUTIVE OFFICER

Age 53

Appointed December 2012

Herman has been involved in the investment management industry since 1985, having held senior management positions in several asset management companies. He began his career in investments after studying a BBusSc degree majoring in Actuarial Science, Statistics and Economics at the University of Cape Town. Herman completed his BBusSc (Hons) in 1984 and in 1998 founded Prescient Investment Management. Herman was appointed a director and the CEO of Prescient Limited in December 2012.

Michael Buckham

FINANCIAL DIRECTOR

Age 41

Appointed February 2012

Michael attended the University of Cape Town, completing a BBusSc degree with Finance and Accounting Honours in 1994. He qualified as a Chartered Accountant in 1996 and obtained his CFA in 2002. Michael joined Prescient in 2007, initially with responsibility for Prescient Life, but his involvement soon expanded to all financial areas within the Group. He was appointed financial director of Prescient Limited in August 2012.

Murray Louw

NON-EXECUTIVE CHAIRMAN

Age 69

Appointed March 2004

Murray is a merchant banker with extensive corporate finance experience both locally and abroad. He was appointed non-executive chairman of Prescient Limited on 13 December 2012 and has served on the Board of PBT since March 2004. Murray is also a non-executive director of Trematon Capital Investments Limited and a non-executive director of Club Mykonos Langebaan Limited.

Ronell van Rooyen

NON-EXECUTIVE DIRECTOR

Age 44

Appointed February 2012

Ronell completed her MComm degree in 1994, majoring in Econometrics at the Randse Afrikaanse Universiteit. After graduating she worked for an actuarial consulting firm where she was responsible for economic and investment research. Ronell joined Prescient Investment Management in August 2001 as a portfolio manager and in April 2004 was appointed a director at Prescient Holdings, representing the interests of the Prescient staff. Ronell left executive employ of Prescient during 2011 and presently runs the Prescient Foundation.

Heather Sonn

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 42

Appointed July 2012

Heather has a Master of Science degree in International Affairs from Georgetown University and a BA from Smith College, Massachusetts. She served as the CEO of Legae Securities and as the deputy CEO of Wipcapital. She was business development executive at Sanlam and an investment banking analyst at Merrill Lynch. Heather serves as an alternate director of Macsteel Service Centres. She has 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 (FSB). She was the President of the South African Association of Investors.

Monty Kaplan

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 85

Appointed March 2004

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. He is the former chairman of Prescient Limited and is currently the lead independent non-executive director. Monty is also chairman of the Mazor Group Limited, a non-executive director of Club Mykonos Langebaan Limited and the chairman of Trematon Capital Investments Limited.

Keneilwe Moloko

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 45

Appointed July 2012

Keneilwe is a Chartered Accountant and a quantity surveyor. She started her career in quantity surveying, and, after six years in the construction industry, went back to study to become an accountant. Keneilwe completed her articles at KPMG Inc., working in the financial services and tax divisions. She currently serves on boards and audit committees of several organisations.

Zane Meyer

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 53

Appointed July 2012

After graduating from Stellenbosch University with a law degree in 1986, Zane joined the Department of Justice as a public prosecutor. He then worked as a candidate attorney before being admitted as an attorney in 1990. Zane is a Small Claims Court Commissioner and chairman of the governing body of Paarl Girls High. An independent director of Prescient Life since 2006, he is also Chairman of Prescient's Audit Committee. He is a director of the law firm Faure & Faure Inc. and managing director of Louisvale Wines Stellenbosch.

CORPORATE GOVERNANCE

We embrace sound corporate governance and the principles of integrity, transparency and accountability.

In doing so, Prescient Limited is committed to the Code of Corporate Governance Practices and Conduct as set out in King III.

We provide more detailed information in this regard on the Prescient website at www.prescient.co.za

Our directors seek to identify and mitigate risks, and to promote considered and swift decision-making to facilitate continuous improvement in operational and corporate business practices, underpinned by transparent communication with all stakeholders.

BOARD COMPOSITION

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

There were no changes to the Board this year.

Using the guidelines of King III, the Board confirms the classification of independent directors each year and is of the view that Monty Kaplan, Heather Sonn, Keneilwe Moloko and Zane Meyer meet the requirements of independence.

The roles of executive and non-executive directors are separate to ensure that no director can exercise unrestricted decision-making powers. The chairman provides guidance to the Board, encouraging proper deliberation on all relevant matters while obtaining input from other directors.

The executive directors are primarily responsible for implementing strategy and operational decisions while non-executive directors contribute their independent and objective knowledge and experience to Board deliberations.

Murray Louw is chairman, with Monty Kaplan 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 his provision of consulting services to some of the operating entities within Prescient Limited. Murray is also a past financial director of PBT Group.

Michael Buckham is the Financial Director. In compliance with the JSE Listings Requirements, the Audit Committee considers the expertise and experience of the Financial Director and confirms its satisfaction with his performance to shareholders annually.

The directors hold office until the next Annual General Meeting when one third of directors will retire or, being eligible, make themselves available for re-election by the shareholders. The executive directors will not be required to retire on a rotational basis. 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.

The Board comprises six non-executive directors with a broad diversity of skills and experience. The details of each director is included on pages 24 and 25.

BOARD FUNCTIONING

Prescient Limited's Board meets at least four times a year. Meetings are convened by formal notice incorporating a detailed agenda supported by relevant written proposals and 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 below:

Director	Meetings attended	Meetings eligible for
Herman Steyn	5	5
Michael Buckham	5	5
Murray Louw (Chairman)	4	5
Monty Kaplan	4	5
Zane Meyer	5	5
Keneilwe Moloko	3	5
Heather Sonn	5	5
Ronell van Rooyen	5	5

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

The Group has an induction programme for all new employees and an open invitation is extended to the non-executive directors to attend this programme. In addition, ongoing formal and informal training is provided to the directors as is appropriate.

The Board members have 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 Prescient Limited maintains high standards of corporate governance.

BOARD COMMITTEES

The Audit, Remuneration, Nomination and Social and Ethics committees are appointed by the Board.

AUDIT COMMITTEE

The Audit Committee comprises Zane Meyer, Keneilwe Moloko and Heather Sonn. Its composition is consistent with King III and the Companies Act requirement for at least three independent non-executive directors.

Committee meetings are also attended by relevant members of the executive to provide insight into items under review. In addition, Goolam Modack is invited to all meetings as an external consultant to provide guidance on various aspects. Goolam is a Senior Lecturer at the College of Accounting at the University of Cape Town.

The committee meets at least three times a year and has specific oversight over the following functions:

- Nomination for appointment by the shareholders of the external auditors.
- Liaison with the external auditors and determining the external audit fee.
- Assessment of the independence of the auditor.
- Regulation of non-audit work performed by external auditors.
- Assessment of the effectiveness of the auditing processes.
- Preparation of financial statements.
- Monitoring of the adequacy and effectiveness of the internal control systems.
- Safeguarding the Group's and clients' assets.
- Assessment of the risk management process.
- Assessment of the governance processes.
- Assessment of the skills, expertise and capability of the finance function.

Based on the requirements of the Companies Act, individual members of the Audit Committee are elected by the shareholders at the 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, as well as the overall quality and integrity of financial and internal controls.

It also performs prescribed statutory requirements, including those applicable to the external auditor. This includes the annual recommendation of the external auditor to the shareholders at the Annual General Meeting.

Each year 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 it responsibilities.

The committee also expressed its satisfaction that Prescient's external auditor is independent of the Group and has nominated the re-appointment of KPMG Inc for the 2015 financial year. KPMG Inc. is accredited on the JSE Limited's list of auditors in terms of its Listings Requirements.

The Audit Committee has recommended the Integrated Report to the Board for approval. In the 2014 financial year the Audit Committee reviewed the internal financial controls and the internal audit charter and provided a report to the Board of Directors.

AUDIT COMMITTEE ATTENDANCE

Members	Meetings attended	Meetings eligible for
Zane Meyer	3	3
Keneilwe Moloko	3	3
Heather Sonn	3	3

REMUNERATION AND NOMINATION COMMITTEES

The members of the Remuneration and Nomination Committees, which meet during the year, are Zane Meyer, Heather Sonn and Keneilwe Moloko and Monty Kaplan, Keneilwe Moloko and Zane Meyer, respectively. All members of these two committees are independent non-executive directors of the company. The primary responsibilities of these committees include:

- Ensuring that the company's chairman, directors and senior executives are rewarded for their contributions in accordance with individual performance.
- Ensuring 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.
- Aligning annual bonuses with company performance, while shareholdings align executives' interests with those of other shareholders.
- Ensuring appropriate human resources strategies, policies and practices.
- Reviewing the composition and performance of the Board and its committees.
- Overseeing the Board appointment process.
- Approving the remuneration of directors and senior executives.

REMUNERATION COMMITTEE ATTENDANCE

Members	Meetings attended	Meetings eligible for
Zane Meyer	1	1
Keneilwe Moloko	1	1
Heather Sonn	–	1

NOMINATION COMMITTEE ATTENDANCE

Members	Meetings attended	Meetings eligible for
Zane Meyer	1	1
Keneilwe Moloko	1	1
Monty Kaplan	1	1

SOCIAL AND ETHICS COMMITTEE

The members of the Social and Ethics Committee are Ronell van Rooyen, Michael Buckham and Murray Louw. The purpose of the committee, which convened once during the financial year, is to monitor the company's activities, taking into account relevant legislation, other legal requirements or prevailing codes of best practice, with regard to:

- Social and economic development, including the company's standing in terms of the goals 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 and prevention of unfair discrimination;
    - contribution to the development of the communities in which its operates 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 Group's activities and of its products or services.
- Consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws.
- Labour and employment, including the company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions, its employment relationships, and its contribution toward the educational development of its employees.

The committee also draws to the attention of the Board to matters within its mandate and reports to shareholders at the Annual General Meeting.

Members	Meetings attended	Meetings eligible for
Michael Buckham	1	1
Murray Louw	1	1
Ronell van Rooyen	1	1

COMPANY SECRETARY

Bianca Pieters is Company Secretary for the Prescient Group. 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

Prescient Limited strives in its communication with stakeholders, particularly the investment community, to present a balanced and easily understandable assessment of the Group's position. In our financial reporting, formal announcements, media releases, annual meetings, presentations and dialogue with analysts and institutional shareholders, the objective is to provide clear and accurate information, disseminated as widely as possible.

INTERNAL CONTROL

The Board and management are responsible for maintaining effective systems of internal control.

These are designed to provide reasonable 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.

We strive to maintain internal controls that ensure financial reporting systems 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 of the Audit Committee and the directors.

The Group will continue to assess the applicability of an internal audit function to ensure that its risk is appropriately managed.

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's human resources policy includes the parameters within which staff and directors are expected to conduct themselves. The policy includes a code of ethics which forms the foundation for the values and ethics of the company. 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.
- Facilitate teamwork amongst peers, ensuring that all staff are treated with dignity and respect.

REMUNERATION REPORT

The aim of remuneration at Prescient is to reward staff for their contribution to the long-term operating and financial performance of the company. The overall philosophy is to ensure that the remuneration for employees is competitive and ensures that the Group attracts, motivates and retains individuals that are of the right calibre.

REMUNERATION GOVERNANCE

The Remuneration Committee is comprised of three members (Zane Meyer, Heather Sonn and Keneilwe Moloko) who are independent non-executive directors of the company. The Remuneration Committee aims to meet twice a year.

In order to ensure that the policy of remuneration is implemented and adhered to, the Remuneration Committee is tasked with a number of responsibilities:

- Determine and approve the Group's general remuneration policy, which is presented at each annual general meeting for approval by the shareholders.
- Ensuring 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.
- Appraise the performance of the chief executive officer.
- Approve the appointment and promotion of key executives.
- Approve the annual increase percentages.
- Undertake an annual assessment of the effectiveness of the committee and to report the findings to the Board.
- Approve any changes to the remuneration structure of the Group.
- Approve the performance targets for any long-term incentive awards.
- Prepare an annual remuneration report for inclusion in the Company's Integrated Report.

Due to the operational diversity of the Group and the number of employees across these units, the Committee has delegated the responsibility of allocating percentage increases of individual staff at a non-executive level to the operational heads. Furthermore, the allocation, per employee, of the short-term incentive (or bonus pool) is delegated to those operational heads as well. The committee remains fully involved in the approval of the remuneration packages for all executive staff.

The Remuneration Committee and the operational heads are fully supported through this process by the human resources function as well as by the financial director.

THE REMUNERATION POLICY

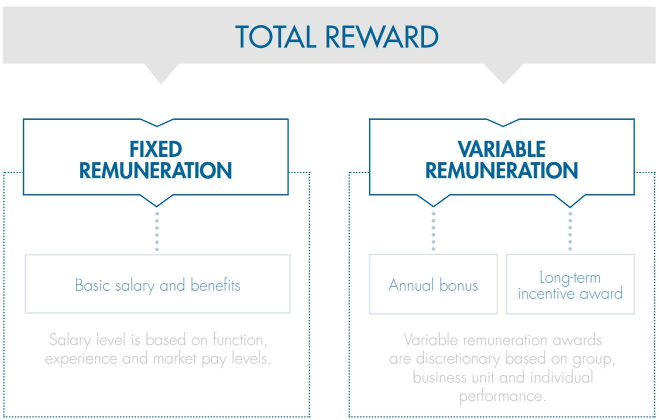
The remuneration policy aims to follow the guidelines and recommendations of King III and is based on the following principles:

- Remuneration practices are aligned with corporate strategy.
- Total rewards are set at levels that are competitive relative to the specific industries in which the Company operates.
- Long-term incentive awards are earned through achieving performance measures and targets that ensures that they are sustainable and are aligned to the well-being of all stakeholders over the short-, medium- and long-term.
- Incentive plans, performance measures and targets are structured so as to operate effectively throughout the business cycle.
- The design of the long-term incentive plans is prudent and does not expose stakeholders to a position where the Group is placed at risk.

COMPONENTS OF REMUNERATION

Total remuneration comprises a combination of fixed and variable remuneration. Fixed remuneration is made up of a basic salary and benefits and relate to all employees. Variable remuneration consists of annual bonuses as well as long-term incentive awards. The annual bonuses are made available to all staff and are dependent on the profitability of the various operational units and staff performance. The long-term incentive plan (discussed in the section below) is to be implemented in the near future and is generally incorporated as a remuneration component for senior executives of the organisation who have a direct impact on the long-term sustainability and profitability of the Group.

The Remuneration Committee will ensure that there is a suitable balance between all these components of remuneration.



- BASIC SALARY

  This is the fixed element of remuneration. The purpose of the basic salary is to provide a competitive level of remuneration in the context of the rest of the companies within the industry in which the Group operates. The basic salary is subject to an annual review which takes into account the Group's performance, the performance of the individual, cost of living adjustments and changes in scope of an employee's role. Various industry surveys are utilised as required and all employees are benchmarked against their respective industry peers to ensure that the remuneration levels are fair and competitive.

- BENEFITS

  These provide employees with security for their and their family's health and well-being. They include benefits such as retirement benefits, medical aid and risk cover in the form of group life, dread disease and disability cover.

- SHORT-TERM INCENTIVES (ANNUAL BONUSES)

  The Group aims to reward employees with a short-term incentive on an annual basis. These incentive awards are entirely dependent on the financial performance of the underlying operational units and the employees' performance against peers and set performance targets. The annual bonus is entirely at the discretion of the Group and the quantum of the bonus pool is to be approved on an annual basis by the Remuneration Committee. The Remuneration Committee will take into account the financial performance of the underlying operational units prior to the approval of the quantum.

  Each employee is assessed in relation to a comprehensive peer review process that is conducted bi-annually and a portion of the bonus pool is allocated on that basis. The Remuneration Committee delegates the responsibility of bonus allocation to non-managerial staff to the operational heads; however the Remuneration Committee will actively approve all short-term incentive awards to the executive team.

- LONG-TERM INCENTIVE – FORFEITABLE SHARE PLAN (FSP)

  The Company is currently in the process of implementing a Forfeitable Share Plan which is to be tabled at a General Meeting of shareholders to be held on 9 July 2014.

  The FSP will provide selected employees of employer companies within the Group with the opportunity of receiving shares in the Company through an award of forfeitable shares. The Remuneration Committee will approve the award of shares to eligible employees.

  The award of shares will be subject to performance conditions which will include earnings growth, individual performance metrics and continued employment within the Group.

  The FSP will be used primarily as an incentive to participants to deliver the Group's business strategy over the long-term. It can also be used as a retention mechanism and as a tool to attract prospective employees. The FSP will provide participants with the opportunity to share in the success of the Company and provide direct alignment between participants and shareholders.

  Through the delivery of real shares, participants will be shareholders in the Company. The FSP aligns with King III recommendations as it is less leveraged than option type plans, therefore mitigating the risk of unjustified windfalls.

  Best practice indicates a move away from the use of option-type plans in isolation to the use of full share plans. Full share plans, like the FSP, are less leveraged and have less upside than option-type plans, but provide more certain outcomes.

  It is envisaged that the first allocation of FSP shares will be awarded following the approval by the shareholders and the publishing of these financial results and that awards will be made, on merit, on an annual basis. The shares will have a three-year vesting period.

  A copy of the circular posted on 13 June 2014 can be found on the Company's website at www.prescient.co.za.

EXECUTIVE DIRECTORS' REMUNERATION

The remuneration paid to executive directors is set out in the table below:

Name/Designation	Director's fees	Basic salary	Bonuses	Value of non-cash benefits	Pension contributions paid	Total	
Herman Steyn	409 173	–	–	–	–	409 173	Note1
Michael Buckham	–	1 481 457	–	132 979	222 219	1 836 655	
	409 173	**1 481 457**	**–**	**132 979**	**222 219**	**2 245 828**	

Note 1: From 1 April 2013 Herman Steyn no longer received a basic salary with benefits from the Group. The amount shown here reflects the directors' fees paid to Herman in respect of the directorships he holds for the Prescient Global Funds and the Qualifying Institutional Funds, both of which are domiciled in Ireland and so the fees paid amounted to €30 000, converted to South African Rands at the average rate.

In addition to the remuneration paid to the directors of the Company, the three top earning executives in the Group earned an aggregate amount of R10.961 million for the financial year, including bonuses, benefits and pension contributions.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The board, in reviewing non-executive directors' fees, makes recommendations to shareholders in light of, firstly, fees payable to non-executive directors of comparable companies and, secondly, the importance attached to the retention and attraction of high-calibre individuals as non-executive directors. Remuneration is reviewed annually, with reference to surveys of non-executive director's remuneration. This remuneration is not linked to the Company's share price or performance. Levels of fees are also set by reference to the responsibilities assumed by the non-executive directors in chairing the board and in chairing or participation in its committees. To avoid a conflict of interest, the remuneration committee, which consists entirely of independent non-executive directors, takes no part in the determination of non-executive directors' fees or in the recommendation to the board and shareholders. Non-executive directors do not qualify for shares in terms of the Group's share incentive schemes. The board annually recommends remuneration of non-executive directors for approval by shareholders in advance.

The director's fee payable to each non-executive director is an annual fee and is not contingent on the number of meetings attended. The reason for this basis is to ensure that the directors are not encouraged to attend meetings on the basis of a monetary award only, but rather in fulfillment of their fiduciary duties. Directors are assessed on an annual basis by the board and their peers and persistent non-attendance at meetings will reflect negatively in that review.

The non-executive director fees for the year were as follows:

Name/Designation	Director's fees	Consulting services	Total
Murray Louw	210 000	650 833	860 833
Zane Meyer	160 000	–	160 000
Heather Sonn	160 000	–	160 000
Keneilwe Moloko	160 000	–	160 000
Ronell van Rooyen	160 000	–	160 000
Monty Kaplan	210 000	–	210 000
	1 060 000	**650 833**	**1 710 833**

There are no special employment contracts, restraint agreements or non-standard notice periods contained in the contracts with the non-executive directors.

SPECIFIC ISSUE TO HERMAN STEYN

In the circular posted on 13 June 2014 the Company sought approval for a management buy-in of shares for the CEO. The shareholders were asked to approve an issue of 27.1 million shares at an issue price of 90 cents per share. Simultaneously a loan of R24.4 million will be granted to the CEO. Security for the full recourse loan will be pledged to the Company by the CEO. The security provided will comprise personal assets owned by the CEO which will comprise Company shares owned directly by the CEO. The purchased shares will not have any restrictions attached to them, except that the loan funding has to be repaid in the event of termination of employment by the CEO. The Company shares also do not have any restrictions attached to them, except that they may serve as security and replacement security may be required should they be sold.

The intent of the management buy-in is to afford the CEO an opportunity to invest in the Company. Such investment will provide direct alignment of the CEO and shareholders.

At the date of the printing of this report the approval for the management buy-in was pending subject to the General Meeting.

A copy of the circular posted on 13 June 2014 can be found on the Company's website at www.prescient.co.za.

SPECIFIC ISSUE TO MURRAY LOUW

In March 2013 Prescient Investment Management Proprietary Limited (a wholly owned subsidiary of the Prescient Group) launched the Prescient China Balanced Fund. The Prescient China Balanced Fund is a sub-fund of Prescient Global Funds plc, an open-ended umbrella fund with segregated liability between its funds and authorised by the Central Bank of Ireland as a UCITS fund pursuant to the UCITS Regulations. The Prescient China Balanced Fund invests principally in equities and other instruments listed on the Shanghai and Shenzhen Stock Exchanges.

In March 2013, Reinet committed to invest $30 million in the Prescient China Balanced Fund and $2 million in its management company. Reinet invested its full capital commitment of $30 million in the fund in March 2013.

Prescient's Chairman, Murray Louw, was responsible for the introduction between Prescient and Reinet and as a result was awarded an introductory fee of R750 000. The after tax portion of this fee will be payable in Prescient ordinary shares.

The Prescient shares payable to Murray Louw is considered a specific issue to a related party and shareholder approval was sought following the posting of the circular to shareholders on 13 June 2014. The approval of this specific issue was pending at the time of the printing of this report.

The number of shares payable amounts to 569 620 at a price of 79 cents per ordinary share based on the volume weighted average price of Prescient for the 30 days prior to 10 March 2014 being the date the amount was agreed between the Company and Murray Louw.

A copy of the circular posted on 13 June 2014 can be found on the Company's website at www.prescient.co.za.

RISK MANAGEMENT

RISK PHILOSOPHY AND GOVERNANCE

Risk is an inherent part of the Group. The Board takes responsibility for the effective management of risk which is aligned and determined by the Board in terms of strategic objectives within the Group. The Audit Committee, as subcommittee of the Board, 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 Group recognises that the risk management framework, processes and strategies are dynamic and subject to ongoing review and modifications, taking into account risk appetite, risk tolerance and risk resilience of the Group.

In creating shareholder value, the objectives of the risk framework include the following risk policy statement:

- the Board has a fiduciary duty to their stakeholders, clients and employees.
- the Audit and Risk Committees recognise that it is the Group's responsibility to provide value to all its stakeholders.
- it is management's responsibility to determine how much uncertainty is acceptable as the Group strives to create shareholder value.
- the risk management plan is critical in ensuring that 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 the 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 – considering 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; and
  - improving deployment of capital – obtaining a robust risk framework allows the Group to effectively assess overall capital requirements and enhance capital allocation.

The risk framework is used as a basis on which to build the risk management plans and processes.

RISK MANAGEMENT PROCESS AND PLAN

Risk management planning is the process of determining how to approach and conduct risk activities for the Group. This includes a risk management plan that defines the scope and process for the identification, analysis, evaluation and management of risks which could impact the Group. The objective of the risk management plan is to define the strategy to manage risks such that there is acceptable minimal impact on the Group.

The importance of risk management makes planning critical, to allocate proper resources and time to perform risk management and establish the basis for evaluating risk.

The risk management process includes these four elements:

- risk identification – An initial and continuous effort to identify, quantify and document risks.
- risk analysis and evaluation – Evaluate identified risks to determine likelihood of occurrence, impact, and timeframe.
- risk mitigation – Establish an action plan for risk and assign responsibility.
- risk monitoring and control – Capture, compile, and monitor the reported risks.

RISK IDENTIFICATION

A baseline set of risks are determined 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 are captured and added to the Risk Log. It is the responsibility of the Risk Manager to make sure this is accomplished.

RISK ANALYSIS

A qualitative approach to risk analysis i s utilised. This methodology uses a risk level matrix based on impact and likelihood. This allows for an independent assessment of probability and consequence of risk.

Each risk is evaluated to determine impact, likelihood 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), monitor the risk attributes and status (define tracking requirements, document in the Risk Log, and assign a monitor 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. Monitored risks are reported on during the meetings. The Risk Log is used to report the summary status.

Decisions are made by the Risk Manager during meetings to close risks, continue to research, mitigate or monitor 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 responsibilities

Risk management plans are currently being drafted for each individual company to identify specific business risks in each. These are integrated into the Group risk log on completion.

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

KEY RISKS

Risks are analysed quantitatively using impact, likelihood and possible timeframe classifications. Impact is potential size of the loss to the Group whilst likelihood is based on the probability of an event on the basis of quantitative data and qualitative experience.

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

Risk name	Risk description	Management and mitigation
Client concentration	A high proportion of the revenue generated within the Group is derived from a limited number of clients and mandates. The risk exists that the loss of those critical clients or the poor performance of those mandates will result in a significant loss of revenue for the Group.	There is ongoing engagement with key clients to ensure that the Prescient Group remains innovative in delivering services to those critical clients.
	This risk applies equally to the Financial Services and Information Management Services segments of the Group.	Client relationships are very carefully maintained and ongoing communication ensures that we maintain a very strong understanding of those clients.
		The Group has made a concerted effort to diversify its operations and client base through the growth in various initiatives which include a growing retail strategy, an investment in new mandates such as the China Balanced Fund and the Africa Equity Fund, the diversification of the administration business away from a few select clients with the additional appointment by RECM during the past financial year. The diversification of offerings across the Information Management segment has also assisted in reducing reliance on one revenue stream.
Human resources	The skills base within our services organisations are the most important resources in order for the Group to generate ongoing revenue. There is the risk that our staff are not sufficiently skilled to perform their tasks effectively and that the vacant positions cannot be filled due to a lack of suitable candidates.	The Company engages in regular training of all staff and there is a strong culture of sharing of information within the organization. There is also a formal peer review process to ensure that staff are assessed on a bi-annual basis to monitor their progress against agreed competencies.
	Furthermore, there is the risk of losing key individuals through an inappropriate remuneration model and incentive structure.	The recruitment of staff is performed through reputable agencies who assist in assessing the fit to the organisation.
		In terms of retention of existing key staff, the annual review process is performed in conjunction with benchmarking surveys combined with the peer review process. In addition, the Company is in the process of implementing a share incentive plan to be approved by shareholders and this will be a suitable mechanism to ensure that staff are appropriately rewarded for their hard work.
		The Group also has a suitable succession plan in place.

RISK MANAGEMENT (CONTINUED)

Risk name	Risk description	Management and mitigation
Reputational risk	There is a risk that, through the actions of employees, shareholders, clients or other stakeholders, the Company is exposed to reputational risk as a result of negative publicity and/or litigation	The Company demands the highest levels of ethical behaviour through its culture and Code of Ethics. We recognise that the Company's reputation is of the highest fundamental importance to the brand of Prescient.
Investment risk	The risk exists that the performance of the mandates within the investment management businesses deviates from the expectations of clients. Investment risk includes:	The mandates are very clearly communicated to clients and appropriately drafted to ensure that the client's expectations are aligned to the agreed mandates.
	Counterparty risk	There is ongoing communication with clients through formal report backs and monthly reporting to ensure that portfolio performance is monitored and shared with clients.
	Market risk	Counterparty risk is managed through the appropriate credit committee which sets the credit policy and ensures the adherence thereto. Prescient also ensures that it only transacts with highly reputable counterparties to avoid default or losses.
	Exchange rate risk	Market risk, exchange rate risk and liquidity risk is managed through a very clearly defined investment philosophy which is applied throughout the investment process and adherence is monitored as part of the risk management process
	Liquidity risk	
Compliance, regulatory and legal risk	The risk exists that there are changes to laws and regulations that will negatively impact the Company's ability to operate. Furthermore, there is the risk that the Company does not adhere to the applicable laws and regulations as well as client mandate restrictions which can lead to reputational risk.	There is a compliance and regulatory function that participates in industry committees to ensure that the Company is kept abreast of the most recent regulatory changes. This function also ensures that it plays a role in providing feedback with regards to regulatory changes that may be proposed within the industry. The Company also ensures that it adheres to compliance requirements through a structured compliance monitoring program that covers all regulated entities and their respective submissions. The Company has a full implementation of an investment compliance framework that ensures that any mandate or regulatory breaches are identified immediately/early and submitted for rectification.
Technology and infrastructure risk	The risk that there is a failure of the transactional and information technology platforms which may lead to inaccurate and erroneous outcomes for clients as well as poor service delivery.	The implementation of technology systems is accompanied by a comprehensive project plan which includes significant testing under all conditions. The Company has a fully tested data recovery and system recovery plan as well as a functioning offsite facility in the event of critical failure. Data is backed up daily and is hosted offsite.
Operational risk	There is a risk that the failure to adhere to processes and controls will result in errors on client records.	Processes within the operational environment are clearly documented and communicated to the operational teams. There are daily reconciliations of all positions to third party data providers to ensure that errors are identified immediately and rectified. Any errors identified are documented and reviewed and reported to the risk committee for assessment of control failure.
Government and Macro-economic risk	There is a risk that macro-economic factors negatively impact the ability of the Company to obtain mandates and operate effectively. This would include B-BBEE legislation.	The Company actively ensures that it complies with the relevant B-BBEE requirements and continually strives to enhance its standing in this regard.

SUSTAINABILITY REPORT

"Prescient Limited is a Level 2 BEE Contributor."

This Integrated Report strives to present Prescient's financial and sustainability performance in a way that gives stakeholders a holistic view of our business and its prospects. In this section of the report, we look at the Group's strategy and performance in the context of economic, social and environmental issues.

BLACK ECONOMIC EMPOWERMENT

Prescient considers transformation and the creation of sustainable Broad-based Black Economic Empowerment an important part of the South African business landscape. Fulfilling the requirements is not simply a compliance exercise, but has significant benefits for our stakeholders and the economy.

In terms of the Broad-based Black Economic Empowerment Act, Prescient Limited is a Level 2 Contributor as verified by AQrate. In addition, because we are also regarded as a value-added supplier, with more than 50% of expenses on salaries, our clients can now claim 150% of procurement.

The Group's BEE certificate reflects the following status as at 31 March 2014.

EMPLOYMENT EQUITY AND HUMAN RESOURCES

Equity participation on the part of staff results in an entrepreneurial team dedicated to looking after Prescient's clients and a desire to design and continuously improve the products and services we offer.

Where the Employment Equity Act is concerned, the profile of our workforce is detailed in the accompanying tables:

TOTAL STAFF

	Male				Female				Foreign Nationals		Total
Occupational levels	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	**Female**	
Executive directors and top management	1	3	3	26	1	4	2	5	6	1	52
Middle management	5	16	5	29	–	15	2	13	3	–	88
Skilled technical workers, junior management and supervisors	42	24	14	133	23	11	5	40	27	5	324
Semi-skilled and discretionary decision-making	1	1	1	3	7	2	1	16	–	2	34
Total permanent	**49**	**44**	**23**	**191**	**31**	**32**	**10**	**74**	**36**	**8**	**498**
Temporary employees	–	–	–	3	–	–	–	1	11	2	17
Total temporary	**–**	**–**	**–**	**3**	**–**	**–**	**–**	**1**	**11**	**2**	**17**
Grand total	**49**	**44**	**23**	**194**	**31**	**32**	**10**	**75**	**47**	**10**	**515**

FINANCIAL SERVICES

	Male				Female				Foreign Nationals		Total
Occupational levels	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	**Female**	
Executive directors and top management	1	2	1	18	1	4	1	4	–	1	33
Middle management	5	15	5	20	–	14	2	11	–	–	72
Skilled technical workers, junior management and supervisors	–	–	–	2	5	6	–	8	–	1	22
Semi-skilled and discretionary decision-making	1	–	–	–	1	1	–	–	–	–	3
Total permanent	**7**	**17**	**6**	**40**	**7**	**25**	**3**	**23**	**–**	**2**	**130**
Temporary employees	–	–	–	3	–	–	–	1	–	–	4
Total temporary	**–**	**–**	**–**	**3**	**–**	**–**	**–**	**1**	**–**	**–**	**4**
Grand total	**7**	**17**	**6**	**43**	**7**	**25**	**3**	**24**	**–**	**2**	**134**

INFORMATION MANAGEMENT SERVICES

	Male				Female				Foreign Nationals		Total
Occupational levels	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	**Female**	
Executive directors and top management	–	1	2	8	–	–	1	1	6	–	19
Middle management	–	1	–	9	–	1	–	2	3	–	16
Skilled technical workers, junior management and supervisors	42	24	14	131	18	5	5	32	27	4	302
Semi-skilled and discretionary decision-making	–	1	1	3	6	1	1	16	–	2	31
Total permanent	**42**	**27**	**17**	**151**	**24**	**7**	**7**	**51**	**36**	**6**	**368**
Temporary employees	–	–	–	–	–	–	–	–	11	2	13
Total temporary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11**	**2**	**13**
Grand total	**42**	**27**	**17**	**151**	**24**	**7**	**7**	**51**	**47**	**8**	**381**

Three new appointments were made to the Board of Prescient Investment Management.

Monei Pudumo-Roos, who was appointed as a business development manager in June 2010, is responsible for institutional asset growth and client service in the coastal regions. She sits on the board of Prescient Retirement Funds as a trustee and chairman of the investment sub-committee. Monei is an executive committee member of Prescient Holdings as well as the Association of Black Securities and Investment Professionals in the investment industry.

Gillian Lewis, finance manager at Prescient Holdings, was also appointed a director of Prescient Investment Management which she joined in June 2007 as a financial accountant. Gillian has responsibility for overseeing all of the financial services businesses of the Prescient Group.

Farzana Bayat, senior portfolio manager (cash and money market) has been with Prescient Investment Management for almost 10 years and is responsible for all money market and income portfolios. She also oversees the credit research process.

SKILLS TRANSFER AND ENTERPRISE DEVELOPMENT

Prescient is fortunate to have in its employ individuals of the highest calibre. They mentor less experienced staff on a daily basis and add depth to our intellectual capacity. Looking beyond our own people, however, we have long been involved with initiatives to train, upskill, enable and empower partners and clients.

In 2002, the Development Bank of South Africa (DBSA) supported Prescient as a young SMME and awarded us with a cash management mandate. The conditions were to provide capital preservation and yield enhancement whilst embarking on an agreed programme to transfer skills to the DBSA treasury team. On reaching the agreed milestones in assets under management, we fulfilled our training obligations and, since then, the DBSA's treasury team has managed the assets in-house. We continue to provide insight into interest bearing markets and cash enhancement strategies.

Further examples are our commitment to establishing ongoing programmes to train our clients' treasury teams on global interest bearing markets, cash management and cash enhancing strategies in the daily management of their assets.

The programme includes spending time with members of the treasury teams at their offices, as well as job shadow work and on-site training with the fixed interest team at Prescient's offices in Cape Town. Our head of fixed interest and the head of cash management, oversee these training programmes.

RESPONSIBLE INVESTING

Although our investment decisions are guided by mathematical evaluation, our commitment to responsible investing principles dates back over seven years.

Responsible investing is about investment decision-making that is concerned not only with narrowly measured financial outcomes, but which incorporates a broad view of the long-term interests of the investor.

It is based on alignment of the interests of share and bond issuing organisations with those of other stakeholders, including employees, communities, suppliers and customers to deliver desirable outcomes including wealth creation, employment, safe workplaces and healthy environments.

Responsible investing is concerned with assessment of the performance of issuers with regard to environmental, social and governance risks and issues, and engagement with issuers by investors.

Although we adopt quantitative and index-based equity investment approaches, we still apply our minds to reviewing the conduct of listed companies in which we invest on behalf of clients. Unless instructed otherwise by clients, we regard it as part of our mandate to engage with companies via the annual general meeting and proxy voting channels. Similarly, we support the promotion of channels of engagement with important bond issuers.

PROXY VOTING POLICY

On behalf of clients, Prescient votes on all resolutions put forward at the annual general meetings of companies in which we invest.

We have a well-developed policy that fully describes our principles, processes and guidelines. We also procure voting recommendation research from external service providers, including brokers and specialist agencies to augment our own process.

All voting is conducted in-house by our portfolio managers, 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.

ENVIRONMENT, SOCIAL AND GOVERNANCE FACTORS

Prescient Investment Management is a quantitative investment house, which means that our investment decisions are guided by mathematical evaluation, processes and models. This makes it more difficult to incorporate responsible investment considerations into our investment analysis and decision-making.

That we do not have an active research interface within the Company for the assessment of environment, social and governance (ESG) issues is a limiting factor and something that affects quantitative practitioners worldwide, as acknowledged by UNPRI and CRISA.

That said, we pay close attention to transparency and disclosure rankings and indices on ESG issues, although these have their limitations. Despite these, we are conducting ongoing research into models that apply rankings to quantitative portfolio selections.

We have the technology to apply overlays, and it is our intention that as 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 environment, social and governance factors into our process is through voting at annual general meetings and 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 on and be aware of corporate governance issues.

ESG ENGAGEMENT

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 to engage with the issuers with whom we invest. The head of fund management is accountable to the Board of Prescient Investment Management for delivery on this aspect.

The majority of our investment mandates specify absolute or relative investment performance as a means to the funding the liabilities of fund members. In our experience, there is a low level of concern from the ultimate beneficiaries of the investment process regarding responsible investment. This is reflected in the actions of the allocators of money who represent members.

Therefore, a barrier to the implementation of responsible investing is a low level of understanding amongst fund beneficiaries and allocators on the importance of these issues.

Addressing this requires investor education, including empirical evidence establishing the link between responsible investing and long-term performance. Such evidence is in shortly supply in South Africa and we support industry level initiatives that promote a development agenda.

Industry initiatives to promote the goals of responsible investing amongst allocators and trustees are gaining momentum, indicating a new era of awareness in the South African investment market. Establishing the link between the application of responsible investing principles and improved investment returns would assist greatly in ensuring that fund allocators espouse these principles and incorporate them in allocation decisions.

The inclusion of responsible investing into our investment process represents an additional cost which is unhelpful in terms of our value proposition for index-replication at low cost, or benchmark-cognisant outperformance at a reasonable cost. However, we believe in the principles of responsible investing and will continue to develop avenues for its incorporation into our processes.

Prescient Investment Management is a signatory to the United Nations Principles of Responsible Investment (UNPRI) and to the Codes for Responsible Investing in South Africa (CRISA).

We signed the UNPRI in 2007 and have also adopted the CRISA code as far as practically possible within our quantitative investment style.

In addition to these specific areas, we incorporate sustainability into our general business activities, embracing the mutually reinforcing values of commercial success and empowerment. Initiatives range from fostering an entrepreneurial environment, to assisting staff and the social upliftment projects driven by the Prescient Foundation.

SUSTAINABILITY REPORT (CONTINUED)

PRESCIENT FOUNDATION

CORPORATE SOCIAL INVESTMENT

We want our investment to be impactful and for the impact to be sustainable.

Approaching corporate social investment as an extension of its business, Prescient's earliest initiative in this area was to assist staff with the provision of home loans with a view to improving their quality of life.

The group's housing assistance programme continues and the principles underlying its success have been extended to other projects now undertaken by the Prescient Foundation, a registered public benefit organisation which was founded in 2005 by Herman Steyn as a separate entity in the Prescient Group. The Prescient Foundation strives to facilitate real and sustainable change. Through the Foundation we strive for social upliftment and creating sustainable lifestyle improvements for disadvantaged people.,

HOUSING ASSISTANCE

With many previous loans already paid off, the Foundation continues to grant home loans to employees from disadvantaged families where the monthly household income is insufficient to obtain finance from mainstream lending institutions.

The housing scheme for Prescient staff has resulted in employees acquiring their own properties in Westlake, near to Prescient's Cape Town head office, facilitating a lifestyle change, ownership of an appreciating asset and loyalty to the Company.

SCHOOLS FUNDING

Schools funding goes towards improving facilities and basic conditions, as well as assisting schools with the resources necessary to function, including teachers' salaries and educational material and books. Once basic needs have been taken care of, the next level is to introduce an element of pride with school uniforms, and educational outings and excursions.

The Camdeboo Farm School Project in Graaff Reinett in the Eastern Cape has been supported by the Prescient Foundation's since 2007. Since then it has grown from 30 to 221 learners at five schools. Education funding in the Eastern Cape also includes three scholarships for high school students in Graaff Reinett.

In a separate project, disadvantaged pupils from surrounding areas are assisted in attending Laerskool Paul Greyling in Fish Hoek, Western Cape. We have helped fund this initiative since 2010, providing school fees for students, transport to and from school, a remedial teacher to ensure that learners remain abreast of the curriculum, and a feeding scheme.

Where adults are concerned, the focus is on adopting a practical approach to teaching skills. Besides equipping people with skills that might help them to secure employment or open avenues for self-employment, adult training programmes also help change attitudes to life.

We have also offered workshop to help communities identify and prioritise diverse and sometimes overwhelming needs with a view to developing effective responses.

When evaluating new opportunities, the Prescient Foundation uses various criteria, including the potential longevity and financial sustainability for projects.

In our experience, to maximise the potential inherent in a CSI programme, it is important to partner with the right community-based people to help manage and drive each project.

Plans for the future are to focus on the Foundation's current activities, to embed existing projects and, where educational initiatives are concerned, to apply what's been learnt for the benefit of an additional school. We'll also look for synergies between projects with a view to leveraging benefits and sharing skills.

Funding for the Foundation is in the form of a percentage of the profits of Prescient Limited's subsidiary companies. Revenue raised in this way is deployed on projects, or invested for growth. More recently, the Foundation has undertaken events like golf days to raise additional funds for projects.

Ronell van Rooyen, who started her career at Prescient in fund management, now oversees the Prescient Foundation.

One consequence of the approach adopted by the Prescient Foundation, which is about investing in people, is that those who have benefitted from its activities have been inclined to also want to give back – thereby helping to perpetuate the process of giving people access to opportunities for advancement.

BENEFICIARY STATUS

The Foundation is audited each year for the purpose of issuing an Independent Competent Person's Report as required in terms of the Broad based Black Economic Empowerment legislation. This certificate shows that more than 90% of the beneficiaries are black and more than 50% are black women.

CASE STUDY

Amy Atkins comes from the under-privileged Ocean View community near Cape Town. The Prescient Foundation got to know Amy after sponsoring her to attend the Paul Greyling Primary School in Fish Hoek as part of its schools funding initiative.

So impressive was Amy's performance in junior school that the Prescient Foundation decided to continue sponsoring her into high school. As a result she's presently attending Hoërskool Jan van Riebeeck in Cape Town where she is in grade 8 and living at the school hostel.

Ronell van Rooyen comments: "Amy has adjusted brilliantly and is currently one of the top students in her class. She is also a keen netball player and athlete and proving to be a well-balanced pupil at school.

'Amy is very grateful for the opportunity and clearly intends making the most of it. This kind of return on our social investment is hugely rewarding for the Prescient Foundation. We strive to make a sustainable difference with our CSI initiatives. Amy, and the other children whose education we sponsor, will benefit from this throughout life".

PRESCIENT
LIMITED

CONTENTS

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

DIRECTORS' RESPONSIBILITY REPORT

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 2014, and the statements of profit or loss and other 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, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the Directors' Report.

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 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, for the year ended 31 March 2014 were approved by the board of directors on 30 June 2014 and are signed on its behalf by:

Murray Louw
Chairman

Herman Steyn
Chief executive officer

DIRECTORS' REPORT

BUSINESS ACTIVITIES AND GROUP RESULTS

Prescient Limited, in its first full year as a listed entity, continued to deliver a solid performance in the year to March 2014. The Group achieved total income growth of 39% to R664.6 million (2013: R477.3 million). The increase in total income relates primarily to the PBT Group of Companies being consolidated for the full 12 months of the year in comparison to the prior year where they were consolidated for only 7 months. The Group achieved growth in headline earnings of 11% to R109.0 million (2013: R98.4 million) from continuing operations and declared a total dividend for the year of 5.1 cents per share (2013: 5.8 cents per share).

During the current year the Group sold Prescient Asset Management Holdings (Limited) Ireland and its subsidiaries ("Prescient Ireland"). The Irish operations were therefore treated as a discontinued operation as per *IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations*. Please refer to page 75 of the Financial Statements for more detail on the sale of Prescient Ireland.

Basic earnings per share for continuing operations increased by 3.9% from 6.88 cents to 7.15 cents whilst headline earnings per share decreased by 1.3% from 7.05 cents to 6.96 cents. Basic earnings per share for continuing and discontinued operations decreased to 4.03 cents per share (2013: 7.34 cents per share) which included a loss on discontinued operations per share of 3.12 cents (2013: earnings per share of 0.46 cents).

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

FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2014 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), the Companies Act 71 of 2008 of South Africa and the JSE Listings Requirements.

CASH DIVIDEND

The Company declared a distribution of 2.6 cents per ordinary share on 30 June 2014 which, combined with the cash dividend of 2.5 cents per ordinary share declared on 28 November 2013, amounted to a total dividend for the year of 5.1 cents per ordinary share (2013: 5.8 cents per ordinary share).

The net cash dividend declared on 30 June 2014, after the deduction of dividend withholding tax, amounts to 2.21 cents per ordinary share.

DIRECTORS AND SECRETARY

Bianca Pieters is the Company Secretary.

There were no changes to the Board of Directors during the current year.

DIRECTORS' INTEREST

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

	Direct	Indirect	%
2014			
Ordinary shares			
Herman Steyn	**1 625 745**	**301 913 112**	**19.0**
Michael Buckham	**8 518 520**	**–**	**0.5**
Murray Louw	**–**	**2 323 053**	**0.2**
Monty Kaplan	**1 000 000**	**–**	**0.1**
Ronell van Rooyen	**–**	**19 229 108**	**1.2**
2013	**Direct**	**Indirect**	**%**
Ordinary shares			
Herman Steyn	1 574 945	294 959 249	18.8
Michael Buckham	8 518 520	–	0.5
Murray Louw	–	2 264 392	0.1
Monty Kaplan	1 000 000	–	0.1
Ronell van Rooyen	–	18 729 108	1.2

DIRECTORS' EMOLUMENTS

The table below reflects the directors' emoluments for the directors of Prescient Limited for the year ended 31 March 2014.

R'000	Paid by the Company	Paid by subsidiaries					
	Directors' fees	Directors' fees	Basic salary	Consulting services	Value of non-cash benefits	Pension contributions paid	Total
2014							
Executive directors							
Herman Steyn *	–	409	–	–	–	–	409
Michael Buckham	–	–	1 481	–	133	222	1 836
	–	**409**	**1 481**	**–**	**133**	**222**	**2 245**
Non-executive directors							
Murray Louw	210	–	–	651	–	–	861
Monty Kaplan	210	–	–	–	–	–	210
Zane Meyer	160	–	–	–	–	–	160
Keneilwe Moloko	160	–	–	–	–	–	160
Heather Sonn	160	–	–	–	–	–	160
Ronell van Rooyen	160	–	–	–	–	–	160
	1 060	**–**	**–**	**651**	**–**	**–**	**1 711**

	Paid by the Company	Paid by subsidiaries					
	Directors' fees	Directors' fees	Basic salary	Consulting services	Value of non-cash benefits	Pension contributions paid	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

**Herman earned a director's fee of €30 000 in respect of the Prescient Global Funds and QIF Funds.*

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.

AUDITOR

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 71 of 2008.

SPECIAL RESOLUTIONS

At the Annual General Meeting of the Company held on 22 October 2013 the following special resolutions were passed:

- The directors received general authority to repurchase up to 20% of the Company's issued share capital.
- General approval to provide any direct or indirect financial assistance to directors, prescribed officers, related or inter-related entities to the Company subject to the provisions of Section 44 and 45 of the Companies Act.
- Authority to purchase ordinary shares from shareholders holding less than 100 shares in the Company ("Odd-lot offer")
- The addition of new Article 39 to the Memorandum of Incorporation allowing for the Odd-lot offer by the Company.

SUBSEQUENT EVENTS

No 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.

DECLARATION BY COMPANY SECRETARY

In terms of the Companies Act 71 of 2008 (the Act), and for the year ended 31 March 2014, 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.

B Pieters
Company Secretary
30 June 2014

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 2014, and the statements of profit or loss and other 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 46 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.

AUDITOR'S 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 2014, 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 2014, 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 G M Pickering
Chartered Accountant (SA)
Registered Auditor
Director
30 June 2014

MSC House
1 Mediterranean Street
Foreshore
Cape Town
8001

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 R'000	2013 Restated * R'000
Continuing operations			
Total income	2.1	**664 626**	477 308
Service fees		**638 013**	450 764
Interest and dividend income		**15 970**	16 853
Other investment income		**10 643**	9 691
Net fair value gains on linked investments and policyholder funds		**–**	–
Cost of information management services		**(286 599)**	(144 232) **
Operating expenses	3.1	**(231 720)**	(190 668) **
Profit from operations		**146 307**	142 408
Other income	2.2	**10 652**	1 297
Share of loss of equity–accounted investees (net of tax)	11	**(573)**	(219)
Finance costs	3.2	**(4 155)**	(5 945)
Profit before tax		**152 231**	137 541
Income tax expense	4	**(39 592)**	(40 961)
Profit from continuing operations		**112 639**	96 580
Discontinued operation			
(Loss)/Profit for the period from discontinued operation	27	**(48 774)**	6 378
Profit for the year		**63 865**	102 958
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences – foreign operations	21.2	**(1 383)**	12 396
Tax on other comprehensive income		**–**	–
Other comprehensive income for the year, net of tax		**(1 383)**	12 396
Total comprehensive income for the year		**62 482**	115 354
Profit attributable to:			
Owners of the Company		**63 088**	102 456
Non-controlling interests		**777**	502
Profit for the year		**63 865**	102 958
Total comprehensive income attributable to:			
Owners of the Company		**61 705**	114 852
Non-controlling interests		**777**	502
Total comprehensive income for the year		**62 482**	115 354
Earnings per shares (cents)			
Basic earnings per share	5	**4.03**	7.34
Diluted earnings per share	5	**4.03**	7.34
Earnings per share – continuing operations			
Basic earnings per share	5	**7.15**	6.88
Diluted earnings per share	5	**7.15**	6.88

* *Refer to note 27*

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Notes	2014 R'000	2013 R'000
Assets			
Non-current assets		**7 331 567**	6 674 148
Property and equipment	6	**11 210**	14 155
Investment property	7	**24 724**	17 711
Goodwill and intangible assets	8	**423 361**	472 816
Deferred tax asset	9	**4 841**	3 187
Long-term loans and other receivables	10	**70 288**	73 607
Investment in equity-accounted investees	11	**1 493**	1 398
Financial assets at fair value through profit or loss	12	**105 842**	99 260
Linked investments backing policyholder funds	13	**6 689 808**	5 992 014
Current assets		**527 764**	676 985
Inventory	14	**10 506**	16 096
Trade and other receivables		**171 692**	167 139
Amounts owing by clearing houses	15	**–**	223 730
Amounts owing by clients	16	**287 082**	151 429
Taxation receivable		**3 398**	11 688
Cash and cash equivalents	17	**55 086**	106 903
Total assets		**7 859 331**	7 351 133
Equity			
Stated capital	21	**637 062**	637 062
Reserves	21	**(841)**	280
Retained income		**96 367**	93 595
Total equity attributable to owners of the Company		**732 588**	730 937
Non-controlling interests		**8 461**	9 781
Total equity		**741 049**	740 718
Liabilities			
Non-current liabilities		**6 732 401**	6 101 012
Deferred tax liability	9	**5 480**	7 017
Deferred income	18	**–**	3 206
Policyholder investment contract liabilities	20	**6 685 086**	5 989 473
Loans payable	19	**41 835**	101 316
Current liabilities		**385 881**	509 403
Trade and other payables		**57 594**	110 719
Provisions	22	**–**	518
Amounts owing to clearing houses	15	**138 738**	–
Amounts owing to clients	16	**147 916**	374 591
Deferred income	18	**–**	2 491
Current tax payable		**6 726**	14 822
Loans payable	19	**12 865**	–
Bank overdraft	17	**22 042**	6 262
Total liabilities		**7 118 282**	6 610 415
Total equity and liabilities		**7 859 331**	7 351 133

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 R'000	2013 Restated* R'000
Cash flows from operating activities			
Profit for the year		**63 865**	102 958
Income tax expense		**39 592**	40 424
Non-cash movements and adjustments to profit before tax	23	**(62 825)**	(638 260)*
Cash generated from policyholder activities		**98 935**	622 667*
Contributions and investment income		**1 794 917**	3 117 168
Withdrawals by policyholders		**(1 695 982)**	(2 494 501)
Changes in working capital	24	**(54 374)**	(10 213)
Dividends received		**272**	544
Dividends paid		**(62 496)**	(88 137)
Interest received		**15 698**	16 309
Interest paid		**(10 233)**	(12 735)
Taxation paid	25	**(45 920)**	(51 433)
Net cash outflow from operating activities		**(17 486)**	(17 876)
Cash flows from investing activities			
Net acquisition of equipment		**(1 892)**	(7 463)
Acquisition of subsidiary, net of cash acquired		**(313)**	82 343
Net (acquisition)/disposal of intangible assets		**(5 021)**	8 150
(Investment)/disposal in equity-accounted investees		**(811)**	711
Dividends from equity-accounted investees		**143**	2 124
Disposal/(acquisition) of financial assets at fair value through profit or loss		**496**	(15 875)
Repayment/(advances) of long-term loans receivable		**3 455**	(3 328)
Disposal of discontinued operation, net of cash disposed of	27	**(8 029)**	–
Cash (outflow)/inflow from investing activities		**(11 972)**	66 662
Cash flows from financing activities			
Acquisition of own shares		**(263)**	(922)
Additional investment in subsidiary		**–**	(4 323)
Decrease in deferred income		**–**	(1 804)
Decrease in loans payable		**(47 481)**	(2 706)
Cash outflow from financing activities		**(47 744)**	(9 755)
Net (decrease)/increase in cash and cash equivalents		**(77 202)**	39 031
Effect of exchange rate fluctuations on cash held		**9 605**	8 779
Cash and cash equivalents at beginning of the year		**100 641**	52 831
Cash and cash equivalents at end of the year	17	**33 044**	100 641

** The above cash flow comparatives include the policyholder activities which were previously excluded. These cash flows represent net contributions and withdrawals by policyholders and the related investing activities. Non-cash movements and adjustments to profit before tax amounting to R15.6 million, as previously stated, has been restated to (R638.2 million), and resulted in the inclusion of cash generated from policyholder activities. The net effect on the statement of cashflows for the Group is nil.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1.1 Reporting entity

Prescient Limited is incorporated in South Africa. These financial statements contain the consolidated and separate financial statements of Prescient Limited. The consolidated financial statements of the Group as at and for the year ended 31 March 2014 comprise Prescient Limited ("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 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 Pronouncements as issued by the Financial Reporting Standards Council, the Financial Reporting Guides as issued by The South African Institute of Chartered Accountants (SAICA) Accounting Practices Committee (APC), the JSE Listings Requirements and the requirements of the Companies Act.

The consolidated and separate financial statements were published for issue by the board of directors on 30 June 2014.

1.2.2 Basis of measurement

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

1.2.3 Functional and presentation currency

These consolidated and separate 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 where otherwise indicated.

1.2.4 Uses 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 therevision 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 is 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. For estimates and judgements on revenue recognition and business combinations, refer to note 1.3.1 and 1.3.1.1 respectively.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the executive team.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique (see note 12.1).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of financial assets and liabilities are classified and accounted for in accordance with policies set out in note 1.3.3 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. 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 loans and 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.

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 and North Africa.

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.

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 testing 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 combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see 1.3.1.3). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration are 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 and recognised in equity. 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 Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which 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 Interests in equity-accounted investees

The Group's interest in equity-accounted investees comprise interest in associates.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

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

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss, other comprehensive income ("OCI") and equity movements of equity accounted investees, after adjustment to align the accounting policies with those of the group, 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 against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.3 Significant account policies (continued)

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 dates 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 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 and accumulated in equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

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.

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. The Group designates financial assets at fair value through profit or loss where it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel. 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 and other receivables, amounts owing by clearing houses and amounts owing by 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 respects of seed capital

A subsidiary within the Group is required to provide seed capital of R1 million per collective investment scheme that it administers, until such time as a scheme's assets from third party investors exceed R10 million, 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 R10 million 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

The fair values of quoted financial assets are based on quoted prices. If the market for a financial asset is not active, the Group establishes fair value using valuation techniques that refer as far as possible to observable market data. 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 policyholder 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.

Other non-derivative financial liabilities

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 loans payable, trade and other payables, amounts owing to clearing houses, amounts owing to clients and bank overdrafts. 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.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they originate. 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.

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 Group. 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. 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 shareholders' equity.

1.3.4 Property and equipment

1.3.4.1 Recognition and measurement

Items of property and 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.

1.3.4.2 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.

1.3 Significant account policies (continued)

1.3.4 Property and equipment (continued)

1.3.4.3 Depreciation (continued)

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
Furniture and fittings	10 years
Leasehold improvement	5 years

The residual values and useful lives of items of property and equipment are reviewed at each reporting date.

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	
Computer software	3 years
Patents and trademarks	10 years

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, and not 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 Inventory

Inventory is 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 cost of completion and the estimated selling prices.

Work-in-progress relating to information management service contracts 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 invoiced (representing the service performed to date) 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.

Work-in-progress is then calculated as the difference between the allocated costs and the actual costs.

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 of non-financial assets

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.

1.3.10 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 of services fees (consisting of fees for investment management, brokerage, and information management services), interest income and dividend income.

1.3 Significant account policies (continued)

1.3.11 Revenue (continued)

Investment management services fees comprise of management fees and performance fees. 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.

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

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

Dividend income is recognised as revenue when the Group's right to receive payments is established. Dividend income forms part of investment income.

Information management service fee income 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.

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.

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

1.3.12 Other income

Operating lease income

Rental income from investment property is recognised as other income 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.

Other investment income

Other investment income comprises of net fair value gains on financial assets and change in fair value of investment property.

1.3.13 Operating lease expenses

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 Finance costs

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

1.3.15 Income tax expense

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except 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 or receivable on the estimated taxable income or loss 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.

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.

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 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of this separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

1.3.17 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.

1.3.18 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 2/2013 issued by the South African Institute of Chartered Accountants.

1.3.19 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 property and equipment, and intangible assets.

1.4 New standards and amendments

Standards and interpretations that have been adopted in the Company's 2014 annual financial statements.

A number of new standards, amendments to standards and interpretation are effective for annual periods beginning on or after 1 January 2013, and have been applied in preparing these consolidated and separate financial statements. Those which may be relevant to the Group are set out below.

IAS 1: *Presentation of Items of Other Comprehensive Income*

This amendment requires that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss; and changes the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. However, an entity is still allowed to use other titles. There was no impact on the Group's financial statements other than the fact that the name of the statement was changed and additional disclosure.

IFRS 7: *Financial Instruments: Disclosures (Amendments)*

These amendments require an entity to disclose information about the rights of set-off and related arrangements. These disclosures provides users with information that is useful in evaluating the effect of netting off arrangements on the Group's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set off in accordance with IAS 32. The amendment had no impact on the Group.

IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interest in Other Entities (2011)*, and IAS 27 *Separate Financial Statements*

IFRS 10 introduces a single control model that applies to all entities. IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements. IFRS 10 changes the definition of control such that an investor controls an investee when it has power over the investee, when it is exposed, or has rights, to variable returns from its involvement with the investee and when it has the ability to use its power over the investee to affect those returns. To meet the definition of control in IFRS 10, all three of these criteria must be met.

The implementation of this standard did not have a financial impact on the Group's assessment of its interests in investment funds, subsidiaries and interest in other entities.

IFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests. There was no impact on the Group's financial statements.

IFRS 13 *Fair Value Measurement (2011)*

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. As a result, the Group has included additional disclosures in this regard. Refer to note 7, Investment property.

1.4 New standards and amendments (continued)

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Refer to note 7, Investment property. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

IAS 19 *Employee Benefits (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.

The adoption of this standard had no impact on the financial statements.

Future amendments not early adopted in the 2014 annual financial statements

At the date of authorisation of the financial statements for the year ended 31 March 2014, the following Standards and Interpretations were in issue but not yet effective:

IFRS 10, IFRS12 and IAS 27 *Investment Entities (Amendments)*

The amendments clarify that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investment activities. The consolidation exemption is mandatory and not optional.

This amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted.

The Company is not an investment entity. This amendment will therefore have no impact on the financial statements.

IAS 32 *Offsetting Financial Assets and Financial Liabilities (Amendments)*

The amendments clarify when an entity can offset financial assets and financial liabilities. This amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted. The impact on the financial statements has not yet been estimated.

IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets (Amendments)*

The amendments reverse the unintended requirement in IFRS 13 *Fair Value Measurement* to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2014 with early adoption permitted. The Group will adopt the amendments for the year ending 31 March 2015. The impact on the financial statements has not yet been estimated.

IFRS 9 *Financial Instruments (2010)*, IFRS 9 *Financial Instruments (2009)*

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.

On 19 November 2013, the IASB issued a new general hedge accounting standard, part of IFRS 9 *Financial Instruments (2013)*. The new standard removed the 1 January 2015 effective date of IFRS 9. A new mandatory effective date will be determined once the classification and measurement and impairment phases of IFRS 9 are finalised.

The Group will adopt the standard in the first annual period beginning on or after the mandatory effective date (once specified). The impact of the adoption of IFRS 9 has not yet been estimated as the standard is still being revised and impairment and macro-hedge accounting guidance is still outstanding.

The Group will assess the impact once the standards have been finalised and the effective date is known.

IFRS 15 *Revenue from Contracts with Customers*

On 28 May 2014, the IASB and FASB jointly issued IFRS 15: Revenue from Contracts with Customers which replaces the existing IFRS and US GAAP guidance and introduces a new revenue recognition model for contracts with customers. It also requires extensive new disclosures. The effective date of the standard is annual periods beginning on or after 1 January 2017, with early adoption permitted. The Group has not yet made an assessment of the potential impact on the financial statements.

R'000	Continuing operations 2014	Continuing operations 2013 Restated*	Discontinued operation 2014	Discontinued operation 2013 Restated*	Total 2014	Total 2013 Restated*
2.1 Total income						
Service fees	**638 013**	450 764	**92 650**	126 788	**730 663**	577 552
Fees for investment management and brokerage	**264 025**	252 431	**92 650**	126 788	**356 675**	379 219
Fees for information management services	**373 988**	198 333	**–**	–	**373 988**	198 333
Interest and dividend income	**15 970**	16 853	**–**	–	**15 970**	16 853
Dividend income from financial assets at fair value through profit or loss	**272**	544	**–**	–	**272**	544
Interest income	**15 698**	16 309	**–**	–	**15 698**	16 309
Other investment income	**10 643**	9 691	**–**	–	**10 643**	9 691
Net fair value gains on financial assets at fair value through profit or loss	**7 734**	12 052	**–**	–	**7 734**	12 052
Change in fair value of investment property	**2 909**	(2 361)	**–**	–	**2 909**	(2 361)
Net fair value gains on linked investments and policyholder funds	**–**	–	**–**	–	**–**	–
Dividend income from linked investments backing policyholder funds	**90 609**	132 884	**–**	–	**90 609**	132 884
Interest income from linked investments backing policyholder funds	**150 724**	112 953	**–**	–	**150 724**	112 953
Increase in policyholder investment contract liabilities	**(838 011)**	(829 821)	**–**	–	**(838 011)**	(829 821)
Net fair value movements on linked investments backing policyholder funds	**596 678**	583 984	**–**	–	**596 678**	583 984
	664 626	477 308	**92 650**	126 788	**757 276**	604 096

R'000	Continuing operations 2014	Continuing operations 2013 Restated*	Discontinued operation 2014	Discontinued operation 2013 Restated*	Total 2014	Total 2013 Restated*
2.2 Other income						
Fair value gain on contingent purchase price	**–**	–	**2 258**	14 323	**2 258**	14 323
Foreign exchange profit	**2 614**	–	**–**	–	**2 614**	–
Profit on sale of equipment	**6**	–	**–**	–	**6**	–
Sundry income**	**8 032**	1 297	**–**	–	**8 032**	1 297
	10 652	1 297	**2 258**	14 323	**12 910**	15 620

*** Included in sundry income from continuing operations for the current year, is an amount of R 6.9 million which relates to a prescribed payable.*

	2014 R'000	2013 Restated* R'000
3.1 Operating expenses		
Included in operating expenses are the following:		
Administrative expenses	**86 100**	72 535
Auditor's remuneration	**3 406**	2 696
Depreciation and amortisation	**11 773**	8 751
Employee benefits	**117 504**	96 771
Levies	**2 883**	2 877
Operating lease charges	**10 054**	7 038
	231 720	190 668
Employee benefits	**117 504**	96 771
Salaries and bonuses	**107 459**	88 297
Provident fund contributions	**10 045**	8 474

**Refer to note 27*

		2014 R'000	2013 Restated* R'000
3.2	Finance costs		
	Finance costs on bank overdraft	718	330
	Finance costs on interest-bearing borrowings	3 437	5 615
		4 155	5 945

		2014 R'000	2013 Restated* R'000
4.	INCOME TAX EXPENSE		
	Tax recognised in profit or loss		
	Current tax expense		
	Current year	43 028	42 875
	Adjustment for prior years	–	137
		43 028	43 012
	Secondary tax on companies refund	–	(593)
	Securities transfer tax	54	–
		43 082	42 419
	Deferred tax expense		
	Origination and reversal of temporary differences	(3 490)	(1 458)
		(3 490)	(1 458)
	Income tax expense on continuing operations	39 592	40 961
	Reconciliation of effective tax rate		
	Profit before tax	152 231	137 541
	Income tax expense	39 592	40 961
		%	%
	Current year charge as a percentage of profit before taxation	26	30
	Capital gains tax at a lower rate	1	–
	Other	1	(2)
		28	28

Tax expense/(refund) from discontinued operation of R0.05 million (2013: (R0.536 million)) is excluded from the income tax expense on continuing operations.

**Refer to note 27*

5. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2014 was based on the profit attributable to ordinary shareholders of R63 088 825 (2013: R102 456 013), and a weighted average number of ordinary shares outstanding of 1 565 528 451 (2013: 1 396 375 360), calculated as follows:

R'000	2014 Continuing operations	2014 Discontinued operation	2014 Total	2013 Continuing operations Restated*	2013 Discontinued operation Restated*	2013 Total
Profit attributable to ordinary shareholders (basic)						
Profit for the year, attributable to owners of the Company	**111 862**	**(48 774)**	**63 088**	96 078	6 378	102 456
Profit attributable to ordinary shareholders	**111 862**	**(48 774)**	**63 088**	96 078	6 378	102 456

Weighted average number of ordinary shares (basic)	**2014**	2013
In thousands of shares		
Ordinary shares at 1 April	**1 576 346**	1 120 597
Effect of treasury shares held	**(24 964)**	–
Effect of shares issued related to a business combination	**–**	275 778
Effect of shares issued and share capitalisation	**14 146**	–
Weighted average number of ordinary shares at 31 March	**1 565 528**	1 396 375

Headline earnings per share

Headline earnings per share has been calculated in accordance with Circular 2/2013 issued by the South African Institute of Chartered Accountants.

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

R'000 **2014**	**Profit before tax**	**Tax**	**Non-controlling interests**	**Earnings attributable to ordinary shareholders**	**Cents per share**
Continuing operations					
Per the statement of comprehensive income	**152 231**	**(39 592)**	**(777)**	**111 862**	**7.15**
Adjustment:					
Change in fair value of investment property	**(2 909)**	**–**	**–**	**(2 909)**	**(0.19)**
Continuing operations headline earnings	**149 322**	**(39 592)**	**(777)**	**108 953**	**6.96**
Discontinued operation					
Per the statement of comprehensive income	**(48 724)**	**(50)**	**–**	**(48 774)**	**(3.12)**
Adjustments:					
Loss on sale of discontinued operation	**10 967**	**–**	**–**	**10 967**	**0.70**
Goodwill impairment	**31 143**	**–**	**–**	**31 143**	**1.99**
Discontinued operations headline loss	**(6 614)**	**(50)**	**–**	**(6 664)**	**(0.43)**
Total					
Per the statement of comprehensive income	**103 507**	**(39 642)**	**(777)**	**63 088**	**4.03**
Total Group headline earnings	**142 708**	**(39 642)**	**(777)**	**102 289**	**6.53**

**Refer to note 27*

5. EARNINGS PER SHARE (continued)

R'000 2013	Profit before tax	Tax	Non-controlling interests	Earnings attributable to ordinary shareholders	Cents per share
Continuing operations					
Per the statement of comprehensive income	137 541	(40 961)	(502)	96 078	6.88
Adjustment:					
Change in fair value of investment property	2 361	–	–	2 361	0.17
Continuing operations headline earnings	139 902	(40 961)	(502)	98 439	7.05
Discontinued operation					
Per the statement of comprehensive income	5 842	536	–	6 378	0.46
Discontinued operation headline earnings	5 842	536	–	6 378	0.46
Total					
Per the statement of comprehensive income	143 383	(40 425)	(502)	102 456	7.34
Total Group headline earnings	145 744	(40 425)	(502)	104 817	7.51

Dividends per share	**2014** **Cents**	2013 Cents
– Interim – declared 28 November 2013 (2013: 14 November 2012)	**2.50**	3.30
– Final – declared 30 June 2014 (2013: 25 June 2013)	**2.60**	2.50

6. PROPERTY AND EQUIPMENT

Reconciliation of carrying amount

R'000	Computer software	Computer equipment	Office equipment	Furniture and fittings	Leasehold improvements	Property	Total
Cost							
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
Balance at 1 April 2013	**8 744**	**9 374**	**1 197**	**3 178**	**5 147**	**–**	**27 640**
Additions	**193**	**1 843**	**155**	**3 060**	**138**	**2 490**	**7 879**
Acquired through business combinations	**–**	**–**	**166**	**–**	**–**	**–**	**166**
Disposals	**–**	**(60)**	**(172)**	**(383)**	**–**	**–**	**(615)**
Disposal of discontinued operation	**–**	**(2 149)**	**(25)**	**(926)**	**(3 428)**	**–**	**(6 528)**
Effect of movements in exchange rates	**–**	**418**	**4**	**142**	**624**	**–**	**1 188**
Transfers	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 31 March 2014	**8 937**	**9 426**	**1 325**	**5 071**	**2 481**	**2 490**	**29 730**
Accumulated depreciation							
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
Balance at 1 April 2013	**6 677**	**4 332**	**658**	**154**	**1 664**	**–**	**13 485**
Depreciation for the year	**1 584**	**2 511**	**327**	**876**	**659**	**–**	**5 957**
Disposals	**–**	**(47)**	**(26)**	**(228)**	**–**	**–**	**(301)**
Disposal of discontinued operation	**–**	**(680)**	**(25)**	**127**	**(117)**	**–**	**(695)**
Effect of movements in exchange rates	**–**	**114**	**4**	**(65)**	**21**	**–**	**74**
Balance at 31 March 2014	**8 261**	**6 230**	**938**	**864**	**2 227**	**–**	**18 520**
Carrying amounts							
At 31 March 2013	2 067	5 042	539	3 024	3 483	–	14 155
At 31 March 2014	**676**	**3 196**	**387**	**4 207**	**254**	**2 490**	**11 210**

7. INVESTMENT PROPERTY

	2014 R'000	2013 R'000
7.1 Reconciliation of carrying amount		
Opening balance at 1 April	**17 711**	–
Acquistions through business combinations	**–**	17 967
Change in fair value	**2 909**	(2 361)
Effect of movements in exchange rates	**4 104**	2 105
	24 724	17 711
Direct operating expenses arising from investment property that generated rental income during the period	**1 042**	292

Investment property comprises a commercial property leased for rental. Non-cancellable operating lease rentals receivables are set out in the table below:

Non-cancellable operating lease rentals receivable	**2014 R'000**	2013 R'000
Less than one year	**691**	257

7. INVESTMENT PROPERTY (continued)

7.2 Measurement of fair value

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 2014. The fair value is based on 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.

7.2.1 Fair value hierarchy

The fair value measurement for investment property of R24.7 million has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

Valuation technique and significant inputs

The following shows the valuation technique used in measuring the fair value of investment property, as well as the significant inputs used:

Valuation technique	Significant inputs
Market comparison technique: The valuation model is based on the market price of properties of similar size and location.	Estimated costs per square meter for similar property in the same location; Square meter size of the property.

8. GOODWILL AND INTANGIBLE ASSETS

R'000 **Cost**	Goodwill	Patents and trademarks	Internally developed software	Computer software	Total
Opening balance – 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 – 31 March 2013	450 052	2 024	25 113	240	477 429
Opening balance – 1 April 2013	**450 052**	**2 024**	**25 113**	**240**	**477 429**
Additions	**–**	**–**	**7 914**	**10**	**7 924**
Acquired through business combinations	**359**	**–**	**400**	**–**	**759**
Disposal of discontinued operation	**(15 933)**	**–**	**(4 886)**	**–**	**(20 819)**
Change in provisional goodwill recognised**	**(7 339)**	**–**	**7 339**	**–**	**–**
Effect of movements in exchange rates	**–**	**–**	**–**	**–**	**–**
Closing balance – 31 March 2014	**427 139**	**2 024**	**35 880**	**250**	**465 293**
Accumulated amortisation					
Opening balance – 1 April 2012	–	–	–	–	–
Amortisation for the year	–	304	4 162	112	4 578
Effect of movements in exchange rates	–	–	35	–	35
Closing balance – 31 March 2013	–	304	4 197	112	4 613
Opening balance – 1 April 2013	**–**	**304**	**4 197**	**112**	**4 613**
Amortisation for the year	**–**	**200**	**6 666**	**134**	**7 000**
Impairment loss	**31 143**	**–**	**400**	**–**	**31 543**
Disposal of discontinued operation	**–**	**–**	**(1 224)**	**–**	**(1 224)**
Effect of movements in exchange rates	**–**	**–**	**–**	**–**	**–**
Closing balance – 31 March 2014	**31 143**	**504**	**10 039**	**246**	**41 932**
Carrying amounts					
At 31 March 2013	450 052	1 720	20 916	128	472 816
At 31 March 2014	**395 996**	**1 520**	**25 841**	**4**	**423 361**

**On acquisition of Prescient Ireland the Group recognised goodwill off R31.1 million. In January 2014 Prescient accepted an offer to sell Prescient Ireland, its investment management operation in Dublin. The recoverable amount of goodwill was tested for impairment in the current year being fair value less cost to sell. Previously the value in use was used. The entire amount was impaired in the current year.*

***The purchase price allocation relating to the business combinations in the prior year was finalised within the measurement period resulting in a R7.3 million adjustment to goodwill and internally developed software.*

8.1 Impairment test of goodwill

Impairments tests were performed on the goodwill allocated to the information management services and financial services cash generating units (CGU).

For purposes of impairment testing the goodwill as at 31 March 2014, has been allocated to the Group's CGUs as follows:

	R'000
Information management services	292 783
Financial services	103 213
Total	395 996

Information management services

The recoverable amount of this CGU was based on value in use, determined by discounting future cash flows to be generated from the continuing use of the CGU. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2014
Discount rate	13%
Terminal value growth rate	6%
Budgeted EBITDA growth rate	7%

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately R75.1 million. Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	2014
Discount rate	2%
Terminal value growth rate	(1%)

Financial services

The recoverable amount of this CGU was based on value in use, determined by discounting future cash flows to be generated from the continuing use of the CGU. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2014
Discount rate	14%
Terminal value growth rate	8%
Budgeted EBITDA growth rate	16%

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately R8.4 million. Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	2014
Discount rate	3%
Terminal value growth rate	(4%)

9. DEFERRED TAX

	Assets		Liabilities		Net	
R'000	**2014**	2013	**2014**	2013	**2014**	2013
Income received in advance	**132**	254	**–**	–	**132**	254
Trade and other payables	**3 308**	2 073	**–**	–	**3 308**	2 073
Provisions	**–**	145	**–**	–	**–**	145
Assessed loss	**1 291**	54	**(57)**	(200)	**1 234**	(146)
Capital losses	**37**	198	**–**	–	**37**	198
Financial assets at fair value through profit or loss	**39**	180	**(2 472)**	(1 952)	**(2 433)**	(1 772)
Equipment	**–**	268	**–**	–	**–**	268
Work-in-progress	**–**	–	**–**	(4 697)	**–**	(4 697)
Straight-lining of leases	**34**	15	**(2 942)**	–	**(2 908)**	15
Accrued income	**–**	–	**(9)**	(35)	**(9)**	(35)
Other	**–**	–	**–**	(133)	**–**	(133)
Net deferred tax assets/(liabilities)	**4 841**	3 187	**(5 480)**	(7 017)	**(639)**	(3 830)

R'000 **2013**	Balance at 31 March 2012	Recognised in profit or loss	Other	Acquired in business combinations	Sale of subsidiary	Balance at 31 March 2013
Movement in deferred tax balance during the year						
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)

R'000 **2014**	**Balance at 31 March 2013**	**Recognised in profit or loss**	**Other**	**Acquired in business combinations**	**Sale of Subsidiary**	**Balance at 31 March 2014**
Movement in deferred tax balance during the year						
Income received in advance	**254**	**(122)**	**–**	**–**	**–**	**132**
Trade and other payables	**2 073**	**1 235**	**–**	**–**	**–**	**3 308**
Provisions	**145**	**(145)**	**–**	**–**	**–**	**–**
Assessed loss	**(146)**	**1 380**	**–**	**–**	**–**	**1 234**
Capital losses	**198**	**(161)**	**–**	**–**	**–**	**37**
Financial assets at fair value through profit or loss	**(1 772)**	**(661)**	**–**	**–**	**–**	**(2 433)**
Equipment	**268**	**31**	**9**	**–**	**(308)**	**–**
Work-in-progress	**(4 697)**	**4 697**	**–**	**–**	**–**	**–**
Straight-lining of leases	**15**	**(2 923)**	**–**	**–**	**–**	**(2 908)**
Accrued income	**(35)**	**26**	**–**	**–**	**–**	**(9)**
Other	**(133)**	**133**	**–**	**–**	**–**	**–**
	(3 830)	**3 490**	**9**	**–**	**(308)**	**(639)**

	2014 R'000	2013 R'000
10. LONG-TERM LOANS AND OTHER RECEIVABLES		
Loans to staff	**28 947**	31 685
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	**1 659**	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	**35 102**	33 971
Prescient Foundation received funding from a subsidiary in the The PBT Group 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	**4 580**	6 718
The unsecured loan bears interest at prime less 2% per annum and has no fixed terms of repayment. No capital repayments are expected within the next 12 months.		
	70 288	73 607

11. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	2014 R'000	2013 R'000
Interest in associates	**1 493**	1 398
Balance at 31 March	**1 493**	1 398

The Group regards all of its investments in associates as individually immaterial.

The following table analyses, in aggregate, the carrying amount and share of profit of these associates:

	2014 R'000	2013 R'000
Carrying amount	**1 493**	1 398
Loss from continuing operations	**(573)**	(219)

	2014 R'000	2013 R'000
12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Unit dealing stock	**2 960**	4 922
Seed capital	**900**	1 700
Deposits at financial institutions	**2 307**	1 454
Equities	**23 118**	11 469
Collective investment schemes	**58 938**	58 259
Bonds and unlisted debt	**13 580**	20 087
SAFEX margins	**523**	149
Foreign mutual fund	**2 438**	982
Other	**1 078**	238
	105 842	99 260

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

12.1 Fair value hierarchy

R'000	Level 1	Level 2	Level 3	Total
2014				
Financial assets				
Financial assets at fair value through profit or loss	**87 002**	**18 840**	**–**	**105 842**
Linked investments backing policyholder contract liabilities	**6 198 907**	**490 901**	**–**	**6 689 808**
Total financial assets measured at fair value	**6 285 909**	**509 741**	**–**	**6 795 650**
Financial liabilities				
Policyholder investment contract liabilities	**5 482 602**	**1 202 484**	**–**	**6 685 086**
Total financial liabilities measured at fair value	**5 482 602**	**1 202 484**	**–**	**6 685 086**

R'000	Level 1	Level 2	Level 3	Total
2013				
Financial assets				
Financial assets at fair value through profit or loss	78 935	20 325	–	99 260
Linked investments backing policyholder funds	4 722 955	1 269 059	–	5 992 014
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

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 a 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.

12.2 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	Notes	Designated at fair value through profit or loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
2014						
Long-term loans receivable	10	**–**	**70 288**	**–**	**70 288**	**70 288**
Financial assets at fair value through profit or loss	12	**105 842**	**–**	**–**	**105 842**	**105 842**
Linked investments backing policyholder funds	13	**6 689 808**	**–**	**–**	**6 689 808**	**6 689 808**
Trade and other receivables		**–**	**171 692**	**–**	**171 692**	**171 692**
Amounts owing by clearing houses	15	**–**	**–**	**–**	**–**	**–**
Amounts owing by clients	16	**–**	**287 082**	**–**	**287 082**	**287 082**
Cash and cash equivalents	17	**–**	**55 086**	**–**	**55 086**	**55 086**
		6 795 650	**584 148**	**–**	**7 379 798**	**7 379 798**
Loans payable	19	**–**	**–**	**54 700**	**54 700**	**54 700**
Policyholder investment contract liabilities	20	**6 685 086**	**–**	**–**	**6 685 086**	**6 685 086**
Trade and other payables		**–**	**–**	**57 594**	**57 594**	**57 594**
Amounts owing to clearing houses	15	**–**	**–**	**138 738**	**138 738**	**138 738**
Amounts owing to clients	16	**–**	**–**	**147 916**	**147 916**	**147 916**
		6 685 086	**–**	**398 948**	**7 084 034**	**7 084 034**
2013						
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 by 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
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	–	586 626	6 576 099	6 576 099

	2014 R'000	2013 R'000
13. LINKED INVESTMENTS BACKING POLICYHOLDER FUNDS		
Deposits at financial institutions	**263 801**	279 335
Bonds and unlisted debt	**609 922**	1 032 695
Unlisted loans	**108 927**	160 916
Equities	**2 715 332**	2 547 061
Basic materials	**485 679**	454 551
Consumer goods	**471 942**	435 978
Consumer services	**369 502**	272 284
Financials	**448 684**	537 700
Healthcare	**148 229**	114 180
Industrials	**250 788**	276 643
Oil and gas	**200 000**	151 715
Property	**158 410**	131 942
Technology	**15 359**	25 780
Telecommunication	**166 739**	146 288
Collective investment schemes	**1 981 874**	1 195 585
Claims against long term insurers in terms of policies	**190 055**	176 786
Exchange traded funds	**10 902**	31 462
Foreign mutual fund	**532 306**	347 598
Fund of hedge funds	**265 301**	192 477
Property trust	**332**	7 856
SAFEX margin accounts	**11 056**	20 243
	6 689 808	5 992 014

	2014 R'000	2013 R'000
14. INVENTORY		
Work-in-progress	**10 506**	16 096
	10 506	16 096

Net realisable value equals the carrying amount reflected above.

	2014 R'000	2013 R'000
15. AMOUNTS OWING BY/TO CLEARING HOUSES		
Owing by clearing houses		
Equities	**–**	144 281
Fixed Interest	**–**	57 628
Futures and Yield-X products	**–**	21 821
	–	223 730
Owing to clearing houses		
Equities	**123 603**	–
Fixed Interest	**9 349**	–
Futures and Yield-X products	**5 786**	–
	138 738	–

Amounts owing to or from clearing houses reflect 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. At year end client money held with the JSE Trustees amounted to R129 274 759 (2013: R186 329 222).

17. CASH AND CASH EQUIVALENTS

	2014 R'000	2013 R'000
Current accounts	**53 093**	101 632
Foreign currency deposits	**1 993**	516
Call deposits and money market fund	**–**	4 755
Bank overdraft	**(22 042)**	(6 262)
	33 044	100 641

18. DEFERRED INCOME

	2014 R'000	2013 R'000
Income received in advanced	**–**	5 697
	–	5 697
Non-current portion	**–**	3 206
Current portion	**–**	2 491
	–	5 697

19. LOANS PAYABLE

	2014 R'000	2013 R'000
Standard Bank	**17 259**	69 474
This loan is secured against the investments of the Group. Contractually agreed capital and interest repayments are due to be made bi-annually, with the final outstanding capital and interest amounts are repayable on 31 May 2017. Interest is charged at a rate of 3 month JIBAR plus 3.15%.		
Standard Bank	**35 012**	31 634
This loan is secured against the investments 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%.		
Loans from directors of subsidiaries	**740**	208
Unsecured loans bearing interest at agreed upon rates and having no fixed terms of repayment. The interest rate at 31 March 2014 was 0%. These loans have been subordinated in favour of the subsidiaries' creditors. The loans are not repayable within the next twelve months.		
IBM Global Finance Australia Limited	**1 689**	–
Unsecured loan bearing interest at agreed upon rate and has a quarterly fixed terms of repayment. The interest rate at 31 March 2014 was 0%. The loan is not repayable within the next twelve months.		
	54 700	101 316
Current portion	**12 865**	–
Non-current portion	**41 835**	101 316
	54 700	101 316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

	2014 R'000	2013 R'000
20. POLICYHOLDER INVESTMENT CONTRACT LIABILITIES		
Movement in financial liability:		
Balance at the beginning of the year	**5 989 473**	4 782 822
Contributions and investment income	**1 794 917**	3 117 168
Contributions from policyholders	**1 553 584**	2 871 331
Investment income	**241 333**	245 837
Withdrawals by policyholders	**(1 695 982)**	(2 494 501)
Net fair value gains on linked investments backing policyholder funds	**596 678**	583 984
Balance at the end of the year	**6 685 086**	5 989 473

21. STATED CAPITAL AND RESERVES

	Ordinary shares 2014	2013
Authorised	**Number**	Number
2 000 000 000 no par value shares (2013: 2 000 000 000 no par value shares)	**2 000 000 000**	2 000 000 000
Issued, allotted and fully paid		
Number of ordinary shares		
In issue at 1 April	**1 576 346 232**	281 826 818
Issued in business combinations	**2 564 204**	1 294 519 414
Capitalisation issue	**19 112 014**	–
In issue at 31 March	**1 598 022 450**	1 576 346 232
	R'000	R'000
Stated capital	**637 062**	637 062

Unissued shares

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

21.1 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.

Treasury shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 March 2014, the Group held 26 411 114 (2013: 24 317 180) of the Company's shares.

21.2 OCI accumulated in reserves, net of tax

	Translation reserve	Total OCI
R'000		
2014		
Foreign currency translation difference – foreign operations	**26 000**	**26 000**
Reclassification of foreign currency differences on sale of subsidiary	**(27 383)**	**(27 383)**
	(1 383)	**(1 383)**
2013		
Foreign currency translation difference – foreign operations	12 396	12 396
	12 396	12 396

22. PROVISIONS

R'000	Provision for software costs	Total
Balance at 1 April 2013	518	518
Provisions utilised during the year	(518)	(518)
Balance at 31 March 2014	**–**	**–**

23. NON-CASH MOVEMENTS AND ADJUSTMENTS TO PROFIT BEFORE TAXATION

	2014 R'000	2013 R'000
Non-cash movements and adjustments to profit before taxation	**(62 825)**	(638 260)
Dividend income	**(272)**	(544)
Depreciation and amortisation	**11 773**	10 393
Impairment of goodwill and intangible assets	**31 543**	–
Interest income	**(15 698)**	(16 309)
Net fair value gains on financial assets at fair value through profit or loss	**(7 371)**	(12 052)
Interest expense	**10 233**	12 735
Share of loss of equity-accounted investees (net of tax)	**573**	219
Change in fair value of investment property	**(2 909)**	2 361
Foreign currency translation differences - foreign operations	**(2 723)**	(12 396)
Profit on sale of equipment	**(6)**	–
Loss on sale of Prescient Ireland	**10 967**	–
Realised and unrealised net fair value gains on linked investments	**596 678**	583 984
Increase in linked investments backing policyholder funds	**(695 613)**	(1 206 651)

24. CHANGES IN WORKING CAPITAL

	2014 R'000	2013 R'000
	(54 374)	(10 213)
Decrease in trade and other receivables	**61 346**	196 258
Decrease in inventories	**5 590**	4 420
Decrease in trade, other payables and provisions	**(121 310)**	(210 891)

25. TAXATION PAID

	2014 R'000	2013 R'000
	(45 920)	(51 433)
Amount payable at the beginning of the year	**(3 134)**	(1 584)
Taxation liability on acquisition of subsidiaries	**–**	(9 232)
Taxation receivable on disposal of subsidiary	**(268)**	–
Taxation relating to policyholder profits	**(2 764)**	(1 869)
Profit charge (excluding deferred tax)	**(43 082)**	(41 882)
Amount payable at the end of the year	**3 328**	3 134

26. INVESTMENT IN SIGNIFICANT SUBSIDIARIES

Name of subsidiaries	**Country of incorporation**	**Number of issued ordinary shares**	**% interest**
2014			
Wooltru Property Group Proprietary Limited	South Africa	**38 010 000**	**100**
PBT Group (South Africa) Proprietary Limited	South Africa	**474**	**100**
Stricklands Tetra Cape Proprietary Limited	South Africa	**1 000**	**100**
PBT Insurance Technologies Proprietary Limited	South Africa	**5 500 000**	**100**
PBT Group (Australia) Proprietary Limited	Australia	**11 000**	**100**
CyberPro Consulting Proprietary Limited	South Africa	**100**	**51**
Bi-Blue Consulting Proprietary Limited	South Africa	**1 000**	**100**
Prescient Capital Proprietary Limited	South Africa	**2 394**	**100**
Prescient Holdings Proprietary Limited*	South Africa	**8 840 571**	**100**
Greenfields Institute of Business Proprietary Limited**	South Africa	**120**	**25**
Technique Business Intelligence Software Proprietary Limited	South Africa	**100**	**100**

Name of subsidiaries	Country of incorporation	Number of issued ordinary shares	% interest
2013			
Wooltru Property Group Proprietary Limited	South Africa	38 010 000	100
PBT Group (South Africa) Proprietary Limited	South Africa	474	100
Stricklands Tetra Cape Proprietary Limited	South Africa	1 000	100
PBT Insurance Technologies Proprietary Limited	South Africa	5 500 000	100
PBT Group (Australia) Proprietary Limited	Australia	11 000	100
CyberPro Consulting Proprietary Limited	South Africa	100	51
Bi-Blue Consulting Proprietary Limited	South Africa	1 000	100
Prescient Capital Proprietary Limited	South Africa	2 394	100
Prescient Holdings Proprietary Limited*	South Africa	8 840 571	100
Greenfields Institute of Business Proprietary Limited**	South Africa	120	25

A complete list of subsidiary companies is available on request.

**Significant subsidiaries of Prescient Holdings Proprietary Limited include Prescient Investment Management, Prescient Administration Services, Prescient Life, Prescient Management Company, Prescient Securities and Prescient Wealth Management. Prescient Ireland was a significant subsidiary in 2013.*

***The Company has a further indirect holding of 50% in Greenfields Institute of Business Propriety Limited through Prescient Capital Propriety Limited.*

27. DISCONTINUED OPERATION

In November 2013, the Group entered into an agreement to sell the entire issued share capital of Prescient Asset Management Holdings (Ireland) Limited ("Prescient Ireland") for an initial consideration of €2.9 million, an amount of €125 000 in respect of cash held for regulatory purposes and deferred consideration amounting to €900 000. The deferred consideration was determined following agreement with the buyers to accelerate a 5-year deferral to a single payment. The deferred consideration is included in trade and other receivables.

Prescient Ireland was not a discontinued operation or classified as held-for-sale at 31 March 2013. The comparative consolidated statement of comprehensive income has therefore been represented to show the discontinued operation separately from continuing operations. The Group agreed to sell this operation in November 2013 and all precedent conditions were fulfilled in January 2014.

		Notes	2014 R'000	2013 R'000
27.1	Results of discontinued operation			
	Revenue		**94 906**	126 788
	Other income		**2 258**	14 323
	Expenses		**(134 921)**	(135 269)
	Results from operating activities		**(37 757)**	5 842
	Tax		**(50)**	536
	Results from operating activities, net of tax		**(37 807)**	6 378
	Loss on sale of discontinued operation		**(10 967)**	–
	Tax on loss on sale of discontinued operation		**–**	–
	(Loss)/profit for the year		**(48 774)**	6 378
	Basic (loss)/earnings per share	5	**(3.12)**	0.46

Included in the expenses of R132.7 million is an amount of R31.1 million relating to the impairment of goodwill associated with the sale of the discontinued operation.

		2014 R'000	2013 R'000
27.2	Cash flow from/(used in) discontinued operation		
	Net cash from/(used in) operating activities	**3 641**	(5 908)
	Net cash used in investing activities	**(3 758)**	(15 997)
	Net cash used in financing activities	**(508)**	(41 107)
	Net cash flow for the year	**(625)**	(63 012)

		2014 R'000
27.3	Effect of disposal on the financial position of the Group	
	Equipment	**5 833**
	Intangible assets	**3 662**
	Deferred tax asset	**308**
	Financial assets at fair value through profits or loss	**294**
	Trade and other receivables	**35 617**
	Taxation receivable	**268**
	Cash and cash equivalents	**52 531**
	Trade and other payables	**(18 025)**
	Deferred income	**(5 189)**
	Net assets and liabilities	**75 299**
	Consideration received in cash	**44 502**
	Cash and cash equivalents disposed of	**(52 531)**
	Net cash outflow	**(8 029)**

28. 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	Carrying	Contractual	6 months or less	6 - 12 months	More than 12 months
2014					
Policyholder investment contract liabilities	**6 685 086**	**6 685 086**	**6 685 086**	**–**	**–**
Loans payable	**54 700**	**54 700**	**4 130**	**8 735**	**41 835**
Trade and other payables	**57 593**	**57 593**	**47 348**	**10 245**	**–**
Amounts owing to clearing houses	**138 738**	**138 738**	**138 738**	**–**	**–**
Amounts owing to clients	**147 916**	**147 916**	**147 916**	**–**	**–**
Bank overdraft	**22 042**	**22 042**	**22 042**	**–**	**–**
	7 106 075	**7 106 075**	**7 045 260**	**18 980**	**41 835**
2013					
Policyholder investment contract liabilities	5 989 473	5 989 473	5 989 473	–	–
Loans payable	101 316	101 316	–	–	101 316
Trade and other payables	110 719	110 719	110 719	–	–
Amounts owing to clients	374 591	374 591	374 591	–	–
Bank overdraft	6 262	6 262	6 262	–	–
	6 575 620	6 575 620	6 474 304	–	101 316

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.

Information management 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.

28. FINANCIAL RISK MANAGEMENT (continued)

R'000	Carrying amount 2014	2013
Loans receivable	**70 288**	73 607
Trade and other receivables	**171 692**	167 139
Cash and cash equivalents	**55 086**	106 903
	297 066	347 649
The ageing of trade and other receivables at the reporting date was:		
Neither past due nor impaired	**105 985**	59 340
Past due 1 – 30 days	**16 747**	46 542
Past due 31 – 90 days	**2 964**	23 359
Past due 91 – 365 days	**45 996**	37 898
	171 692	167 139

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 assets that the Group manages and administers in South Africa, on behalf of clients would reduce the Group's revenue by R9.2 million (2013: R15.4 million) and profits after taxation and equity by approximately R6.6 million (2013: R11.1 million) approximately.

Assets under management

	2014	2013
Fair value of assets under management		
South Africa R'bn	**59.1**	59.6
International €'bn	**–**	4.8

Information management services

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

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange 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 2014.

2014

R'000

Currency	ZAR	EURO	GBP	USD	AUD	TOTAL
Exchange rate	1.00	14.54	17.58	10.57	9.77	
Assets						
Trade and other receivables	71 554	828	12 978	74 136	12 196	171 692
Cash and cash equivalents	48 168	5 222	–	103	1 593	55 086
	119 722	6 050	12 978	74 239	13 789	226 778
Liabilities						
Trade and other payables	56 332	586	–	69	607	57 594
	56 332	586	–	69	607	57 594

28. FINANCIAL RISK MANAGEMENT (continued)

2013
R'000

Currency	ZAR	EURO	GBP	USD	AUD	TOTAL
Exchange rate	1.00	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

Sensitivity analysis

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

2014	**Equity R'000**	**Profit and loss R'000**
EUR	**364**	**506**
GBP	**646**	**897**
USD	**2 995**	**4 160**
AUD	**621**	**863**
2013		
EUR	3 832	6 646
GBP	–	–
USD	2 424	3 442
AUD	321	1 917

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.

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

	2014 R'000	2013 R'000
Variable rate instruments		
Financial liabilities	**76 742**	107 578
Financial assets	**144 530**	180 510
	221 272	288 088

A change of 100 basis points in interest rates would have increased or decreased profit before taxation by R1.45 million (2013: R1.80 million) and equity by R0.77 million (2013: R1.30 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

28. FINANCIAL RISK MANAGEMENT (continued)

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, or 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 levels 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, forecast and any strategic initiatives.

The Group includes financial service 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 on-going 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 2.34 times at 31 March 2014 (2013: 2.18). The ratio is determined in accordance with regulations and the guidelines of the Long-term Insurance Act.

Prescient Management Company and EMH Prescient Management Company, 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 2.01 times (2013: 1.77) for Prescient Management Company. Prescient Management Company and EMH Prescient Management Company met the solvency requirements at 31 March 2014 and 31 March 2013.

There were other subsidiaries in the Group that had capital and liquidity requirements, all of which have been met.

29. 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.

30. 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 26. 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 committee of the major operating entities.

Key management personnel compensation

Key management personnel compensation comprised of the following:

R'000	**2014**	2013
Short-term employee benefits	**38 395**	36 107
Total	**38 395**	36 107

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.

30. RELATED PARTIES (continued)

Directors' emoluments

R'000	Paid by the company: Directors' fees	Paid by subsidiaries: Directors' fees	Basic salary	Value of Consulting services	Value of contributions paid	Pension contributions paid	Total
2014							
Executive directors							
Herman Steyn*	–	409	–	–	–	–	409
Michael Buckham	–	–	1 481	–	133	222	1 836
	–	409	1 481	–	133	222	2 245
Non-executive directors							
Murray Louw	210	–	–	651	–	–	861
Monty Kaplan	210	–	–	–	–	–	210
Zane Meyer	160	–	–	–	–	–	160
Keneilwe Moloko	160	–	–	–	–	–	160
Heather Sonn	160	–	–	–	–	–	160
Ronell van Rooyen	160	–	–	–	–	–	160
	1 060	–	–	651	–	–	1 711

** Herman earned a director's fee of €30 000 in respect of the Prescient Global Funds and QIF Funds.*

R'000	Paid by the company: Directors' fees	Paid by subsidiaries: Directors' fees	Basic salary	Value of Consulting services	Value of contributions paid	Pension contributions paid	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

31. COMMITMENTS AND FINANCIAL GUARANTEES

Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2014 R'000	2013 R'000
Less than one year	**6 223**	9 944
Between one and five years	**10 788**	25 145
	17 011	35 089

At 31 March 2014, 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 9%.

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 amounting to R51 million. 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 R17.2 million.

32. FUNDS UNDER MANAGEMENT

South African subsidiaries within the Group manage assets on behalf of clients with a market value at 31 March 2014 of R59.1 billion (2013: R59.6 billion), which are not reflected on the consolidated statement of financial position of the Group while the assets under administration for the Group amount to R43.4 billion (2013: R23.1 billion) as at 31 March 2014.

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 include investment management, administration, stock broking, and wealth management; and
- Information management services (previously refered to as IT services) include healthcare administration services, consulting and implementation of data and management information software.

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

33. OPERATING SEGMENTS (continued)

	Financial services			
	Continuing	**Discontinued**	Continuing	Discontinued
R'000	**2014**	**2014**	2013	2013
Segment external revenue	**287 124**	**94 906**	273 548	126 788
Segment other income	**272**	**2 258**	1 297	14 323
Segment cost of sales	**–**	**–**	–	–
Segment operating expenses	**(175 306)**	**(139 810)**	(157 658)	(128 480)
Share of loss of equity-accounted investees (net of tax)	**(573)**	**–**	(219)	–
Segment finance costs	**(3 437)**	**(6 078)**	(4 095)	(6 789)
Income tax expense	**(29 625)**	**(50)**	(34 005)	536
Profit/(loss) for the year	**78 455**	**(48 774)**	78 868	6 378
Attributable to:				
Owners of the Company				
Non-controlling interests				
Profit for the year				

	Financial services		Information management services		Group	
R'000	**2014**	2013	**2014**	2013	**2014**	2013
Segment assets*	**545 584**	691 645	**199 085**	193 260	**744 669**	884 905
Intangible assets	**1 520**	3 055	**25 845**	19 709	**27 365**	22 764
Goodwill	**103 213**	–	**292 783**	–	**395 996**	450 052
Investment in equity-accounted investees	**1 493**	1 398	**–**	–	**1 493**	1 398
Linked investments backing policyholder funds	**6 689 808**	5 992 014	**–**	–	**6 689 808**	5 992 014
Total assets	**7 341 618**	6 688 112	**517 713**	212 969	**7 859 331**	7 351 133
Segment liabilities	**(360 035)**	(574 321)	**(73 161)**	(46 621)	**(433 196)**	(620 942)
Policyholder investment contract liabilities	**(6 685 086)**	(5 989 473)	**–**	–	**(6 685 086)**	(5 989 473)
Total liabilities	**(7 045 121)**	(6 563 794)	**(73 161)**	(46 621)	**(7 118 282)**	(6 610 415)
Capital expenditure	**4 101**	5 711	**3 944**	1 752	**8 045**	7 463
Depreciation and amortisation	**3 472**	5 685	**8 302**	4 708	**11 773**	10 393

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

Information management services fee income from a single customer in the information management services segment amounted to 33% (2013: 34%) of the Group's revenue.

Information management services				Group			
Continuing	**Discontinued**	Continued	Discontinued	**Continuing**	**Discontinued**	Continuing	Discontinued
2014	**2014**	2013	2013	**2014**	**2014**	2013	2013
377 502	**–**	203 760	–	**664 626**	**94 906**	477 308	126 788
10 380	**–**	–	–	**10 652**	**2 258**	1 297	14 323
(286 599)	**–**	(144 232)	–	**(286 599)**	**–**	(144 232)	–
(56 414)	**–**	(33 010)	–	**(231 720)**	**(139 810)**	(190 668)	(128 480)
–	**–**	–	–	**(573)**	**–**	(219)	–
(718)	**–**	(1 850)	–	**(4 155)**	**(6 078)**	(5 945)	(6 789)
(9 967)	**–**	(6 956)	–	**(39 592)**	**(50)**	(40 961)	536
34 184	**–**	17 712	–	**112 639**	**(48 774)**	96 580	6 378
				111 862	**(48 774)**	96 078	6 378
				777	**–**	502	–
				112 639	**(48 774)**	96 580	6 378

33. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items.

	2014 R'000	2013 R'000
Total income		
Total income for reportable segments	**793 728**	664 626
Elimination of inter-segment revenue	**(34 196)**	(60 530)
Elimination of discontinued operation	**(94 906)**	(126 788)
Consolidated total income	**664 626**	477 308
Profit before tax		
Total profit before tax for reportable segments	**120 030**	184 559
Elimination of inter-segment profits	**25 243**	(48 491)
Elimination of discontinued operations	**7 532**	1 692
Unallocated amounts:		
- Share of loss of equity-accounted-investees	**(573)**	(219)
Consolidated profit before tax from continuing operations	**152 232**	137 541
Assets		
Total assets for reportable segments	**7 857 838**	7 349 735
Assets for other segments	**–**	–
Equity accounted investees	**1 493**	1 398
Consolidated total assets	**7 859 331**	7 351 133
Liabilities		
Total liabilities for reportable segments	**7 118 282**	(6 610 415)
Liabilities for other segments	**–**	–
Other unallocated amounts	**–**	–
Consolidated total liabilities	**7 118 282**	(6 610 415)

34. SUBSEQUENT EVENTS

No 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.

PRESCIENT
LIMITED

CONTENTS

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

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 R'000	2013 R'000
Revenue	2	**46 456**	58 287
Operating expenses	3	**(3 638)**	(2 506)
Profit from operations		**42 818**	55 781
Finance costs	4	**(640)**	(2 366)
Profit before taxation		**42 178**	53 415
Income tax expense	5	**–**	–
Total comprehensive income for the year		**42 178**	53 415

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Notes	2014 R'000	2013 R'000
ASSETS			
Non-current assets		**2 180 140**	2 206 644
Investment in subsidiaries	6	**1 874 725**	1 871 376
Loans to group companies	7	**305 415**	335 268
Current assets		**608**	1 490
Trade and other receivables		**–**	20
Cash and cash equivalents	8	**608**	1 470
Total assets		**2 180 748**	2 208 134
EQUITY AND LIABILITIES			
Stated capital	9	**2 485 814**	2 482 865
Accumulated loss		**(484 461)**	(465 684)
Total equity		**2 001 353**	2 017 181
Liabilities			
Non-current liabilities		**179 347**	190 695
Loans from group companies	7	**179 347**	190 695
Current liabilities		**48**	258
Trade and other payables		**48**	258
Total liabilities		**179 395**	190 953
Total equity and liabilities		**2 180 748**	2 208 134

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

R'000	Stated capital	Accumulated 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
R'000			
Balance at 1 April 2013	**2 482 865**	**(465 684)**	**2 017 181**
Total comprehensive income for the year			
Profit and total other comprehensive income for the year	**–**	**42 178**	**42 178**
Total comprehensive income for the year	**–**	**42 178**	**42 178**
Transactions with owners recognised directly in equity			
Contributions by and distributions to owners of the Company			
Issue of ordinary shares	**2 949**	**–**	**2 949**
Dividends declared during the year	**–**	**(60 955)**	**(60 955)**
Total contributions by and distributions to owners of the Company	**2 949**	**(60 955)**	**58 006**
Balance at 31 March 2014	**2 485 814**	**(484 461)**	**2 001 353**

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 R'000	2013 R'000
Cash flows from operating activities			
Profit for the year		**42 178**	53 415
Non-cash movements and adjustments to profit before tax	10	**(45 615)**	(56 751)
Changes in working capital	11	**(190)**	(6 936)
Dividends received		**37 771**	52 019
Dividends paid		**(60 955)**	(61 742)
Interest received		**8 484**	6 268
Interest paid		**(640)**	(2 366)
Net cash outflow from operating activities		**(18 967)**	(16 093)
Cash flows from investing activities			
Proceeds from loans to group companies		**29 853**	–
Repayment of loans from group companies		**(11 348)**	(99 686)
Acquisition of subsidiaries		**(400)**	(6 097)
Cash inflow/(outflow) from investing activities		**18 105**	(105 783)
Cash flows from financing activities			
Proceeds on share issue		**–**	123 346
Cash inflow from financing activities		**–**	123 346
Net (decrease)/increase in cash and cash equivalents		**(862)**	1 470
Cash and cash equivalents at the beginning of year		**1 470**	–
Cash and cash equivalents at end of the year	8	**608**	1 470

NOTES TO THE PRESCIENT LIMITED COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

	2014 R'000	2013 R'000
2. REVENUE		
Investment income	**46 255**	58 287
Dividend income from subsidiaries	**37 771**	52 019
Interest income	**8 484**	6 268
Other income	**201**	–
	46 456	58 287

	2014 R'000	2013 R'000
3. OPERATING EXPENSES		
Included in operating expenses are the following:		
Auditor's remuneration	**677**	233
Operating lease charges	**49**	25
Administrative expenses	**1 068**	1 396
Salaries	**1 844**	1 682
Impairment loss	**–**	67
Reversal of impairment loss	**–**	(897)
	3 638	2 506

	2014 R'000	2013 R'000
4. FINANCE COSTS		
Loans from group companies	**640**	568
Other interest paid	**–**	1 798
	640	2 366

5. INCOME TAX EXPENSE

No provision has been made for 2014 tax as the Company has no taxable income.

The estimated tax loss available for set off against future taxable income is nil (2013:R3.7 million)

6. INVESTMENTS IN SUBSIDIARIES

Name of company	% Holding 2014 %	2013 %	Shares at cost 2014 R'000	2013 R'000
Wooltru Property Group Proprietary Limited	100	100	**21 323**	21 323
PBT Group (South Africa) Proprietary Limited	100	100	**69 771**	69 771
Stricklands Tetra Cape Proprietary Limited	100	100	**116 828**	116 828
PBT Insurance Technologies Proprietary Limited	100	100	**51 420**	51 420
PBT Group (Australia) Proprietary Limited	100	100	**6 793**	6 793
CyberPro Consulting Proprietary Limited	100	51	**7 387**	6 552
Bi-Blue Consulting Proprietary Limited	100	100	**9 314**	8 000
Prescient Capital Proprietary Limited	100	100	**71 732**	71 732
Prescient Holdings Proprietary Limited	100	100	**1 512 806**	1 512 806
Greenfields Institute of Business Proprietary Limited*	25	25	**6 151**	6 151
Technique Business Intelligence Software Proprietary Limited	100	–	**1 200**	–
			1 874 725	1 871 376

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.

** The company has a further indirect holding of 50% in Greenfields Institute of Business Proprietary Limited through Prescient Capital Proprietary Limited.*

	2014 R'000	2013 R'000
Wooltru Property Group Proprietary Limited		
Opening balance	**21 323**	21 353
Impairment	**–**	(30)
Closing balance	**21 323**	21 323
PBT Group (South Africa) Proprietary Limited		
Opening balance	**69 771**	69 784
Impairment	**–**	(13)
Closing balance	**69 771**	69 771
Stricklands Tetra Cape Proprietary Limited		
Opening balance	**116 828**	116 851
Impairment	**–**	(23)
Closing balance	**116 828**	116 828
Bi-Blue Consulting Proprietary Limited		
Opening balance	**8 000**	–
Additional investment (2013: Initial investment)	**1 314**	8 000
Closing balance	**9 314**	8 000
Cyber-Pro Consulting Proprietary Limited		
Opening balance	**6 552**	–
Additional investment (2013: Initial investment)	**835**	6 552
Closing balance	**7 387**	6 552

7. LOANS TO/(FROM) GROUP COMPANIES

	2014 R'000	2013 R'000
PBT Technology Services Proprietary Limited (previously Wooltru Finance Proprietary Limited)	**265 874**	279 646
Prescient Holdings Proprietary Limited	**39 541**	44 335
Prescient Khawuleza Proprietary Limited	**–**	11 287
	305 415	335 268
PBT Technology Services (Cape Town) Proprietary Limited (previously PBT)	**(73 844)**	(73 844)
Stricklands Tetra Cape Proprietary Limited	**(105 503)**	(116 851)
	(179 347)	(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 exist to repay this loan within the next twelve months.

8. CASH AND CASH EQUIVALENTS

	2014 R'000	2013 R'000
Current account	**608**	1 470
	608	1 470

	Ordinary shares 2014 Number	Ordinary shares 2013 Number
9. STATED CAPITAL		
Authorised		
2 000 000 000 no par value shares (2013: 2 000 000 000 no par value shares)	**2 000 000 000**	2 000 000 000
Issued, allotted and fully paid		
Number of ordinary shares		
In issue at 1 April	**1 576 346 232**	281 826 818
Issued in business combinations	**2 564 204**	1 294 519 414
Capitalisation issue	**19 112 014**	–
In issue at 31 March	**1 598 022 450**	1 576 346 232
	R'000	R'000
Stated capital	**2 485 814**	2 482 865

	2014 R'000	2013 R'000
10. NON-CASH MOVEMENTS AND ADJUSTMENTS TO PROFIT BEFORE TAX		
Non-cash movements and adjustments to profit before tax	**(45 615)**	(56 751)
Dividends received	**(37 771)**	(52 019)
Interest received	**(8 484)**	(6 268)
Finance costs	**640**	2 366
Impairment loss	**–**	67
Reversal of impairment loss	**–**	(897)

	2014 R'000	2013 R'000
11. CHANGES IN WORKING CAPITAL	**(190)**	(6 936)
Decrease/(increase) in trade and other receivables	**20**	(20)
Decrease in trade and other payables	**(210)**	(6 916)

12. 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	Notes	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
2014					
Loans to group companies	7	**305 415**	**–**	**305 415**	**305 415**
Cash and cash equivalents	8	**608**	**–**	**608**	**608**
		306 023	**–**	**306 023**	**306 023**
Loans from group companies	7	**–**	**179 347**	**179 347**	**179 347**
Trade and other payables		**–**	**48**	**48**	**48**
		–	**179 395**	**179 395**	**179 395**
2013					
Loans to group companies	7	335 268	–	335 268	335 268
Trade and other receivables		20	–	20	20
Cash and cash equivalents	8	1 470	–	1 470	1 470
		336 758	–	336 758	336 758
Loans from group companies	7	–	190 695	190 695	190 695
Trade and other payables		–	258	258	258
		–	190 953	190 953	190 953

13. RELATED PARTIES

	2014 R'000	2013 R'000
Related party balances		
Loans to/(from) group companies		
Refer to note 7 for loans to/(from) group companies.		
Related party transactions		
Interest paid to/(received) from related parties		
PBT Technology Services Proprietary Limited	**(3 801)**	(2 054)
PBT Technology Services (Cape Town) Proprietary Limited	**–**	568
Prescient Holdings	**(3 774)**	(1 155)
Prescient Khawuleza	**(909)**	(492)
Stricklands Tetra Cape Proprietary Limited	**640**	–
Dividends received from related parties		
PBT Insurance Technologies Proprietary Limited	**(1 084)**	(4 178)
PBT Technology Services Proprietary Limited	**–**	(6 483)
Prescient Holdings	**(13 668)**	(41 358)
Stricklands Tetra Cape Proprietary Limited	**(11 988)**	–
CyberPro Consulting Proprietary Limited	**(2 269)**	–
Bi-Blue Consulting Proprietary Limited	**(5 000)**	–
PBT Group (Australia) Proprietary Limited	**(3 762)**	–
Services fees paid to related parties		
Prescient Investment Management Proprietary Limited	**161**	–

13. RELATED PARTIES (CONTINUED)

Directors' emoluments

Emoluments from the company and its subsidiaries for the period ended 31 March 2014:

	Paid by the company	Paid by subsidiaries						
2014	**Directors' fees**	**Directors' fees**	**Basic salary**	**Consulting services**	**Value of non-cash benefits**	**Pension contributions paid**	**Bonus**	**Total**
Executive directors								
Herman Steyn	–	409	–	–	–	–	–	409
Michael Buckham	–	–	1 481	–	133	222	–	1 836
	–	409	1 481	–	133	222	–	2 245
Non-executive directors								
Murray Louw	210	–	–	651	–	–	–	861
Monty Kaplan	210	–	–	–	–	–	–	210
Zane Meyer	160	–	–	–	–	–	–	160
Keneilwe Moloko	160	–	–	–	–	–	–	160
Heather Sonn	160	–	–	–	–	–	–	160
Ronell van Rooyen	160	–	–	–	–	–	–	160
	1 060	–	–	651	–	–	–	1 711

** Herman Steyn earned a director's fee of €30,000 in respect of the Prescient Global Funds and QIF Funds.*

	Paid by the company	Paid by subsidiaries						
2013	**Directors' fees**	**Directors' fees**	**Basic salary**	**Consulting services**	**Value of non-cash benefits**	**Pension contributions paid**	**Bonus**	**Total**
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

NOTICE OF ANNUAL GENERAL MEETING

PRESCIENT
LIMITED

This document is important and requires your immediate attention

If you are in any doubt about what action you should take, consult your broker, Central Securities Depository Participant ("CSDP"), legal adviser, banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all your shares in Prescient Limited, please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

Included in this document are:

The notice of meeting, setting out the resolutions to be proposed thereat, together with explanatory notes.

- A proxy form for use by shareholders holding ordinary shares in the Company in certificated form or recorded in sub-registered electronic form in "own name" (which form must be lodged with the Company's transfer secretary, being Link Market Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 12:00 on Thursday, 31 July 2014.
- Shareholders who have dematerialised their shares and are not registered as "own name" dematerialised shareholders who wish to attend the annual general meeting ("AGM"), must instruct their CSDP or broker to provide them with the relevant letter of representation to enable them to attend such meeting or, alternatively, should they wish to vote but not to attend the AGM, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Such shareholders must not complete this form of proxy.
- A shareholder (including certificated shareholders and dematerialised shareholders who hold their shares with "own name" registration) entitled to attend and vote at the meeting may appoint one or more proxies to attend, participate and vote in his/her/its stead. A proxy does not have to be a shareholder of the Company. The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the AGM and participating and voting in person thereat to the exclusion of any such proxy. A form of proxy for use at the meeting is attached.

Notice is hereby given to all shareholders of Prescient Limited as at the record date set out below that the AGM of shareholders will be held at 11:00 on Tuesday, 5 August 2014 at Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 to transact the following business:

To consider and, if thought fit, pass with or without modification, the following special and ordinary resolutions, as well as any matters raised by shareholders at this AGM, with or without advance notice, which may be transacted at an AGM as determined by the Companies Act, 71 of 2008, as amended (the "Companies Act"), and as read with the Listings Requirements of the JSE Limited ("Listings Requirements"), which meeting is to be participated in and voted at by shareholders reflected in the share register as at the record date of Friday, 1 August 2014. Accordingly, the last day to trade Prescient shares in order to be recorded in the share register to be entitled to vote will be Friday, 25 July 2014.

Identification of meeting participants: Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licences and passports.

PRESENTATION OF FINANCIAL STATEMENTS

The audited annual financial statements of the Company for the year ended 31 March 2014 (as approved by the board of directors) and including the Directors' Report, the Audit Committee report and the external auditors' report have been distributed as required and will be presented to shareholders.

The complete financial statements are set out on pages 46 to 94 of the Integrated Report.

ORDINARY RESOLUTIONS

Each of the below ordinary resolutions requires the support of a simple majority (that is, 50% +1) of the votes exercised in respect of reach resolution in order to be adopted.

1. ORDINARY RESOLUTION NUMBER ONE

Receive and adopt annual financial statements

To receive and adopt the annual financial statements for the year ended 31 March 2014 including the Directors' Report and the report of the auditors thereon.

2. ORDINARY RESOLUTION NUMBER TWO

The appointment of auditor of the Company

The appointment of auditor of the Company for the ensuing year ending 31 March 2015

To consider and, if deemed fit, to pass, without modification, the following ordinary resolution:

"To re-appoint, on recommendation of the Audit Committee,

2.1 KPMG Inc. as the auditors of the Company, and

2.2 GM Pickering is hereby appointed as the designated auditor to hold office for the ensuing year in compliance with the requirements of S90 (2) of the Companies Act, No. 71 of 2008."

3. ORDINARY RESOLUTION NUMBER THREE

The re-appointment of Murray Louw as Chairman

To resolve that the re-appointment of Murray Louw as Chairman, who retires by rotation, but being eligible, offers himself for re-election in accordance with the Company's Memorandum of Incorporation for a further term of office be authorised and confirmed.

Murray Louw was first appointed to the Board in March 2004. A brief CV appears on page 24 of the Integrated Report.

4. ORDINARY RESOLUTION NUMBER FOUR

The re-appointment of Ronell van Rooyen as a non-executive director

To resolve that the re-appointment of Ronell van Rooyen as a non-executive director, who retires by rotation, but being eligible, offers herself for re-election in accordance with the Company's Memorandum of Incorporation for a further term of office be authorised and confirmed.

Ronell van Rooyen was first appointed to the Board in February 2012. A brief CV appears on page 24 of the Integrated Report.

5. ORDINARY RESOLUTION NUMBER FIVE

The re-appointment of Zane Meyer as an independent non-executive director

To resolve that the re-appointment of Zane Meyer as an independent non-executive director, who retires by rotation, but being eligible, offers himself for re-election in accordance with the Company's Memorandum of Incorporation for a further term of office be authorised and confirmed.

Zane Meyer was first appointed to the Board in August 2012. A brief CV appears on page 25 of the Integrated Report.

6. **ORDINARY RESOLUTION NUMBER SIX**

The re-appointment of Keneilwe Moloko as an independent non-executive director

To resolve that the re-appointment of Keneilwe Moloko as an independent non-executive director, who retires by rotation, but being eligible, offers herself for re-election in accordance with the Company's Memorandum of Incorporation for a further term of office be authorised and confirmed.

Keneilwe Moloko was first appointed to the Board in August 2012. A brief CV appears on page 25 of the Integrated Report.

7. **ORDINARY RESOLUTION NUMBER SEVEN**

The re-appointment of Heather Sonn as an independent non-executive director

To resolve that the re-appointment of Heather Sonn as an independent non-executive director, who retires by rotation, but being eligible, offers herself for re-election in accordance with the Company's Memorandum of Incorporation for a further term of office be authorised and confirmed.

Heather Sonn was first appointed to the Board in August 2012. A brief CV appears on page 25 of the Integrated Report.

8. **ORDINARY RESOLUTION NUMBER EIGHT**

The re-appointment of Zane Meyer as an audit committee member

To resolve that the re-appointment of Zane Meyer as an audit committee member, be authorised and confirmed. Information in respect of Zane Meyer is set out on page 25 of the Integrated Report.

9. **ORDINARY RESOLUTION NUMBER NINE**

The re-appointment of Keneilwe Moloko as an audit committee member

To resolve that the re-appointment of Keneilwe Moloko as an audit committee member, be authorised and confirmed. Information in respect of Keneilwe Moloko is set out on page 25 of the Integrated Report.

10. **ORDINARY RESOLUTION NUMBER TEN**

The re-appointment of Heather Sonn as an audit committee member

To resolve that the re-appointment of Heather Sonn as an audit committee member, be authorised and confirmed. Information in respect of Heather Sonn is set out on page 25 of the Integrated Report.

11. **ORDINARY RESOLUTION NUMBER ELEVEN**

Fees paid to directors

To resolve that the fees paid to the directors of the Company in respect of the year ended 31 March 2014, as set out in the annual financial statements on page 43, be approved.

12. **ORDINARY RESOLUTION NUMBER TWELVE**

Control of authorised but unissued shares

To resolve that all the unissued shares in the authorised share capital of the Company be and are hereby placed under the control of the directors of the Company, who are authorised to allot and issue the same to such persons and on such terms and conditions as they may determine in their sole and absolute discretion, subject to the provisions of the Companies Act 71 of 2008 and the JSE Listings Requirements."

13. **ORDINARY RESOLUTION NUMBER THIRTEEN**

Directors' or Company Secretary's authority to implement special and ordinary resolutions

To consider and, if deemed fit, to pass, without modification, the following ordinary resolution: To resolve that as an Ordinary Resolution that each and every director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting.

SPECIAL RESOLUTIONS

Each of the special resolutions below require the support of at least 75% of the votes cast by shareholders or represented by proxy at this meeting, in respect of each resolution in order to be adopted.

14. **SPECIAL RESOLUTION NUMBER ONE**

Financial Assistance

To consider and, if deemed fit, to pass, without modification, the following special resolution:

Resolved as a special resolution, in accordance with sections 45(2) and 45(3) of the Companies Act, No 71 of 2008, it is hereby resolved that the directors of the Company be and they are hereby authorised to provide direct or indirect financial assistance to a director or prescribed officer of the Company or of a related or inter-related Company, or to a related or inter-related Company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such Company, corporation, director, prescribed officer or member, subject to subsections (3) and (4) of the Companies Act, No 71 of 2008 and the Listings Requirements of the JSE Limited (JSE Listings Requirements); and resolved further, in accordance with sections 44(2) and 44(3) of the Companies Act, No 71 of 2008, the Company's board of directors be and they are hereby authorised to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any shares, issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any shares of the Company or a related or inter-related Company, subject to subsection (3) of the Companies Act, No 71 of 2008 and the JSE Listings Requirements."

15. **SPECIAL RESOLUTION NUMBER TWO**

Authority to repurchase shares

Resolved that, in accordance with the Memorandum of Incorporation of Prescient Limited and with effect from 6 August 2014, it is hereby approved as a general authority contemplated in the JSE Listings Requirements, the acquisition by Prescient Limited, or any of its subsidiaries from time to time, of the issued Ordinary Shares of Prescient Limited, upon such terms and conditions and in such amounts as the Directors of Prescient Limited or any of its subsidiaries may from time to time decide, but subject to the provisions of the JSE Listings Requirements (as presently constituted and as amended from time to time).

PARTICIPATION IN MEETING ELECTRONICALLY

Shareholders may participate (but not vote) in the AGM via teleconference, details of which are available from Mrs B Pieters. Access to the meeting by way of electronic participation will be at the shareholder's expense. However, only persons physically present at the AGM or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders.

By order of the Board

B Pieters
Company Secretary

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

Sponsor: Bridge Capital Advisors Proprietary Limited

FORM OF PROXY

PRESCIENT
LIMITED

FOR USE AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT 11:00 ON TUESDAY, 5 AUGUST 2014, AT PRESCIENT HOUSE, WESTLAKE BUSINESS PARK, OTTO CLOSE, WESTLAKE, 7945 AND AT ANY ADJOURNMENT THEREOF

For use by the holders of the Company's certificated ordinary shares ("certificated shareholder") and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("CSDP") who have selected own-name registration ("own-name" dematerialised shareholders).

Not for the use by holders of the Company's dematerialised ordinary shares who are not own-name dematerialised shareholders. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorization to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote thereat in accordance with their instructions.

I/We (full name in block letters)

Of (please print address)

being a shareholder of Prescient Limited and holding ______ ordinary shares in the Company, hereby appoint

1. of or failing him/her

2. of or failing him/her

3. the chairman of the annual general meeting,

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the ordinary resolutions and/or abstain from voting in respect of the Prescient ordinary shares registered in my/our name(s), in accordance with the following instructions:

	FOR	AGAINST	ABSTAIN
Ordinary resolution number one Receive and adopt the annual financial statements			
Ordinary resolution number two Re-appointment of the auditor of the Company			
Ordinary resolution number three Re-appointment of Murray Louw as Chairman			
Ordinary resolution number four Re-appointment of Ronell van Rooyen as a non-executive director			
Ordinary resolution number five Re-appointment of Zane Meyer as an independent non-executive director			
Ordinary resolution number six Re-appointment of Keneilwe Moloko as an independent non-executive director			
Ordinary resolution number seven Re-appointment of Heather Sonn as an independent non-executive director			
Ordinary resolution number eight Re-appointment of Zane Meyer as an audit committee member			
Ordinary resolution number nine Re-appointment of Keneilwe Moloko as an audit committee member			
Ordinary resolution number ten Re-appointment of Heather Sonn as an audit committee member			
Ordinary resolution number eleven Fees paid to directors			
Ordinary Resolution number twelve Control of authorised but unissued shares			
Ordinary Resolution number thirteen Directors' or Company Secretary authority to implement special and ordinary resolutions			
Special Resolution number one Financial Assistance			
Special Resolution number two Authority to repurchase shares			

**Please indicate with an "X" in the appropriate spaces above how you wish your votes to be cast.*

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at on 2014

Member's signature

Assisted by (if applicable)

Please read the notes on the reverse side.

FORM OF PROXY (CONTINUED)

Notes

1. This form proxy is to be completed only by those members who are:
   a. holding shares in a certificated form; or
   b. recorded in the sub-register in electronic form in their "own name".
2. Members who have dematerialised their shares other than own-name dematerialised shareholders, and who wish to attend the annual general meeting must contact their Central Securities Depository Participant ("CSDP") or broker who will furnish them with the necessary authority to attend the annual general meeting, or they must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the members and their CSDP or broker.
3. Each member is entitled to appoint one or more proxies (who need not be a member(s) of the Company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting.
4. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all the member's votes exercisable thereat.
6. A member or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such member or represented by such proxy, but the total number of votes for or against the ordinary resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the member or his/her proxy is entitled.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer office or waived by the chairman of the annual general meeting.
8. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.
9. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
10. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company's transfer secretaries.
12. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.
13. Forms of proxy must be lodged with the transfer secretaries at the address given below by no later than 12:00 on Thursday, 31 July 2014:

Transfer secretaries

Link Market Services (Pty) Limited
13th Floor, Rennie House, 19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Telephone: +27 11 713 0800

e-mail: info@linkmarketservices.co.za

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	Forward 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

GLOSSARY OF TERMS (CONTINUED)

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 Property Holdings	Prescient Property Holdings Proprietary Limited
Prescient Property Investment Management	Prescient Property Investment Management Proprietary 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
QIF	Qualified Investor Fund
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

ince